

NON-RECOURSE SUBORDINATE DEED OF TRUST

THIS NON-RECOURSE SUBORDINATE DEED OF TRUST is made and entered into as of the 1st day of December, 2000, by **Crestmore Townhomes Limited Partnership**, a Nevada limited partnership, whose address is 2380 Science Parkway, Suite 101, Okemos, Michigan 48864 ("Grantor"), to **DAVID A. BARSKY, ESQ.**, Krooth & Altman LLP, 1850 M Street, N.W., Suite 400, Washington, D.C. 20036, as Trustee ("Trustee"), for the benefit of **PW FUNDING INC.**, a Delaware corporation, whose address is 200 Old County Road, Suite 580, Mineola, New York 11501 ("Beneficiary").

WITNESSETH:

In order to secure the payment of a certain Promissory Note (Forward Commitment Deposit Fee) (the "Note") from the Grantor to the Beneficiary, of even date herewith, evidencing an indebtedness in the original principal amount of FIFTY THOUSAND DOLLARS (\$50,000.00), lawful money of the United States, payable with interest in the amount and to the extent stated therein, to be repaid in full no later than July 1, 2003, the Grantor hereby conveys to the Trustee for the benefit of the Beneficiary all of that certain real property, inclusive of the improvements and fixtures now or hereafter located thereon or attached thereto, which is situate in the County of Douglas, State of Nevada (the "Property") which is more particularly described as follows:

See Exhibit "A" attached hereto

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NOW THEREFORE, for and in consideration of the premises, one dollar (\$1.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree and the Grantor hereby covenants with the Beneficiary as follows:

1. That Grantor will pay the indebtedness evidenced by the Note, as hereinbefore provided.
2. That Grantor will keep all improvements located on the Property insured against loss by fire for the benefit of Beneficiary; that it will assign and deliver the policies to Beneficiary, which policies shall name the Beneficiary as an additional insured; and that the Grantor will reimburse the Beneficiary for any premiums paid for insurance, in the event the Grantor defaults in its obligation to keep such insurance coverage in place.
3. That no improvements on the Property shall be removed or demolished without the written consent of the Beneficiary.
4. That the whole of the indebtedness evidenced by the Note shall become due and payable at the option of Beneficiary, after default in the payment thereof or the breach by the Grantor of any of its payment or performance obligations hereunder, time being of the essence,
5. That the holder of the Note and this Mortgage, in any action to foreclose hereunder, shall be entitled to the appointment of a receiver.
6. That Grantor will pay all taxes, assessments, or water rates, and in default thereof, the Beneficiary may pay the same, which payment(s) shall be added to the indebtedness evidenced by the Note and be secured hereby.

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7. That the Grantor, within twenty (20) days, upon request in person, or within thirty (30) days, upon request by mail, will furnish a written statement duly acknowledged of the amount due on the Note and whether any offsets or defenses exist against the indebtedness evidenced thereby.

8. That notice and demand or request hereunder may be in writing and may be served in person or by mail.

9. That the Grantor warrants the title to the Property, subject to any and all matters of record.

10. Notwithstanding anything to the contrary contained herein, any and all terms and conditions herein shall be subject and subordinate to any first or second deed of trust or mortgage representing construction and/or permanent financing on the real property encumbered hereby.

11. Except as otherwise provided in this paragraph, Grantor shall have no personal liability under the Note or this Deed of Trust for the repayment of the indebtedness evidenced hereby, and Beneficiary's sole recourse for satisfaction of such indebtedness shall be its exercise of its rights and remedies under such Deed of Trust; provided, however, that Grantor shall be personally liable to Beneficiary for the repayment of this Non-Recourse Delivery Assurance Note for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Beneficiary as a result of fraud or material misrepresentation by Grantor, or any partner or employee of Grantor in connection with the application for or creation of this indebtedness or any request for action or consent by Beneficiary. To the extent that Grantor has personal liability to the Beneficiary, Beneficiary may exercise its rights against Grantor without regard to whether

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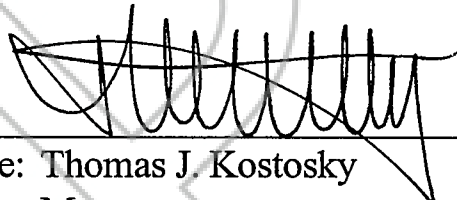
Beneficiary has exercised any rights against the property encumbered by the Deed of Trust or pursued any other rights available to Beneficiary.

IN WITNESS WHEREOF, this Non-Recourse Subordinate Deed of Trust has been duly executed and delivered by the Grantor, as of the day and year first above written.

GRANTOR:

Crestmore Townhomes Limited Partnership,
a Nevada limited partnership

By: Oakwood Gardnerville, L.L.C.
a Michigan limited liability company
its General Partner

By: 
Name: Thomas J. Kostosky
Title: Manager

Attachment:

Exhibit "A" - Legal Description

**THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING SHOULD
PLEASE BE RETURNED TO:**

Amy Bernstein Cleary, Esq.
PW Funding Inc.
200 Old Country Road
Suite 580
Mineola, New York 11501

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco

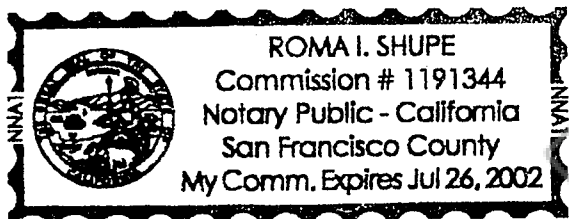
} ss.

On December 19, 2000, before me, Roma I. Shupe, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Thomas J. Kostosky
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Roma I. Shupe
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

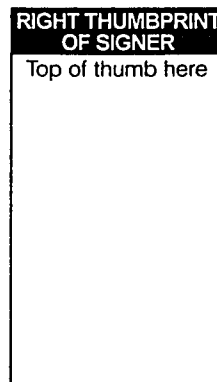
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



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Attachment:

Exhibit "A" - Legal Description

**THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING SHOULD
PLEASE BE RETURNED TO:**

Amy Bernstein Cleary, Esq.
PW Funding Inc.
200 Old Country Road
Suite 580
Mineola, New York 11501

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LEGAL DESCRIPTION

All that real property situate in the County of Douglas , State of Nevada, described as follows:

Being a portion of the Northwest 1/4 and Southwest 1/4 of Section 3, Township 12 North, Range 20 East, M.D.B.& M., further described as follows:

Parcel 3 of Parcel Map LDA 99-053, for HERBIG PROPERTIES LIMITED filed for record in the office of the County Recorder of Douglas County, State of Nevada on September 14, 1999, Book 999, Page 2558, as Document No. 476559 and by Certificate of Amendment recorded November 3, 2000, Book 1100, Page 468, as Document No. 502690, Douglas County, Nevada records, and further described as follows:

COMMENCING at the Northwest corner of Parcel 3 as shown on said Parcel Map LDA 99-053, THE TRUE POINT OF BEGINNING;

Thence along the Easterly right-of-way of Waterloo Lane (also known as Stodick Parkway) as shown on said Parcel Map, North 61°07'36" East, 432.20 feet;

Thence along the arc of a curve to the right having a radius of 30.00 feet, a central angle of 87°43'30", an arc length of 45.93 feet, a chord bearing and distance of South 75°00'39" East, 41.58 feet;

Thence South 31°08'54" East, 569.69 feet;

Thence South 00°23'56" East, 346.14 feet;

Thence North 86°36'53" West, 455.58 feet;

Thence North 00°23'56" West, 422.11 feet;

Thence North 66°48'16" West, 33.08 feet;

Thence North 84°09'09" West, 229.72 feet to a point on said East right-of-way of Elges Avenue;

Thence along said East right-of-way, North 00°21'36" East, 150.32 feet to THE POINT OF BEGINNING.

A.P.N. 1220-03-000-015

REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 DEC 20 AM 10: 53

LINDA SLATER
RECORDER

\$ 13⁰⁰ PAID *Bh* DEPUTY

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