

M77005 To

RECORDING REQUESTED BY

NOVUS Financial Corporation  
4909 East 26th Street  
Sioux Falls, SD 57110

This Space Reserved for Recorder

940-2-390-406595

SUBORDINATION AGREEMENT

This Agreement, made this 22ND day of JULY, 1998 by LAWRENCE N PELL AND MERCEDES A PELL, HUSBAND AND WIFE, CO-TRUSTEES OF THE PELL FAMILY TRUST DATED APRIL 30, 1986, owner(s) of the land hereinafter described ("Owner"), and NOVUS Financial Corporation, present owner and holder of the note and beneficiary of the trust deed first hereinafter described (NFC);

WITNESSETH

WHEREAS, In order to secure a loan in the principal amount of \$ 50,000.00 plus interest thereon, Owner did execute a trust deed in favor of NFC, dated 2/27/1998, which trust deed was recorded on 03/05/1998, as Document Number 0434106, (or in Book 0398, Page 0964), in the County of DOUGLAS, State of NEVADA, covering the premises at 225 S. ARLINGTON, RENO, NV 89501, more particularly described in Exhibit "A" attached hereto and made a part thereof by reference.

WHEREAS, NOVUS FINANCIAL CORPORATION ("Lender"), is about to loan the sum of \$ 100,000.00 through a promissory note to Owner, secured by a trust deed on and covering the above-described premises; and

WHEREAS, Lender is willing to make such loan, provided that the trust deed held by NFC is subordinated to the lien of the trust deed about to be made in favor of Lender as set forth above.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, IT IS HEREBY DECLARED, UNDERSTOOD AND AGREED as follows:

1. NFC and Owner hereby covenant, consent and agree that the above-mentioned trust deed held by NFC is and shall continue to be subject and subordinate in lien to the lien of the trust deed about to be made in favor of Lender as stated above. NFC and Owner further agree that the lien of the trust deed in favor of Lender is and shall continue to be a lien prior to and superior to the lien of the trust deed in favor of NFC.

2. NFC and Owner declare and acknowledge that they intentionally subordinate the trust deed in favor of NFC to the trust deed in favor of Lender, and understand that in reliance upon and in consideration of this subordination, Lender will make its loan to Owner and Lender would not make said loan but for this subordination.

3. Such subordination shall be for the principal sum of said note of Lender and accrued interest thereon, and other costs and fees as set forth in Lender's Trust Deed and said Note, but shall not apply to future advances whether pursuant to a Future Advance clause or otherwise.

0445681

BK0798PG6445

4. This Subordination Agreement contains the whole agreement between the parties hereto as to the priority of the trust deed of NFC and the trust deed about to be made in favor of Lender, and there are no other agreements, written or oral, outside and separate from this Agreement, and all prior negotiations, if any, are merged with this Agreement.

IN WITNESS WHEREOF, NFC and Owner have executed this instrument on the day and year first above written.

NOVUS Financial Corporation

By: [Signature]  
Printed Name: DEBORAH S RICHARDS  
Its: VICE PRESIDENT

OWNER

By: [Signature]  
Printed Name: LAWRENCE N. PELL

OWNER

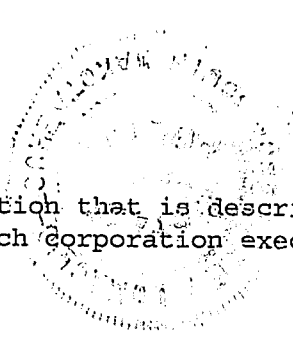
By: [Signature]  
Printed Name: MERCEDES A. PELL

STATE OF SOUTH DAKOTA )  
                                  ) SS:  
COUNTY OF MINNEHAHA )

On this 22ND day of JULY, 1998, before me personally appeared DEBORAH S RICHARDS known to me to be the VICE PRESIDENT of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed the same.

[Signature]  
Notary Public, State of South Dakota

My commission expires: My Commission Expires 11-22-03



SEAL

0445681

BK0798PG6446

STATE OF Nevada  
COUNTY OF Douglas SS:

On this 23rd day of July, 1998, before me personally appeared Mercedes Pelt, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged the he/she executed the same for the purposes therein contained.

Donna Round  
Notary Public, State of Nevada

My commission expires: Aug 7, 1998

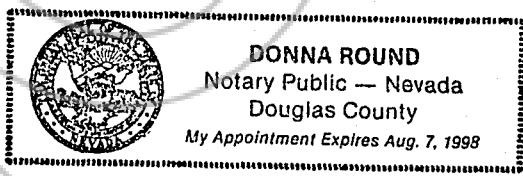


STATE OF Nevada  
COUNTY OF Douglas SS:

On this 23rd day of July, 1998, before me personally appeared Lawrence R. Pelt, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

Donna Round  
Notary Public, State of Nevada

My commission expires: Aug 7, 1998



0445681

BK0798PG6447

EXHIBIT A

LEGAL DESCRIPTION

LOT 16, IN BLOCK B, AS SET FORTH ON THE PLAT OF PINENUT MANOR NO. 1 AND 2, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON JUNE 16, 1980, AS DOCUMENT NO. 45348. A.P.N. 23-232-06

COPY

REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'98 JUL 29 P12:41

0445681

BK0798PG6448

LINDA SLATER  
RECORDER

\$ 10.00 PAID *[Signature]* DEPUTY