

of foreclosure proceedings under this Mortgage, (ii) the entry of judgment hereunder or under the Note, or (iii) a Sheriff's sale of any of the Mortgaged Premises.

(f) Mortgagee may disaffirm and cancel any lease which is subordinate to this Mortgage at any time before the expiration of sixty (60) days after Mortgagee acquires the legal title to the Mortgaged Premises by any transfer pursuant to the exercise of a remedy hereunder or otherwise, even though Mortgagee shall have enforced such lease, collected rents thereunder or taken any action that might be deemed by law to constitute an affirmation of the lease. Such disaffirmance shall be made by notice addressed to the tenant at the Mortgaged Premises or, at Mortgagee's option, such other address of the tenant as may be provided in that tenant's lease.

(g) Mortgagee may take possession of any of the Mortgaged Premises and may sell such property pursuant to the provisions of the Uniform Commercial Code of the State of South Carolina and exercise such other rights and remedies with respect to such property as may be provided by said Code. Mortgagee may apply the proceeds of such sale received by Mortgagee to the payment of any or all of the following, in such order and amounts as Mortgagee, in its sole discretion, may elect: Liens on any of the Mortgaged Premises, taxes, claims, insurance premiums, other carrying charges, invoices of persons who have supplied goods or services to or for the benefit of any of the Mortgaged Premises, costs and expenses of maintenance, repair, restoration, renovation, alteration or improvement of any of the Mortgaged Premises, the outstanding principal balance of the Loan, or accrued interest.

(h) Mortgagee may apply on account of the indebtedness hereby secured the balance of the accumulated installment payments made by Mortgagor for taxes, water and sewer rents and insurance premiums under Section 8 above.