

and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Mortgage.

5.07 Subrogation. To the extent that proceeds of the Note are owed to pay any outstanding lien, charge or prior encumbrance against the Property, such proceeds have been or will be advanced by Mortgagee at Mortgagor's request and Mortgagee shall be subrogated to any and all rights and liens owed by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

5.08 No Merger. If both Lessor's and Lessee's estates under any lease or any portion thereof which constitutes a part of the Premises shall at any time become vested in one owner, this Mortgage and lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Mortgagee shall continue to have and enjoy all of the rights and privileges of Mortgagee as to the separate estates. In addition, upon the foreclosure of the lien created by this Mortgage on the Premises pursuant to the provisions hereof, any leases or subleases then existing and created by Mortgagor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Mortgagee shall so elect by making such lessee or sublessee a party defendant in the action foreclosing this Mortgage and in which action such lessee's or sublessee's rights are adjudicated to be subordinate to the lien of this Mortgage and the rights of such lessee or sublessee are foreclosed by the judgment of foreclosure and sale.

5.09 Cumulative Defaults. It is understood and agreed by Mortgagor that the "events of default" described in Section 4.01 of this Mortgage are cumulative of and in addition to any "events of default" as may be contained in any of the other Loan Instruments.

5.10 Flood Plain. Mortgagor represents and warrants to Mortgagee no part of the Premises is situated within a flood plain, flood prone area, special flood hazardous area or the like, as so designated by the applicable Flood Hazard Boundary Map or any such similar map or plat issued or controlled by the Federal Insurance Administration and/or any other federal agency appointed to regulate such matters under the Federal Flood Disaster Protection Act, as amended (and that Mortgagor indemnifies and holds Mortgagee safe and harmless from any claims and/or costs arising against or incurred by Mortgagee if any part of the Premises is, in fact, determined to be in such an area).

5.11 Release. Upon payment of all sums secured by this Mortgage, this Mortgage shall become null and void, and Mortgagee shall release and satisfy this Mortgage; otherwise, it shall remain in full force and virtue.

EXECUTED in front of witnesses by Mortgagor on the date of Mortgagor's acknowledgment, but effective and dated for all purposes as of December 21, 1983.

PARK CENTRAL COMPANY,
a South Carolina limited partnership
[SEAL]

WITNESSES:

Lois H. Bue

By

JEM

James T. Cobb
Managing General Partner

Margie B. Bue

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