

22. Choice of Law.

This Mortgage shall be governed by the laws of the State of South Carolina.

ASSIGNMENT OF LEASES, RENTS AND PROFITS

23. In order to better and further secure the performance of the obligations of mortgagor under this Mortgage and the Security Documents and the payment of the Indebtedness, mortgagor hereby sells, transfers, sets over and assigns to mortgagee all of its right, title and interest in and to that certain Net Lease of even date herewith between mortgagor, as Landlord, and Rhodes, Inc., as Tenant (the "Net Lease") and all other present and future leases, written or oral, including any present or future security deposits, and all present and future agreements for the use or occupancy of any portion of the Mortgaged Property including, but not limited to subleases and tenancies, and all modifications, extensions, renewals and/or substitutions of, to and/or for the same (all such leases, agreements, subleases, and tenancies heretofore mentioned, together with all such modifications, extensions, renewals and substitutions, are hereinafter collectively included in the designation "Lease"), and together with all rents, income and profits now or hereafter arising from the Lease and together with all rents, income and profits due or to become due from the Mortgaged Property. The Net Lease shall be subject and subordinate to this Mortgage or any new mortgage which any owner of the Mortgaged Property may hereafter at any time elect to place on the Mortgaged Property, provided that in the event of foreclosure or other rights asserted under this Mortgage or under any such new mortgage by the mortgagee thereunder, so long as the tenant under the Net Lease is not in default under the terms and provisions of the Net Lease, mortgagee of this Mortgage or of any such new mortgage or any purchaser at foreclosure or recipient or grantee of any deed in lieu of foreclosure shall recognize such tenant's rights under the Net Lease, including, but not limited to, such tenant's right to possession, quiet enjoyment, renewal options and purchase option of the demised premises thereunder, and such tenant will attorn to any such mortgagee purchaser, recipient, or grantee who succeeds to the rights of the landlord under the Net Lease and will recognize such party as its landlord under the terms of the Net Lease.

a) To protect the security of this Assignment, mortgagor covenants:

(i) To observe and perform all of the obligations imposed upon the landlord in the Lease and not to do or permit to be done anything to impair the security thereof; that the Lease is valid and enforceable and that the tenant is not in default under any of the terms thereof; that no rent reserved in the Lease has been anticipated or assigned; not to collect any of the rents, income and profits arising or accruing from the Mortgaged Property in advance of the time when the same becomes due under the terms of the Lease; not to discount any future accruing rents; not to execute any other assignment of rents unless the same shall recite that it is subject to the terms hereof; and not to alter, modify or change the terms of the Lease, or surrender, cancel or terminate the same without the prior written consent of mortgagee, except in the ordinary course of mortgagor's business.