

Seller in connection with the initial sale or initial lease of a Unit as provided in this Section 4.3, no further Additional Consideration shall be payable to Seller with respect to such Unit. As security for the payment of the Additional Consideration, Purchaser shall grant Seller a mortgage (the "Mortgage") on the Hayward Parcel and the Property acquired by Purchaser pursuant to this Agreement. The Mortgage shall be a second mortgage, which shall be second in priority and subordinate to the lien of Purchaser's first mortgage to an institutional lender securing Purchaser's land acquisition, site improvement and construction financing. The Mortgage shall include reasonable provisions acceptable to Purchaser's lender, in the reasonable discretion of Purchaser's lender, which provisions may include, but not limited to, a prohibition on Seller's remedy of foreclosure without the consent of Purchaser's lender. The form and content of the Mortgage shall be subject to the mutual agreement of Seller, Purchaser, Purchaser's lender and their respective counsel. At the closing of the sale of each Unit or the execution of the lease agreement for each Unit leased, as the case may be, Seller shall release such Unit from the Mortgage upon receipt of the Additional Consideration due in connection with such Unit.

4.4 Purchaser shall pay Seller a fee (the "Development Fee") based upon the Unit density per acre (rounded to the nearest whole number) contained in the Approvals (regardless of the permissible density under the applicable zoning ordinance). The Development Fee shall be calculated in accordance with the following schedule:

<u>Unit Density/Acre</u>	<u>Development Fee payable to Seller</u>
10	\$225,000
11	\$295,000
12	\$365,000
13	\$435,000
14	\$505,000
15 or more	\$570,000

The Development Fee shall be payable to Seller, in full, at the Closing.

4.5 Purchaser shall pay Seller a fee (the "Hayward Fee") equal to the amount by which Purchaser's cost to acquire the Hayward Parcel is less than ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000). The Hayward Fee shall be paid by Purchaser to Seller simultaneously with the closing of the purchase of the Hayward Parcel.