



**NEW MEXICO STATE LAND OFFICE**  
**APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS**

TO THE COMMISSIONER OF PUBLIC LANDS, SANTA FE, N. M.

Sir:

I am well acquainted with the character of state owned lands as described on the back of this form, located in SANTA FE County, New Mexico, together with statement of the natural character thereof and the condition thereof:

**CHARACTER OF LAND**

The land is best adapted for grazing or agriculture (EITHER). There are natural streams, springs, ponds, and water holes as follows: NONE NOTICED  
 There are irrigating ditches on land as follows: NONE NOTICED  
 Give depth of well nearest this land, and state location by section, township and range UNKNOWN

On said land there are NO acres natural hay land; \_\_\_\_\_ acres agricultural land, without irrigation, \_\_\_\_\_ acres of irrigable land, \_\_\_\_\_ acres in actual cultivation, and NO acres timber land. State kind of timber, quality and present condition APPEARS TO HAVE 2 OR 3 OLD COTONWOOD TREES.  
 Is there mineral or coal on the land? UNLIKELY. If so, state location, extent and kind of mineral \_\_\_\_\_

The attached plat represents the location of said lands, the location of streams, springs, water sources and irrigation ditches, as well as the agricultural, hay and grazing land, if any, also the improvements, and said map is made a part of this affidavit.

**IMPROVEMENTS**

|   |                      |
|---|----------------------|
| House, give size and type of construction _____                                       | Value \$ _____       |
| Barns, stables and corrals _____  | Value \$ _____       |
| Well, give depth and description _____  | Value \$ _____       |
| Windmill _____  | Value \$ _____       |
| Fences, give amount and kind <u>(FENCE ON NORTH &amp; EAST SIDE APPEARS TO BE ON)</u> | Value \$ _____       |
| Other improvements <u>NEIGHBORS LAND</u>  | Value \$ _____       |
| Total Value of improvements   | \$ <u>          </u> |

The first improvements were placed upon this section by \_\_\_\_\_ State of \_\_\_\_\_ of \_\_\_\_\_

After having personally inspected the within described tract of land, I HEREBY APPRAISE THE SAME at and state the ACTUAL CASH VALUE of same to be \$ 1,000.00 per acre, and certify that I am not interested in said land or leasing or sale thereof.

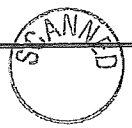
Signed [Signature]  
 P.O. Box 16,357, SANTA FE, NM 87506-6357.

Subscribed and sworn to before me this 21<sup>st</sup> day of August, 19 96

X [Signature]  
 Notary Public

My Commission Expires: 8-17-98

**NOTE:** The Laws of New Mexico require that all statements in appraisements must be made from personal knowledge, and not upon information and belief; save only those with reference to the actual value of the land appraised. This appraisement must be sworn to before a Notary Public or other officer authorized to administer oaths.



NEW MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED OCTOBER 01, 2016 , IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

CYPRESS INC., A VIRGIN ISLANDS CORPORATION

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

49 ZORRO RANCH ROAD  
STANLEY, NM 87056

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. THIS LEASE IS GOVERNED BY 19.2.8 NMAC (RULE 8).

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON OCTOBER 01, 2016 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2021.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS : ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE CARE AND PROTECTION OF THE LEASED PREMISES.

FEES

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2016 JUL 28 AM 11 21



LAND SUSPENSE

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3 NMSLO 001-00003

104.86

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTICULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED

2016 JUL 28 AM 11 21



BY LAW.

B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.

20. SURFACE DAMAGES NOTIFICATION.

2016 JUL 28 AM 11 21



PURSUANT TO 19.2.8.21 NMAC, IF LESSEE IS INVOLVED IN LITIGATION WITH ANY OTHER PERSON OR ENTITY FOR DAMAGES CONNECTED WITH THEIR LEASED TRUST LAND, LESSEE MUST NOTIFY THE COMMISSIONER AS SOON AS PRACTICABLE. THIS NOTICE REQUIREMENT DOES NOT APPLY TO LITIGATION INVOLVING ONLY THE LESSEE'S PERSONAL OR REAL PROPERTY.

2016 JUL 28 AM 11 21



I/WE CERTIFY THAT I/WE ARE THE LESSEE(S) REFERENCED ON THE FACE PAGE OF THIS LEASE.

LESSEE SIGNATURE

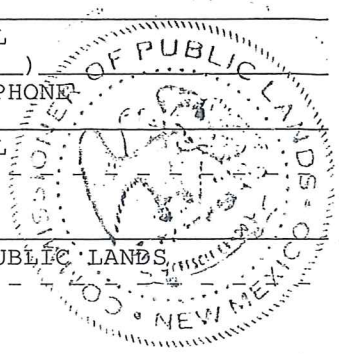
( ) TELEPHONE

LESSEE SIGNATURE

EMAIL ( ) TELEPHONE

EMAIL

LESSOR-COMMISSIONER OF PUBLIC LANDS



ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )  
COUNTY OF )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_ DAY OF \_\_\_, 20\_\_

BY (NAME OF LESSEE ACKNOWLEDGED)

MY COMMISSION EXPIRES:

NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO )  
COUNTY OF )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_ DAY OF \_\_\_, 20\_\_

BY (NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_, A PARTNERSHIP.

MY COMMISSION EXPIRES:

NOTARY PUBLIC

CORPORATION

STATE OF ~~NEW MEXICO~~ NEW YORK )  
COUNTY OF NEW YORK )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 20th DAY OF July, 2016

BY Jeffrey Epstein, President OF (NAME OF OFFICER) (TITLE OF OFFICER)

Cypress, Inc. A US Virgin Islands CORPORATION, ON BEHALF (CORPORATION NAME) OF SAID CORPORATION.

MY COMMISSION EXPIRES: 10/14/18

NOTARY PUBLIC

Habibe Avdiu

2016 JUL 28 AM 11 21



HABIBE AVDIU  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01AV6313116  
Qualified in Richmond County  
My Commission Expires October 14, 2018



NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
PO BOX 1148, SANTA FE, NEW MEXICO 87504-1148

LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED BY A DISINTERESTED PERSON. THE INSTRUCTIONS FOR THE COMPLETION OF THIS FORM ARE SET OUT BELOW.

APPRAISEMENT

INSTRUCTIONS: THIS INFORMATION MUST BE COMPLETED BY A DISINTERESTED PERSON AND BASED ON THAT INDIVIDUAL'S INFORMATION AND BELIEF. THIS FORM CANNOT BE COMPLETED BY A LICENSED APPRAISER. (NMSA 1978, 61-30-16). YOU CANNOT PAY TO HAVE THIS FORM COMPLETED. (NMSA 1978, 60-30-3A). THE LAND MUST BE APPRAISED AS VACANT, I.E. WITHOUT IMPROVEMENTS, FOR BOTH SALE AND LEASE PURPOSES. IT MUST ALSO BE SIGNED BEFORE A NOTARY PUBLIC.

I, Tim Oden, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. AK 2088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 400.00 PER ACRE, IF SOLD, AND \$ 2.00 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED [Signature]

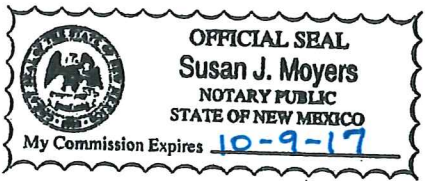
ADDRESS PO Box 1976

CITY/STATE Manitou, NM 87025

SUBSCRIBED AND SWORN TO BEFORE ME THIS 25<sup>th</sup> DAY OF July 20 16.

MY COMMISSION EXPIRES: 10-9-17

[Signature]  
NOTARY PUBLIC



2016 JUL 28 AM 11 21



EXHIBIT A

LEASE NO: GR2088

| SUBDIVISION    |      |      |      | SEC-TWN-RNG | ACREAGE | USE           | PRICE PER UNIT | CARRY CAP * |
|----------------|------|------|------|-------------|---------|---------------|----------------|-------------|
| LOT1           | LOT2 | LOT3 | LOT4 | -           | 36      | 13N 09E       | 84.86 G        | 11          |
| TOTAL ACREAGE: |      |      |      |             | 84.86   | TOTAL RENTAL: |                | \$104.86    |

RENEWAL LEASE

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND (BID) 4= CRP (BID) 5= RSIP (BID),  
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

\* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS

State Land Office  
 Records Management  
 Date: 10.7.2016  
 File Number: PO  
 10/11/2016

2016 JUL 28 AM 11 21





## IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION

The State Land Office Rule Relating to Agricultural Leases, 19 N.M.A.C. 8.9.2.2, requires you to submit a listing of your improvements located on the state leased land held under this lease with your application.

LEASE NUMBER GR2088

(Please check one of the boxes)

DO IMPROVEMENTS EXIST ON STATE LAND: YES  IF YES PLEASE LIST BELOW.

NO  (none)

All improvements must be listed even if they are on record with our office.


| IMPROVEMENT | APPROXIMATE MONTH AND YEAR BUILT | SECTION | LOCATION<br>TOWNSHIP | RANGE |
|-------------|----------------------------------|---------|----------------------|-------|
|             |                                  |         |                      |       |
|             |                                  |         |                      |       |
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|             |                                  |         |                      |       |
|             |                                  |         |                      |       |

Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)

This office will reject your renewal lease application if this form is not completed.

The information provided above is true and correct to the best of my knowledge. Please sign and date.

Signature is required whether improvements exist or not.

  
\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Signature

Date: 7/20/16

2016 JUL 28 AM 11:21



NM State Land Office  
Records Management  
12-16-12  
2-21-2012

NEW MEXICO STATE LAND OFFICE  
ASSIGNMENT OF AGRICULTURAL LEASE

TO BE COMPLETED BY LESSEE:

(I, We), the undersigned lessee(s), hereby assign to Cypress Inc., A Virgin Islands Corporation  
whose address is: 9100 Havensight, Port of Sale, Suite 15/16, St. Thomas  
VI 00802 (mailing address)

Brice Gordon  
Telephone (340) - 513 - 9855 all (my/our) right, title and interest in State  
Agricultural Lease No. GR 2088 and all rights to compensation for the improvements  
located on the leased lands, for which improvements (I/we) hereby either waive payment or  
acknowledge receipt of payment of full improvement value. (I/we), understand and agree that  
any outstanding sublease of all or a portion of the leased lands is hereby terminated. The lands  
covered by said lease are described as follows:

SUBDIVISION SEC. TWP. RGE. ACRES

See Attached Exhibit A 84.86 AC. em

\_\_\_\_\_  
Lessee, Zorro Trust  
\_\_\_\_\_  
Lessee  
\_\_\_\_\_  
Lessee  
\_\_\_\_\_  
Lessee

County of New York  
State of New York

Subscribed and sworn to before me this 16th day of December, 20 11  
by Jeffrey Epstein, Trustee of the Zorro Trust ut March 1, 1993, as amended  
{print name(s) of person(s) acknowledged}

My commission expires: \_\_\_\_\_

Henry I. Keller  
Notary Public

FEE: - \$50.00  
S-37 (revised 2/00)

page 1 of 2

Purchaser signs on page 2

HARRY I. BELLER  
Notary Public, State of New York  
No. 010E4853524  
Qualified in Rockland County  
Commission Expires Feb. 17, 2014  
MAR 3 12

SLO SCAN  
MAR 12 2012

FEES 55 0 01-FEB-12 09:15 4 NMSLO 001-00003 50.00

Sanita Fe

**TO BE COMPLETED BY PURCHASER:**

(I/We), the undersigned lease purchaser(s), being eighteen years or more of age, do solemnly swear or affirm that (I/we) have read State Agricultural Lease No. GR 2088, accept its terms and conditions, and agree to assume all obligations to the State as the lessee(s) of record under said lease, which lease is on file with the Commissioner of Public Lands as a public record.

(I/We) (intend / do not intend) to cultivate a portion of the described lands.  
(select one)

(I/We) (intend / do not intend) to sublease all or a portion of the described lands.  
(select one)

~~Purchaser~~ Transferee: Cypress, Inc., a Virgin Islands Corporation      ~~Purchaser~~

~~Purchaser~~      ~~Purchaser~~  
Transferee  
County of New York  
State of New York

Subscribed and sworn to before me this 16th day of December, 2011

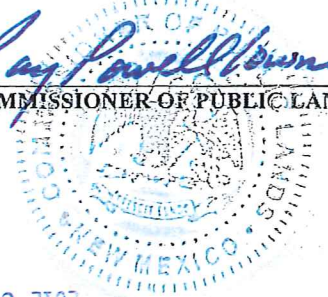
by Jeffrey Epstein, President of Cypress, Inc., a Virgin Islands Corporation  
{print name(s) of person(s) acknowledged}

My commission expires: \_\_\_\_\_  
HARRY I. BELLER      Harry I. Keller  
Notary Public, State of New York      Notary Public  
No. 01824853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2014

**THIS LEASE ASSIGNMENT SHALL NOT BE EFFECTIVE UNLESS APPROVED IN WRITING BY THE COMMISSIONER OF PUBLIC LANDS.**

Commissioner's Approval:  
APPROVED IN FAVOR OF THE ABOVE NAMED PURCHASER(S) THIS 3rd DAY OF February, 2012.

Ray Powell  
COMMISSIONER OF PUBLIC LANDS



2012 JUN 31 PM 3 17

SLO SCAN  
MAR 12 2012

EXHIBIT A

LEASE NO: GR2088

| SUBDIVISION    |      |      |      | SEC-TWN-RNG | ACREAGE | USE     | PRICE PER UNIT | CAR CAP |         |
|----------------|------|------|------|-------------|---------|---------|----------------|---------|---------|
| LOT1           | LOT2 | LOT3 | LOT4 | -           | 36      | 13N 09E | 84.86 G        | -       | 11      |
| TOTAL ACREAGE: |      |      |      |             | 84.86   |         | TOTAL RENTAL:  |         | \$50.44 |

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND (BID) 4= CRP (BID) 5= RSIP (BID) ,  
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

\* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS

SLO SCAN

MAR 12 2012

NEW MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED OCTOBER 01, 2011 , IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

ZORRO TRUST

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

C/O KAREN GORDON  
49 ZORRO RANCH RD.  
STANLEY, NM 87056

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. THIS LEASE IS GOVERNED BY 19.2.8 NMAC (RULE 8).

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON OCTOBER 01, 2011 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2016.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS : ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE

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CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTI-

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CULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED BY LAW.

B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.

20. SURFACE DAMAGES NOTIFICATION.

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PURSUANT TO 19.2.8.21 NMAC, IF LESSEE IS INVOLVED IN LITIGATION WITH ANY OTHER PERSON OR ENTITY FOR DAMAGES CONNECTED WITH THEIR LEASED TRUST LAND, LESSEE MUST NOTIFY THE COMMISSIONER AS SOON AS PRACTICABLE. THIS NOTICE REQUIREMENT DOES NOT APPLY TO LITIGATION INVOLVING ONLY THE LESSEE'S PERSONAL OR REAL PROPERTY.

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I/WE CERTIFY THAT I/WE ARE THE LESSEE(S) REFERENCED ON THE FACE PAGE OF THIS LEASE.

LESSEE SIGNATURE

LESSEE SIGNATURE

340, 513 9855

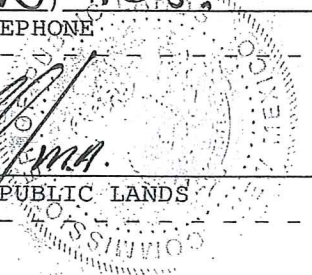
TELEPHONE

TELEPHONE

Bria M. Gordon for Jeffrey Epstein Trustee, Loro, Trust.

Ray Powell, MA.

LESSOR-COMMISSIONER OF PUBLIC LANDS



ACKNOWLEDGMENTS  
NATURAL PERSON(S)

St. Thomas / St. John  
STATE OF NEW MEXICO

COUNTY OF St. Thomas / St. John  
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 25<sup>th</sup> DAY OF July, 2011,

BY Bria Gordon for Jeffrey Epstein, Trustee  
(NAME OF LESSEE ACKNOWLEDGED)



MY COMMISSION EXPIRES:  
JANUARY 6, 2014

Daphne Louise Wallace  
NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO )  
COUNTY OF \_\_\_\_\_ )  
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.

MY COMMISSION EXPIRES:  
\_\_\_\_\_

NOTARY PUBLIC

CORPORATION

STATE OF NEW MEXICO )  
COUNTY OF \_\_\_\_\_ )  
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_, \_\_\_\_\_ OF  
(NAME OF OFFICER) (TITLE OF OFFICER)

\_\_\_\_\_ A \_\_\_\_\_ CORPORATION, ON BEHALF  
(CORPORATION NAME)  
OF SAID CORPORATION.

MY COMMISSION EXPIRES:  
\_\_\_\_\_

NOTARY PUBLIC

2011 JUL 27 PM 4 08

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JUL 29 2011

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
PO BOX 1148, SANTA FE, NEW MEXICO 87504-1148

LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED BY A DISINTERESTED PERSON. THE INSTRUCTIONS FOR THE COMPLETION OF THIS FORM ARE SET OUT BELOW.

APPRAISEMENT

INSTRUCTIONS: THIS INFORMATION MUST BE COMPLETED BY A DISINTERESTED PERSON AND BASED ON THAT INDIVIDUAL'S INFORMATION AND BELIEF. THIS FORM CANNOT BE COMPLETED BY A LICENSED APPRAISER. (NMSA 1978, 61-30-16). YOU CANNOT PAY TO HAVE THIS FORM COMPLETED. (NMSA 1978, 60-30-3A). THE LAND MUST BE APPRAISED AS VACANT, I.E. WITHOUT IMPROVEMENTS, FOR BOTH SALE AND LEASE PURPOSES. IT MUST ALSO BE SIGNED BEFORE A NOTARY PUBLIC.

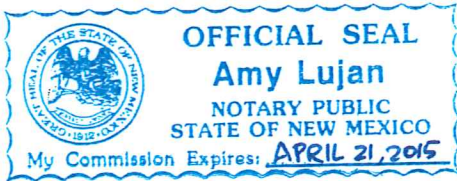
I, Frank M. Bond, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GR2088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 400.00 PER ACRE, IF SOLD, AND \$ 2.00 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED Frank M. Bond  
ADDRESS 325 Camino Los Abuelos  
CITY/STATE Santa Fe, NM 87508

SUBSCRIBED AND SWORN TO BEFORE ME THIS 27 DAY OF July 20 11.

MY COMMISSION EXPIRES:  
APRIL 21, 2015

[Signature]  
NOTARY PUBLIC



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EXHIBIT A

LEASE NO: GR2088

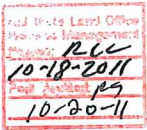
| SUBDIVISION    |      |      |      | SEC-TWN-RNG | ACREAGE | USE           | PRICE PER UNIT | CAR CAP |    |
|----------------|------|------|------|-------------|---------|---------------|----------------|---------|----|
| LOT1           | LOT2 | LOT3 | LOT4 | -           | 36      | 13N 09E       | 84.86 G        | -       | 11 |
| TOTAL ACREAGE: |      |      |      |             | 84.86   | TOTAL RENTAL: |                | \$50.44 |    |

RENEWAL LEASE

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND (BID) 4= CRP (BID) 5= RSIP (BID),  
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

\* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS



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LEASE NO. GR2088  
MISCELLANEOUS INSTRUMENT PAGE

MISCELLANEOUS INSTRUMENT:

FILE NO: 11737

LIMITED POWER OF ATTORNEY: BRICE GORDON APPOINTED POWER OF ATTORNEY FOR JEFFREY  
EPSTEIN, TRUSTEE OF ZORRO TRUST.

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SLO SCAN

OCT 20 2011

# IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION

The State Land Office Rule Relating to Agricultural Leases, 19 N.M.A.C. 8.9.2.2. requires you to submit a listing of your improvements located on the state leased land held under this lease with your application.

LEASE NUMBER GR 2088

(Please check one of the boxes)

DO IMPROVEMENTS EXIST ON STATE LAND: YES  IF YES PLEASE LIST BELOW.

NO  (none)

All improvements must be listed even if they are on record with our office.

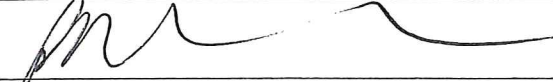
| IMPROVEMENT | APPROXIMATE MONTH AND YEAR BUILT | SECTION | LOCATION<br>TOWNSHIP | RANGE |
|-------------|----------------------------------|---------|----------------------|-------|
|             |                                  |         |                      |       |
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|             |                                  |         |                      |       |
|             |                                  |         |                      |       |

Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)

This office will reject your renewal lease application if this form is not completed.

The information provided above is true and correct to the best of my knowledge. Please sign and date.

**Signature is required whether improvements exist or not.**

  
\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Signature

Date: 7/25/2011

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NEW MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED OCTOBER 01, 2006, IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

ZORRO TRUST

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

C/O KAREN GORDON  
49 ZORRO RANCH RD.  
STANLEY, NM 87056

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON OCTOBER 01, 2006 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2011.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS : ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE

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STATE LAND OFFICE  
SANTA FE, NM

SLO scan 12/5/2006

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTI-

CULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED BY LAW.

- B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.



I/WE CERTIFY THAT I/WE ARE THE LESSEE(S) REFERENCED ON THE FACE PAGE OF THIS LEASE.

LESSEE Jeffery Epstein as Trustee of Zorro Trust (212) 750 1176 TELEPHONE

LESSEE \_\_\_\_\_ TELEPHONE \_\_\_\_\_

Patrick A. Lyons  
LESSOR-COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )  
COUNTY OF \_\_\_\_\_ )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES:  
\_\_\_\_\_

NOTARY PUBLIC

RECEIVED  
2003 JUL 21 PM 3:21  
STATE LAND OFFICE  
SANTA FE, NEW MEXICO

PARTNERSHIP

STATE OF NEW MEXICO )  
COUNTY OF \_\_\_\_\_ )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.

MY COMMISSION EXPIRES:  
\_\_\_\_\_

NOTARY PUBLIC

STATE OF NEW York MEXICO )  
COUNTY OF New York )

~~CORPORATION~~ Trust

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 6<sup>th</sup> DAY OF July, 2006,

BY Jeffery Epstein Trustee OF  
(NAME OF OFFICER) (TITLE OF OFFICER)

Zorro Trust A New York Trust CORPORATION, ON BEHALF  
(CORPORATION NAME)

MY COMMISSION EXPIRES:  
\_\_\_\_\_

Harry I. Beller  
NOTARY PUBLIC

HARRY I. BELLER  
Notary Public, State of New York  
No. 01BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2010

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
PO BOX 1148, SANTA FE, NEW MEXICO 87504-1148

LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED BY A DISINTERESTED PERSON. THE INSTRUCTIONS FOR THE COMPLETION OF THIS FORM ARE SET OUT BELOW.

RECEIVED  
2006 JUL 21 PM 3 21  
STATE LAND OFFICE  
SANTA FE, N.M.

APPRAISEMENT

INSTRUCTIONS: THIS INFORMATION MUST BE COMPLETED BY A DISINTERESTED PERSON AND BASED ON THAT INDIVIDUAL'S INFORMATION AND BELIEF. THIS FORM CANNOT BE COMPLETED BY A LICENSED APPRAISER. (NMSA 1978, 61-30-16). YOU CANNOT PAY TO HAVE THIS FORM COMPLETED. (NMSA 1978, 60-30-3A). THE LAND MUST BE APPRAISED AS VACANT, I.E. WITHOUT IMPROVEMENTS, FOR BOTH SALE AND LEASE PURPOSES. IT MUST ALSO BE SIGNED BEFORE A NOTARY PUBLIC.

I, Don King, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. CR 2088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 400.00 PER ACRE, IF SOLD, AND \$ 14 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED Don King  
ADDRESS Bldg 103  
CITY/STATE Stanley, N.M. 87056

SUBSCRIBED AND SWORN TO BEFORE ME THIS 18 DAY OF July 20 06.

MY COMMISSION EXPIRES:

Peggy Wimberly  
NOTARY PUBLIC



OFFICIAL SEAL  
Peggy Wimberly  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: 5-28-07

EXHIBIT A

LEASE NO: GR2088

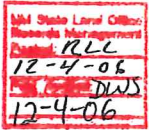
| SUBDIVISION    |      |      |      | SEC-TWN-RNG | ACREAGE | USE           | PRICE PER UNIT | CARRY CAP * |         |
|----------------|------|------|------|-------------|---------|---------------|----------------|-------------|---------|
| LOT1           | LOT2 | LOT3 | LOT4 | -           | 36      | 13N 09E       | 84.86 G        | -           | 11      |
| TOTAL ACREAGE: |      |      |      |             | 84.86   | TOTAL RENTAL: |                |             | \$73.01 |

RENEWAL LEASE

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND(BID) 4= CRP(BID) 5= RSIP(BID),  
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

\* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS



# IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION

The State Land Office Rule Relating to Agricultural Leases, 19 N.M.A.C. 8.9.2.2. requires you to submit a listing of your improvements located on the state leased land held under this lease with your application.

LEASE NUMBER GR 2088

(Please check one of the boxes)

DO IMPROVEMENTS EXIST ON STATE LAND: YES  IF YES PLEASE LIST BELOW.  
 NO  (none)

All improvements must be listed even if they are on record with our office.

| IMPROVEMENT | APPROXIMATE MONTH AND YEAR BUILT | SECTION | LOCATION<br>TOWNSHIP | RANGE |
|-------------|----------------------------------|---------|----------------------|-------|
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RECEIVED  
 2006 JUL 21 PM 3 21  
 STATE LAND OFFICE  
 SANTA FE, N.M.

Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)

This office will reject your renewal lease application if this form is not completed.

The information provided above is true and correct to the best of my knowledge. Please sign and date. Signature is required whether improvements exist or not.



Lessee Signature

\_\_\_\_\_  
 Lessee Signature

Date: 6-30-06

NEW MEXICO STATE LAND OFFICE

OFFICIAL REQUEST FOR CHANGE OF ADDRESS

To: Commissioner of Public Lands  
Post Office Box 1148  
Santa Fe, New Mexico 87504-1148

Dear Sir:

I am the holder of (Oil and Gas) (Mineral) (Other) \_\_\_\_\_ Lease No. GR-2088,  
(Specify)

Assignment No. \_\_\_\_\_, covering \_\_\_\_\_  
(Land Description)

of record in the New Mexico State Land Office, and I request that all official notices from your office which are required to be sent to me by law or under the terms of my lease or contract be sent to me at the address shown below, which address shall remain unchanged upon your records unless and until expressly directed in writing by me to do so.

Zorro Trust

(Company Name)

c/o Karen Gordon

Signature (Please sign as name appears on lease)

49 Zorro Ranch Rd

(Street Address or Box Number)

Stanley, NM 87056

(City, State and Zip Code)

Request by phone per Karen Gordon. 5-9-94  
J.U.

This form to be filed with the original lease instrument in the State Land Office.

0-67 04/01/94



This is a Patch I type separator sheet.

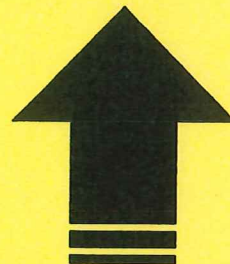


Form Type = "AgLeaseContract"  
CODE128 type barcode

This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"  
CODE128 type barcode



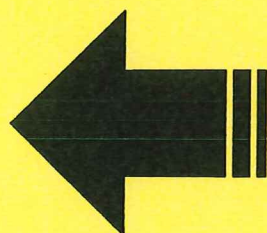
Portrait Feed

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C O N T R A C T



Landscape Feed

*New Form Follows...*

Printed on 7/6/2001 11:48:14 AM  
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N . MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED OCTOBER 01, 2001 , IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

ZORRO TRUST

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

C/O JEFFREY E. EPSTEIN  
457 MADISON AVE  
NEW YORK, NY 10022

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON OCTOBER 01, 2001 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2006.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS : ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE

000 SLD 8-06-01#112

\$50.00F1

000 SLO 8-06-01#113

\$63.71F4

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTI-



CULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED BY LAW.

B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.

I/WE CERTIFY THAT I/WE ARE THE LESSEE(S) REFERENCED ON THE FACE PAGE OF THIS LEASE.

LESSEE Jeffrey Epstein as Trustee of Zorro Trust

(912) 750-1176  
TELEPHONE

LESSEE \_\_\_\_\_

( ) \_\_\_\_\_  
TELEPHONE

Ray Powell  
LESSOR-COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )  
 )  
COUNTY OF \_\_\_\_\_ )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES:

\_\_\_\_\_  
NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW ~~MEXICO~~ <sup>York</sup> )  
 )  
COUNTY OF New York )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.

MY COMMISSION EXPIRES:

\_\_\_\_\_  
NOTARY PUBLIC

~~CORPORATION~~ Trust

STATE OF NEW ~~MEXICO~~ <sup>York</sup> )  
 )  
COUNTY OF New York )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 30<sup>th</sup> DAY OF July, 2001,

BY Jeffrey Epstein, Trustee OF  
(NAME OF OFFICER) (TITLE OF OFFICER)

Zorro Trust A New York Trust CORPORATION, ON BEHALF  
(CORPORATION NAME)

OF SAID CORPORATION.

MY COMMISSION EXPIRES:

\_\_\_\_\_  
NOTARY PUBLIC

Harry I. Keller  
NOTARY PUBLIC  
HARRY I. KELLER  
Notary Public, State of New York  
No. 01BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2002

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS


COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
PO BOX 1148, SANTA FE, NEW MEXICO 87504-1148

LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED BY A DISINTERESTED PERSON. THE INSTRUCTIONS FOR THE COMPLETION OF THIS FORM ARE SET OUT BELOW.

APPRAISEMENT

INSTRUCTIONS: THIS INFORMATION MUST BE COMPLETED BY A DISINTERESTED PERSON AND BASED ON THAT INDIVIDUAL'S INFORMATION AND BELIEF. THIS FORM CANNOT BE COMPLETED BY A LICENSED APPRAISER. (NMSA 1978, 61-30-16). YOU CANNOT PAY TO HAVE THIS FORM COMPLETED. (NMSA 1978, 60-30-3A). THE LAND MUST BE APPRAISED AS VACANT, I.E. WITHOUT IMPROVEMENTS, FOR BOTH SALE AND LEASE PURPOSES. IT MUST ALSO BE SIGNED BEFORE A NOTARY PUBLIC.

I, Christaine Maxwell, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. 622088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 200.00 PER ACRE, IF SOLD, AND \$ 400.00 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

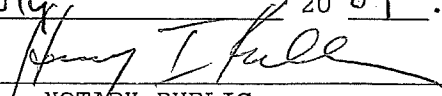
SIGNED 

ADDRESS 457 Madison Ave

CITY/STATE New York, NY

SUBSCRIBED AND SWORN TO BEFORE ME THIS 30th DAY OF July 20 01.

MY COMMISSION EXPIRES:

  
NOTARY PUBLIC

HARRY I. BELLER  
Notary Public, State of New York  
No. 01BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2002

EXHIBIT A

LEASE NO: GR2088

| SUBDIVISION |   |   |   | SEC-TWN-RNG | ACREAGE | USE | PRICE PER UNIT | CARRY CAP * |
|-------------|---|---|---|-------------|---------|-----|----------------|-------------|
| LOT1        | - | - | - | 36 13N 09E  | 21.14   | G   | -              | 11          |
| LOT2        | - | - | - | 36 13N 09E  | 21.19   | G   | -              | 11          |
| LOT3        | - | - | - | 36 13N 09E  | 21.24   | G   | -              | 11          |
| LOT4        | - | - | - | 36 13N 09E  | 21.29   | G   | -              | 11          |

TOTAL ACREAGE:

84.86

TOTAL RENTAL:

\$63.71



RENEWAL LEASE

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND(BID) 4= CRP(BID) 5= RSIP(BID) ,  
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

\* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS

**IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION**

**The State Land Office Rule Relating to Agricultural Leases, 19 N.M.A.C. 8.9.2.2. requires you to submit a listing of your improvements located on the state leased land held under this lease with your application.**

LEASE NUMBER GR2088

(Please check one of the boxes)

DO IMPROVEMENTS EXIST ON STATE LAND: YES  IF YES PLEASE LIST BELOW.

NO  (none)

**All improvements must be listed even if they are on record with our office.**

| IMPROVEMENT | APPROXIMATE MONTH AND YEAR BUILT | SECTION | LOCATION |       |
|-------------|----------------------------------|---------|----------|-------|
|             |                                  |         | TOWNSHIP | RANGE |
|             |                                  |         |          |       |
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**Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)**

**This office will reject your renewal lease application if this form is not completed.**

**The information provided above is true and correct to the best of my knowledge. Please sign and date. Signature is required whether improvements exist or not.**

\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Signature

Date: 7/30/01



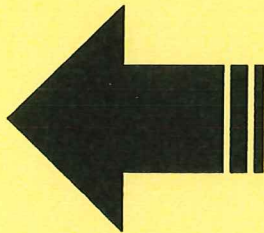
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Form Type = "AgMiscBid"  
CODE128 type barcode



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Landscape Feed

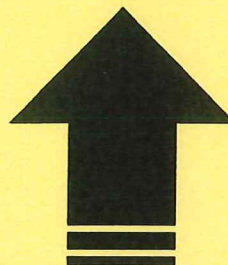
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Portrait Feed

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NEW MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE BUILDING  
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED FEBRUARY 03, 1997, IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

ZORRO TRUST

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

C/O JEFFREY E. EPSTEIN  
457 MADISON AVE  
NEW YORK, NY 10022

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

2. TERM.

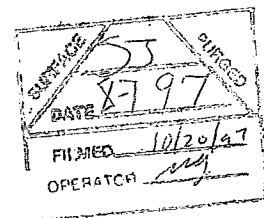
THE TERM OF THIS LEASE SHALL BEGIN ON FEBRUARY 03, 1997 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2001.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS: ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE



CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

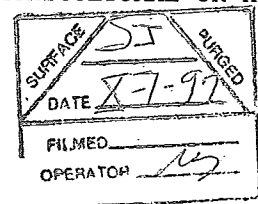
THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTI-





CULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED BY LAW.

B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

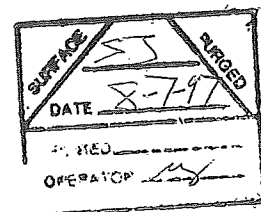
THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.



WITNESS THE HANDS AND SEALS OF LESSOR AND LESSEE ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

LESSEE

Larry Kerney

(505) 832-2678  
TELEPHONE

LESSEE

Asst. Secy

( )  
TELEPHONE

Ray Powell  
COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )  
 )  
COUNTY OF \_\_\_\_\_ )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES:

\_\_\_\_\_  
NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO )  
 )  
COUNTY OF \_\_\_\_\_ )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_,

BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.

MY COMMISSION EXPIRES:

\_\_\_\_\_  
NOTARY PUBLIC

CORPORATION

STATE OF NEW MEXICO )  
 )  
COUNTY OF Santa Fe )

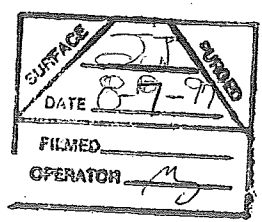
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 3 DAY OF March, 1997,

BY Larry Kerney (NAME OF OFFICER), Asst. Secretary (TITLE OF OFFICER) OF

Zoro Trust (CORPORATION NAME) A New York CORPORATION, ON BEHALF OF SAID CORPORATION.

MY COMMISSION EXPIRES:  
Aug. 7, 1999

Nancy Lawrence  
NOTARY PUBLIC



W.S.

EXHIBIT A

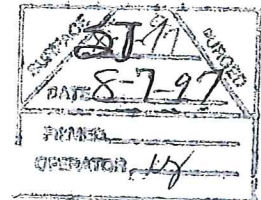
LEASE NO: GR2088

| SUBDIVISION    | SEC-TWN-RNG | ACREAGE | U             | PRICE | CC         |
|----------------|-------------|---------|---------------|-------|------------|
|                |             |         |               |       |            |
| -----          |             |         |               |       |            |
|                |             |         |               | UNIT  | RP         |
| LOT1           | - - -       | 36      | 13N 09E       | 21.14 | 11         |
| LOT2           | - - -       | 36      | 13N 09E       | 21.19 | 11         |
| LOT3           | - - -       | 36      | 13N 09E       | 21.24 | 11         |
| LOT4           | - - -       | 36      | 13N 09E       | 21.29 | 11         |
| TOTAL ACREAGE: |             | 84.86   | TOTAL RENTAL: |       | \$2,000.00 |

LEASE ISSUED OUT OF OPEN-ACREAGE FROM  
A COMPETITIVE BID.

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= RANGELAND,  
I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= BID ON GRAZING,  
2= BID IN DRYLAND FARMING, 3= BID ON IRRIGATED, 4= BID ON CRP LAND, 5= BID ON RSIP



NEW MEXICO STATE LAND OFFICE

APPLICATION TO LEASE STATE TRUST LAND

The Commissioner of Public Lands  
 P.O. Box 1148  
 Santa Fe, New Mexico 87504-1148

Purpose of application (check one):

X  COMPETITIVE BID   OPEN ACREAGE

(I/We),  Jeffrey E. Epstein, trustee of the Zorro Ranch, a   
 (name)

New York Trust, 457 Madison Avenue, New York, New York 10022   
 (address)

Telephone  ( 212 ) - 750 - 9895 , having reached the age of majority and not in default under any state lease, do hereby apply to lease for a term not to exceed five years, a total of \_\_\_\_\_ acres which is described below.

USE FOR COMPETITIVE BID PURPOSES ONLY: WITH THIS APPLICATION I/WE REMIT \$  2000.00  AS THE FIRST YEAR'S OFFERED RENTAL ON THE DESCRIBED LANDS. IF AWARDED THE LEASE, I/WE AGREE TO PAY NO LESS THAN THE OFFERED AMOUNT ANNUALLY FOR THE REMAINING TERM OF THE LEASE.

| SUBDIVISION         | SECTION | TOWNSHIP | RANGE | ACRES        |
|---------------------|---------|----------|-------|--------------|
| Lots 1, 2, 3, and 4 | 36      | 13N      | 9E    | approx. 84.7 |

|                               |       |
|-------------------------------|-------|
| SURFACE                       | MINED |
| DATE <u> 8-27-97 </u>         |       |
| FILED <u> 10/20/97 </u>       |       |
| OPERATOR <u> [Signature] </u> |       |

Application fee \$50.00

continued on reverse side

I state in answer to the following questions:

Is this land within your pasture or grazing allotment? No

For what purpose is the land wanted? grazing

Do you intend to irrigate any portion of the land? Mo

Do you intend to sublease any portion of this land? No

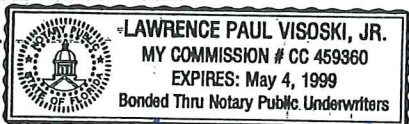
I/We, Jeffrey E. Epstein, do solemnly swear (or affirm) that the statements and answers to questions in this application are true and correct, to the best of my knowledge and belief.

Signed [Signature] Signed \_\_\_\_\_

Address 457 Madison Avenue Address \_\_\_\_\_  
New York, NY 10022

Telephone (212) 750-9895 Telephone \_\_\_\_\_

Subscribed and sworn to before me this 29 day of January,  
19 97



Notary Public Lawrence Paul Visoski, Jr. My commission expires: May 4, 1999

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
19 \_\_\_\_\_.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_



NEW MEXICO STATE LAND OFFICE  
APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

TO THE COMMISSIONER OF PUBLIC LANDS, SANTA FE, N. M.

Sir:

I am well acquainted with the character of state owned lands as described on the back of this form, located in SANTA FE County, New Mexico, together with statement of the natural character thereof and the condition thereof:

CHARACTER OF LAND

The land is best adapted for grazing or agriculture TRUE. There are natural streams, springs, ponds, and water holes as follows: NONE  
 There are irrigating ditches on land as follows: NONE  
 Give depth of well nearest this land, and state location by section, township and range SECTION 11  
TOWNSHIP 12 N RANGE 9 E  
 On said land there are NO acres natural hay land; NO acres agricultural land, without irrigation, NO acres of irrigable land, NO acres in actual cultivation, and NO acres timber land. State kind of timber, quality and present condition NONE  
 Is there mineral or coal on the land? NO. If so, state location, extent and kind of mineral \_\_\_\_\_

The attached plat represents the location of said lands, the location of streams, springs, water sources and irrigation ditches, as well as the agricultural, hay and grazing land, if any, also the improvements, and said map is made a part of this affidavit.

IMPROVEMENTS

|   |                                     |          |          |
|---|-------------------------------------|----------|----------|
| House, give size and type of construction | <u>NONE</u>                         | Value \$ | <u>0</u> |
| Barns, stables and corrals                | <u>NONE</u>                         | Value \$ | <u>0</u> |
| Well, give depth and description          | <u>NONE</u>                         | Value \$ | <u>0</u> |
| Windmill                                  | <u>NONE</u>                         | Value \$ | <u>0</u> |
| Fences, give amount and kind              | <u>1 SECTION LINE 5 STRAND B.W.</u> | Value \$ | <u>0</u> |
| Other improvements                        | <u>NONE</u>                         | Value \$ | <u>0</u> |
| Total Value of improvements               |                                     | \$       | <u>0</u> |

The first improvements were placed upon this section by NONE of \_\_\_\_\_ State of \_\_\_\_\_

After having personally inspected the within described tract of land, I HEREBY APPRAISE THE SAME at and state the ACTUAL CASH VALUE of same to be \$ 200.00 per acre, and certify that I am not interested in said land or leasing or sale thereof.

Signed Dan King

P.O. Stanley, N.M. 87056

Subscribed and sworn to before me this 27 day of January, 19 97

X Peggy Wimbely  
Notary Public

My Commission Expires: May 23, 1999

NOTE: The Laws of New Mexico require that all statements in appraisements must be made from personal knowledge, and not upon information and belief; save only those with reference to the actual value of the land appraised. This appraisement must be sworn to before a Notary Public or other officer authorized to administer oaths.

FILED 10/20/97  
OPERATOR WJ

THE CONTENTS OF THIS FOLDER HAVE BEEN PREPARED  
FOR IMAGING.

PLEASE TAKE SPECIAL CARE NOT TO REARRANGE THE  
CONTENTS AS YOU WORK WITH THE FOLDER.

IF YOU THINK YOU MAY HAVE GOTTEN IT OUT OF ORDER,  
*no big deal, but* PLEASE CONTACT MARY DUBOSE OR  
OTHER AGRICULTURAL LEASING DIVISION STAFF ABOUT  
HOW TO REASSEMBLE.

YOUR COOPERATION IS MUCH APPRECIATED.

LEASE

GR 2088

DATE OF PREP

3/21/02