

WHEREAS, the parties agree that each would contribute to the success of the within Project and desire to enter into this Agreement subject to its express terms and conditions; and

WHEREAS, ASC and Developer desire to amend their prior agreement to set forth their new agreements;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the undersigned parties agree as follows:

(1) That the prior Agreement between the Parties dated March 16, 1981, is hereby declared null and void and all transactions between the parties with respect to the Project shall be governed by the terms and conditions of this Agreement.

(2) That ASC has acquired the lands described in Exhibit A (including costs connected therewith) and has executed purchase money mortgages in connection therewith.

(3) That ASC will be responsible for obtaining all necessary funds whether by mortgage or otherwise for the the complete cost of the land acquisition, all development costs of the Project including, but not limited to, site development, construction costs for all residential units built on the Project, the downpayment on the land, engineering and architectural fees, legal expenses, builders' risk and liability insurance premiums, setting up of any sales office, loan costs, and all other reasonable expenditures connected with the acquisition, development, construction and sale of the Project, all of which shall be deemed expenses of the Project. Should it become necessary to expend funds to obtain permanent financing (such as buying commitments from Fannie Mae and Freddie Mac, other governmental agency loans or from any other sources) said

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