

5.1 This Mortgage shall be construed as a Security Agreement under the South Carolina Uniform Commercial Code.

6. In the event the property, or any part thereof, hereby mortgaged shall be condemned and taken for public use under the power of eminent domain, the Mortgagee, its successors and assigns shall have the right to demand that all damages awarded for the taking of, or damages to, said mortgaged property shall be paid to the Mortgagee, its successors or assigns up to the amount then unpaid on this Mortgage and may be applied upon the payment or payments last payable hereon but subject to the rights of the holder(s) of the mortgage superior hereto. Further, Mortgagee agrees that if the holder(s) thereof shall make any such damage award available for repair, then Mortgagee shall also make same available for repair of the mortgaged property.

7. The terms "Mortgagor" and "Mortgagee," whenever used in this instrument, shall include the heirs, personal representatives, successors, and assigns of the respective parties hereto. Whenever they are used in singular number they shall include the plural; use of the plural likewise shall include the singular; and the use of any gender shall include all genders.

8. In the event this Mortgage shall be in default (which includes the mortgage superior hereto being in default), then this Mortgage and all indebtedness secured hereby shall immediately become due and payable, and Mortgagor shall have a grace period to cure same, which grace period shall be (i) if the default is a monetary default, ten (10) days after the sending by Mortgagee of written notice thereof to Mortgagor, or (ii) thirty (30) days after the sending of written notice thereof to Mortgagor for any other default under this Mortgage.

8.1 Anything in this Mortgage or in the Note secured hereby to the contrary notwithstanding, Mortgagee may not exercise any right or remedy for default hereunder or the Note secured hereby until Mortgagee shall give written notice to Mortgagor of such default and Mortgagor shall fail to cure same within the time period set forth in Paragraph 8 hereof. Said notice shall be mailed to Mortgagor at its address below, postage prepaid, certified or registered, return receipt requested.

9. By the acceptance of this Mortgage, Mortgagee and Mortgagor each agrees with the other that in the event either of them receives a written notice from the holder(s) of mortgage superior hereto, a copy of such notice will be served upon the other party hereto within two (2) business days after the receipt of such notice.

10. All notices, as required by this Mortgage, shall be effective if given in writing and sent by United States Registered or Certified Mail, Return Receipt Requested, with postage prepaid, and addressed directly to the parties hereto at their respective addresses, shown below, or at such other addresses as either party may designate by written notice from time to time:

FOR THE MORTGAGOR:

Consolidated Capital Properties II  
1900 Powell Street, Suite 1000  
Emeryville, California 94608  
Attn: Victor Druskin, Esq.

FOR THE MORTGAGEE:

Club Key East Limited Partnership  
c/o 37 Villa Road, Suite 516  
Greenville, South Carolina 29615