

and incorporated herein by this reference thereto and of the promissory note secured thereby (hereinafter referred to as the "Second Note") (the Second Mortgage and the Second Note being hereinafter collectively referred to as the "Second Loan Documents"); and

WHEREAS, Second Mortgagee proposes to make a loan (hereinafter referred to as the "Loan") to Borrower in the principal amount not to exceed \$1,500,000, said Loan to be secured in part by an assignment of the Second Loan Documents, subject to the First Mortgage to secure said Loan; and

WHEREAS, according to its terms, said assignment will also secure a loan from Lender to U.S. Shelter Corporation, the parent of Borrower; and

WHEREAS, Second Mortgagee is unwilling to make the Loan unless First Mortgagee and Second Mortgagee enter into this Agreement; and

WHEREAS, First Mortgagee is willing to enter into this Agreement with Second Mortgagee.

NOW, THEREFORE, for and in consideration of the premises and of the covenants and agreements and warranties herein set forth and as an inducement to Second Mortgagee to make the Loan abovesaid, First Mortgagee and Second Mortgagee hereby warrant, covenant, and agree as follows:

1. WARRANTIES OF FIRST MORTGAGEE. First Mortgagee hereby warrants to Second Mortgagee as follows:

- a. That First Mortgagee is the owner and holder of the First Loan Documents;
- b. That the First Loan Documents have not been amended in any way except as herein expressly indicated;
- c. That First Mortgagee knows of no defaults or events of default or events which, with the passage of time or the giving of notice or both, would constitute a default or an event of default under the First Loan Documents;
- d. That the First Loan Documents evidence and secure an indebtedness in the present principal amount of \$ 80,000⁰⁰ ;
- e. That the execution and delivery of this Agreement has been duly authorized by First Mortgagee.

INITIAL

<i>[Signature]</i>
MFW

J.P.T.

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