

WHEN RECORDED MAIL TO:  
Stephen V. Novacek, Esq.  
Hale, Lane, Peek, Dennison  
and Howard  
50 W. Liberty St., Suite 650  
P.O. Box 3237  
Reno, NV 89505

AGREEMENT EVIDENCING ADDITIONAL ADVANCE  
AND GRANTING ADDITIONAL SECURITY

THIS INDENTURE, made by and between NEVADA NATIONAL BANK, a national banking association, ("Beneficiary"), LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation ("Trustee") and JOSEPH F. ARROYO, a married man ("Trustor").

W I T N E S S E T H :

Recital:

Trustor borrowed \$1,085,000.00 from Bank in 1983. Such loan was evidenced by Trustor's note dated May 1, 1983, payable to Bank ("Note"). The Note was secured by a deed of trust encumbering certain real property situate in Douglas County, Nevada, and recorded on June 2, 1983, as Document No. 081126, Douglas County, Nevada, Official Records ("Deed of Trust"). Trustor desires Beneficiary to make an additional advance of \$205,000.00, to be secured by the Deed of Trust, and to grant Beneficiary additional security under the Deed of Trust for the repayment of the Note and such advance: hence Beneficiary, Trustee and Trustor agree as follows:

1. Additional Advance.

Beneficiary has advanced, and Trustor hereby promises to pay to Bank the additional sum advanced in the principal amount of \$205,000.00, together with interest thereon from July 12, 1985, until paid, at the annual rate of Beneficiary's prime rate plus 2% on or before November 1, 1985 ("Additional Advance"). All other terms and conditions of repayment of the Additional Advance shall be as set forth on the Note.

2. Security.

Repayment of the Additional Advance shall be secured by the Deed of Trust which shall retain its existing priority.

3. The Note.

The present principal balance due on account of the Note is \$717,000.00, with interest from paid to June 3, 1985.

4. Additional Security.

Trustor does hereby grant in trust to Trustee for the benefit of Beneficiary as security for payment of the Note and of the Additional Advance, all subject to all terms and conditions

of the Deed of Trust, the following property situate in Douglas County, Nevada:

a. All that certain land described in Exhibit "A" attached to this agreement; and

b. All those certain waters and water rights constituting three hundred and six (306) acre feet of water evidenced by Certificate No. 10418, and File No. 29697, in the Office of the State of Nevada Division of Water Resources, in Carson City, Nevada. Trustor hereby agrees that such waters and water rights shall be and hereby are characterized as real property, and shall be and remain appurtenant to the lands encumbered by the Deed of Trust and also the lands described in Exhibit "A" attached hereto.

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this instrument the day and year first above set forth.

Joseph F. Arroyo  
Joseph F. Arroyo  
"Trustor"

NEVADA NATIONAL BANK, a national banking association,

By: [Signature]  
Its: Lenny See, Vice President  
[Signature] Vice President  
"Beneficiary"

LAWYERS TITLE INSURANCE COMPANY, a Virginia corporation,

By: Donald S. Allen  
Donald S. Allen  
Its: Assistant Secretary  
"Trustee"

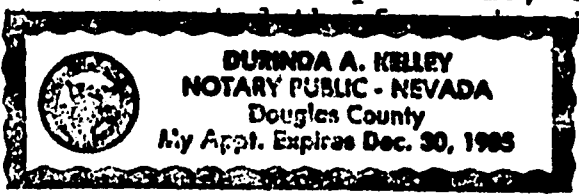
The undersigned Dolores Arroyo wife of Trustor joins in execution of this agreement to consent to Trustor's engagement to repay the Additional Advance and to encumber under the Deed of Trust any community property interest or title she may have in and to the property described in paragraph 4 above.

DATED: This 9th day of July, 1985.

Dolores Arroyo  
Dolores Arroyo

STATE OF Nevada )  
County of Douglas ) ss:

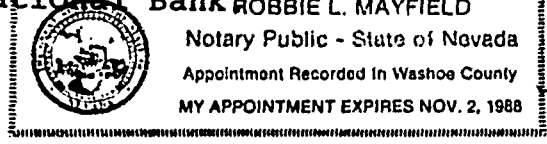
On June 21, 1985, 1985, personally appeared before me, a Notary Public, JOSEPH ARROYO, who acknowledged that he executed the foregoing instrument.



[Signature]  
Notary Public

STATE OF NEVADA )  
County of WASHOE ) ss:

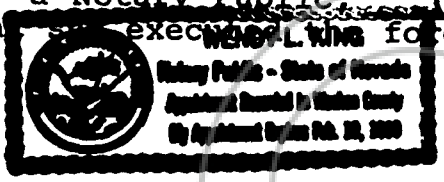
On JUNE 21, 1985, personally appeared before me, a Notary Public, Lenny See, who acknowledged that he executed the foregoing instrument on behalf of Nevada National Bank ROBBIE L. MAYFIELD



[Signature]  
Notary Public

STATE OF Nevada )  
County of Washoe ) ss:

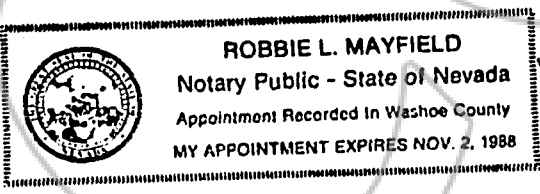
On July 9, 1985, personally appeared before me, a Notary Public, Donald S. Allen, who acknowledged that he executed the foregoing instrument.



[Signature]  
Notary Public

STATE OF NEVADA )  
County of WASHOE ) ss:

On June 21, 1985, personally appeared before me, a Notary Public, Donald S. Allen, who acknowledged that he executed the foregoing instrument on behalf of Lawyers Title Insurance Corporation.



[Signature]  
Notary Public

EXHIBIT "A"

PARCEL NO. 1

The North  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 28, Township 14 North, Range 20 East, M.D.B.&M.

EXCEPT THEREFROM the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of of said Section 28, Township 14 North, Range 20 East, M.D.B.&M.

FURTHER EXCEPTING THEREFROM the East 40 feet as Deeded to Douglas County, Nevada in instrument recorded September 18, 1978, in Book 978 of Official Records, at Page 1271, Douglas County, Nevada, as Document No. 25370

Assessment Parcel No. 21-070-03

PARCEL NO. 2

The Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 28, Township 14 North, Range 20 East, M.D.B.&M.

FURTHER EXCEPTING THEREFROM the East 40 feet as Deeded to Douglas County, Nevada in instrument Recorded September 18, 1978, in Book 978 of Official Records, at Page 1271, Douglas County, Nevada, as Document No. 25370

Assessment Parcel No. 21-070-04

Together with all waters and water rights appurtenant thereto or used in connection therewith.

REQUESTED BY  
**DOUGLAS COUNTY TITLE**  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

'85 JUL 12 P1:08 *07 ju*

4.  
Hale, Lane, Peek, Dennison and Howard  
Attorneys and Counsellors at Law  
Reno, Nevada

SUZANNE BEAUDREAU  
RECORDER  
\$ *8.00* PAID *JL* DEPUTY

**120078**  
BOOK 785 PAGE 1065