

encumbrances; and that said Mortgagor hereby covenants for itself and its successors in interest to warrant and defend the title thereto and every part thereof against the claims of all persons whomsoever; and the Mortgagor will execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all and every such further assurances in law for the better assuring, conveying, assigning and transferring unto Mortgagee all and singular the mortgaged property hereby conveyed, assigned or transferred, or intended so to be, or which Mortgagor may be or hereafter become bound to convey, assign or transfer to the Mortgagee, in such manner as the Mortgagee shall require.

This conveyance is made to secure to the Mortgagee the payment of a certain promissory note (hereinafter referred to as the "Note") of even date, executed by the Mortgagor, and substantially in the following tenor, to-wit:

NOTE SECURED BY MORTGAGE.

\$240,000.00

November 7, 1938.

FOR VALUE RECEIVED, McDANIEL HEIGHTS APARTMENT CORPORATION', a corporation of the State of South Carolina, promises to pay to FEDERAL NATIONAL MORTGAGE ASSOCIATION, or order, at its principal office in the City of Washington, District of Columbia, or at such place as may be designated in writing by the holder of this note, the principal sum of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000.00), with interest thereon at the rate of four and one-half (4½%) per centum per annum, as follows:

Interest shall be payable monthly on December 1, 1938, and on the first day of each month thereafter up to and including the month of May, 1940, thereafter, commencing on June 1, 1940, instalments of interest and principal shall be paid in the sum of Thirteen Hundred Dollars (\$1300.00) each, such payments to continue monthly thereafter, on the first day of each consecutive month until said indebtedness shall have been paid and satisfied in full; in any event, the whole balance of principal, if any, remaining unpaid, plus accrued interest, shall be due and payable on August 1, 1966. The instalments of interest and principal shall be applied, first, to the interest at the rate of four and one-half (4½%) per centum per annum, as aforesaid, upon the principal sum, or so much thereof as from time to time remains unpaid, and the balance thereof shall be applied on account of principal.

In addition to and concurrently with the foregoing instalments of interest and principal, the undersigned promises to make monthly payments, beginning on the first interest payment date and on each interest payment date thereafter, in such amounts as are required by the mortgage securing this note, to be applied as therein set forth.

Time is of the essence of this contract and should default be made in the payment of interest or of any instalment when due, the whole sum of principal, together with interest accrued thereon, shall become immediately due and payable, without notice, at the option of the holder of this note. Said principal sum or any instalment thereof shall bear interest after the due date until paid at the rate of five (5%) per centum per annum.

The makers, endorsers, sureties, guarantors and all other parties now or hereafter personally liable hereon waive presentment, demand for payment, protest and notice of dishonor, and the endorsers, sureties and guarantors consent that the owner or holder hereof shall have the right, without notice, to deal in any way at any time with any party hereto or to grant to any such party any extensions of time for payment of any of said indebtedness or any other indulgences or forebearances whatsoever, or may release any of the security for this note, without in any way affecting the personal liability of any party hereunder.

Additional principal payments on the indebtedness evidenced hereby may be made in multiples of ONE THOUSAND DOLLARS (\$1,000) of the first day of June of any year, without premium or penalty, provided all monthly payments of principal and interest which are due and payable have been made. Any such additional payments shall reduce the amount of the monthly instalment thereafter payable by an amount equal to the product obtained by multiplying the amount shown in the following Schedule opposite the date of which such additional payment is made, by the number of multiples of ONE THOUSAND DOLLARS (\$1,000) included in such payment:

SCHEDULE

<u>Date of Additional Payment</u>	<u>Amount of Reduction in Monthly Instalment for each \$1,000 of Additional Payment</u>
June 1, 1940	\$5.33
" 1, 1941	5.44
" 1, 1942	5.56
" 1, 1943	5.68
" 1, 1944	5.82
" 1, 1945	5.97
" 1, 1946	6.14
" 1, 1947	6.33