

4.09 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 shall be deemed 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.

4.10 No Merger. Upon the foreclosure of the lien created by this Mortgage on the Property 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 or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Mortgagee or any such purchaser shall constitute a termination of any lease or sublease unless Mortgagee or such purchaser shall give written notice thereof to such tenant or subtenant.

4.11 Space Leases. Any and all leases between Mortgagor and others with respect to any portion of the Property shall be, and shall remain subject and subordinate to, the lien of this Mortgage, unless Mortgagee has requested that any of them be made superior to such lien, in which event Mortgagor at his expense shall have taken all steps necessary to meet such request. Mortgagor shall deliver to Mortgagee with respect to any lease as to which Mortgagee may so request, a lease ratification agreement in form and substance satisfactory to Mortgagee, executed by the tenant and the landlord thereunder and stating (i) the amount of rental payable under such lease, (ii) the commencement and the termination dates of the original term of such lease and (iii) that (a) such lease is in full force and effect, (b) such lease has not been modified or amended, (c) the tenant is occupying the premises demised thereunder and is paying the full lease rental, (d) no rental payments have been made in advance (except as Mortgagee may have approved) and (e) all work required to be performed by the landlord under such lease has been completed.

4.12 Nondisturbance. Mortgagee acknowledges that Mortgagor has leased the Property to Fee Owner by the Improvements Lease. A memorandum of the foregoing lease is recorded in the Office of the Register of Mesne Conveyances of Greenville County, South Carolina, subsequent to the recordation of this Mortgage. Notwithstanding the order in