

and the priority thereof, and all costs of collection (including actual attorneys' fees) incurred by First Mortgagee.

5. MISCELLANEOUS

a. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

b. The rights, duties, and obligations of the parties hereto shall be binding upon them and their respective successors and assigns and may be transferred and assigned by either party hereto.

c. This Agreement has been entered into for the benefit of First Mortgagee and Second Mortgagee only, and no other person or party (including, without limitation, Borrower) shall have any rights hereunder, whether as third party beneficiary or otherwise.

d. All notices required or permitted to be given hereunder shall be given by certified mail, return receipt requested, to the following addresses:

If to First Mortgagee:

R. W. PHILLIPS
RT 5
COLUMBIA, SC 29151

If to Second Mortgagee: THE FIRST NATIONAL BANK OF CHICAGO
One First National Plaza
Chicago, Illinois 60670
Attention: Law Department

With a copy to:

The First National Bank of Chicago
Suite 1700, 400 Colony Square
Atlanta, Georgia 30361

Each party hereto shall have the right to change the address above-said, and notice of such change shall be given to the other party in the manner abovesaid. All notices required or permitted hereunder shall be effective when sent, but the time within which any response to such notice must be made or commenced shall commence to run only upon the date of actual receipt of said notice by the addressee thereof.

e. First Mortgagee agrees that neither the execution and delivery of the Second Mortgage nor the exercise of any power of sale or other foreclosure thereunder does or shall constitute a default or event of default under the First Mortgage.