

after the Surety's request a written and duly acknowledged statement of the amount due under the First Secured Note, the Second Secured Note, the Loan Agreement, the First Mortgage, the Reimbursement Agreement and under this Mortgage and whether any alleged offsets or defenses exist against the indebtedness hereby secured by the First Mortgage.

SECTION 29. SUBROGATION.

If any part of the Indebtedness Hereby Secured is used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then the Surety shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

SECTION 30. OPTION TO SUBORDINATE.

At the option of the Surety, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all Leases of all or any part of the Premises upon the execution by the Surety and recording thereof, at any time hereafter, in the Office of the Register of Mesne Conveyances in and for the county wherein the Premises are situated, of a unilateral declaration to that effect.

SECTION 31. GOVERNING LAW; INVALIDITY OF CERTAIN PROVISIONS.

This Mortgage shall be construed and enforced according to the laws of the State of South Carolina, without reference to the conflicts of law principles of that State.

If the lien of this Mortgage is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, 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 not fully secured by the lien of this Mortgage.

SECTION 32. LOAN LEGAL.

The Developer declares, represents, warrants, certifies and agrees that the proceeds of the Second Secured Note will be used solely for the purposes specified in the Loan Agreement and the Act and that the Loan and all interest, fees, charges and other payments made or required to be made with respect thereto under the Second Secured Note and the other Second Mortgage Documents does not violate any usury or other law of the State of South Carolina. The Loan is a business loan and is an exempted transaction under the Truth in Lending Act, 12 U.S.C. Section 1601 et. seq., and does not, and when disbursed will not, violate the provisions of the usury consumer credit or other laws of any state which may have jurisdiction.

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