

File Contents

Ag-Lease GR2122.

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. GR2122

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.

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LAND SUSPENSE

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3 NMSLO 001-00003

1562.36

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 HORTICULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED

2016 JUL 28 AM 11 20



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 20



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 JUN 20 PM 11 20



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

LESSEE SIGNATURE

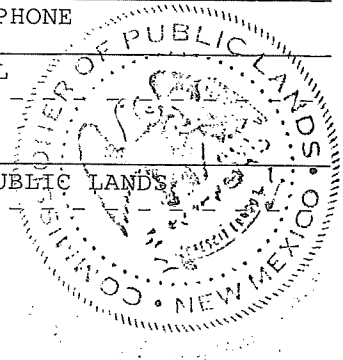
( ) TELEPHONE

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~~ ) COUNTY OF NEW YORK )

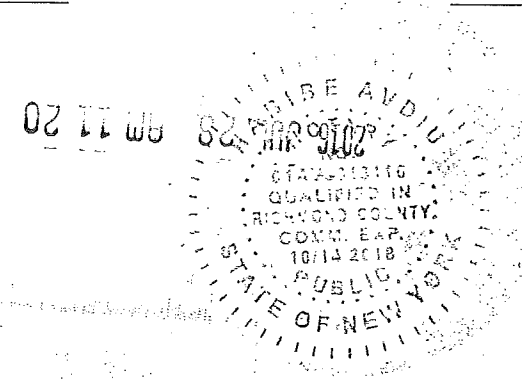
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 20th DAY OF JULY, 2016,

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

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

MY COMMISSION EXPIRES: 10/14/18

Habibe Avdiu NOTARY PUBLIC



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, J. Coulter, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GR 2122 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 J. Coulter

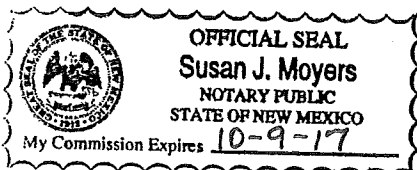
ADDRESS PO Box 1976

CITY/STATE Marion, NM 87035

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

MY COMMISSION EXPIRES:  
10-9-17

Susan J. Moyers  
NOTARY PUBLIC



2016 JUL 28 AM 11 20



EXHIBIT A

LEASE NO: GR2122

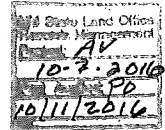
SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARRY CAP *
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$1,562.36	

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



2016 JUL 28 AM 11 20











**NEW MEXICO STATE LAND OFFICE**  
**APPLICATION TO SUBLEASE STATE TRUST LANDS**  
(PLEASE FILL OUT IN INK)

I/We, Zollo Trust, of  
(mailing address) 49 Zollo Ranch Road, Stanley, NM 87056, being lessee(s)  
under Agriculture Lease No. GR-2122, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:

SUBDIVISION	SEC.	TWP.	RANGE	ACRES
Please Note: Exhibit A - attached here to				

If additional space is needed to describe legal subdivision,  
please attach additional sheet using the above format

Please give name of sublessee and mailing address: Eddy L Burns  
49 Zollo Ranch Road, Stanley, NM 87056

It being understood that said permission to sublease does not in any way relieve me/us from  
obligation assumed under the lease stated above.

Sublease term on the designated lands to commence October 1, 2006, and to expire on September 30, 2011, (Sublease cannot be given beyond expiration date of lease.)  
2011 per Karen Gordon 9-12-06 J.U.

Give reasons this land is being subleased: for grazing purposes, grazing license

The number, type, class of livestock, and period of use, are as follows:

NO.	LIVESTOCK KIND	CLASS	PERIOD OF USE	
			FROM	TO
35	Mother Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus Cross		

S-01 (Revised 01/2001)

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARRY CAP *
LOT7	-	-	-	02 12N 09E	33.29	G	-	12
LOT1	-	-	-	02 12N 09E	43.12	G	-	12
LOT2	-	-	-	02 12N 09E	54.14	G	-	12
LOT3	-	-	-	02 12N 09E	54.18	G	-	12
LOT4	-	-	-	02 12N 09E	54.24	G	-	12
SW4NE4	S2NW4	SW4	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	16 12N 09E	640.00	G	-	12

TOTAL ACREAGE: 1,158.97      TOTAL RENTAL: \$949.28

RENEWAL LEASE

*\*based on previous rental*

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

Santa Fe  
County

**NEW MEXICO STATE LAND OFFICE**  
**APPLICATION TO SUBLEASE STATE TRUST LANDS**  
**(PLEASE FILL OUT IN INK)**

I/We, Zorro Trust, of  
(mailing address) 49 Zorro Ranch Road, Stanley, NM 87056, being lessee(s)  
under Agriculture Lease No. GR-2122, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:

SUBDIVISION	SEC.	TWP.	RANGE	ACRES
Please Note: Exhibit A - attached here to				

If additional space is needed to describe legal subdivision,  
please attach additional sheet using the above format

Please give name of sublessee and mailing address: Eddy L. Burns  
49 Zorro Ranch Road, Stanley, NM 87056

It being understood that said permission to sublease does not in any way relieve me/us from  
obligation assumed under the lease stated above.

Sublease term on the designated lands to commence October 1, 2005, and to expire on September 30, 2006, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: for grazing purposes, grazing  
license

The number, type, class of livestock, and period of use, are as follows:

NO.	LIVESTOCK KIND	CLASS	PERIOD OF USE	
			FROM	TO
35	Mother Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus		

S-01 (Revised 01/2001)

RECEIVED  
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Land Suspense 3 NMMSLO 0001-00

SLOSCAN 5/23/2006

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Please indicate the person and/or party that you wish our field representative to contact relative to this application to sublease:

Name: Bruce M Gordon

Address: 49 Zorro Ranch Road, Stanley, NM 87056

Home Telephone No. 505 832 2675 Business Telephone No. 505 990024

Include 20% (twenty-percent) of the yearly rental with completed Sublease Application Form. The minimum fee for subleasing is \$50.00 (fifty dollars).

I, Jeffery Edward Epstein, do solemnly swear (or affirm) that statements and answers to the questions in this application are true and correct to the best of my knowledge and belief. **ANY FALSE STATEMENTS CONTAINED HEREIN WILL SUBJECT MY LEASE OR LEASES TO CANCELLATION.**

Signed: [Signature]  
Lessee

Signed: \_\_\_\_\_  
Lessee

SUBSCRIBED AND SWORN to before me this 18 day of April, 2006,  
by X Jeffrey E Epstein  
(name of Agricultural Lessee)

MY COMMISSION EXPIRES: \_\_\_\_\_  
[Signature]  
Notary Public

HARRY I. BELLER  
Notary Public, State of New York  
No. 01BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2012

I, Patrick H Lyons, COMMISSIONER OF PUBLIC LANDS, do hereby grant the lessee(s) listed above permission to sublease the above described land.

APPROVED THIS 1<sup>st</sup> day of May, 2006.

[Signature]  
COMMISSIONER OF PUBLIC LANDS



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

May 8, 2006

Zorro Trust  
C/O Jeffery E. Epstein  
457 Madison Ave.  
New York, NY 10022

**Re: State Agricultural Lease No. GR-2122  
(Sublease No. GR-2122-0001)**

Dear Lessee(s):

Please find enclosed a copy of your approved sublease application. Your sublease commenced on October 1, 2005 and will expire on September 30, 2006.

If you have any questions, please feel free to contact me at the address above or at (505) 827-5770.

Sincerely,

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

encl.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

SLOSCAN 5/23/2006





PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

May 1, 2006

Zorro Trust  
C/O Jeffery E. Epstein  
457 Madison Ave  
New York, NY 10022

**Re: State Agricultural Leases No. GO-2088 & GO-2122**

Dear Lessee(s):

Enclosed please find 2 Applications to Validate Improvements. While on other field evaluations on the Zorro Trust Ranch the District Resource Manager noticed several unauthorized improvements. If you would like to have these unauthorized improvements added to your lease, please fill out the enclosed applications. Please be aware that the applications for approval of unauthorized improvements does not necessarily guarantee that the improvements will be authorized or that the value allowed will be equal to 100% of the value estimated by the State Land Office. Our District Resource Manager will investigate the situation on site and make a recommendation.

Please feel free to contact me at the address above or at (505) 827-5770 if you have any questions or need further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Leroy A. Ulibarri".

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

**ZORRO RANCH**  
49 ZORRO RANCH ROAD  
STANLEY, NM 87056

TELEPHONE: 505 832 2675  
FAX: 505 832 2676  
E MAIL: [ZORRORANCH@AOL.COM](mailto:ZORRORANCH@AOL.COM)

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April 20, 2006

New Mexico State Land Office  
Surface Resource Division  
311 Old Santa Fe Trail  
PO Box 1148  
Santa Fe  
NM 87504-1148

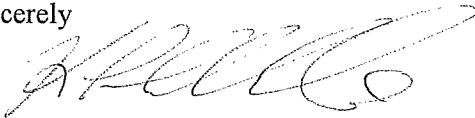
Reference GR – 2088 & GR -2122  
Attention Leroy

Dear Leroy,

As per our conversation and you fax 4/10/06 reference submitting Application Sublease State Trust Land, attached you will find 2 separate applications for GR 2088 & GR 2122, completed as per the additions you required i.e. signing J. E Epstein.

Thank you for your patience in this matter and hope that this completes all the changes and additions that you require, if you have any questions or concerns please call

Sincerely



Karen L. Gordon  
Ranch Manager

---



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

[www.nmstatelands.org](http://www.nmstatelands.org)

June 8, 2004

Zorro Trust  
457 Madison Avenue  
New York, NY 10022

Attn: Jeffrey E. Epstein

Re: State Agricultural Lease GR-2122

Dear Mr. Epstein:

Please find enclosed an approved copy of your improvement application. Note that the Commissioner has chosen to grant you 25% of the value for the improvement. Please be aware that the Commissioner must give prior approval to placing any type of improvement to state trust land.

I am enclosing additional improvement application forms which may be used to apply for any new improvement(s) in the future. If you have any questions, please contact me at (505)-827-5731 or Jerry King, Assistant Commissioner at (505)-827-5733.

Sincerely,

A handwritten signature in cursive script that reads "Mary DuBose".

Mary DuBose  
Surface Resources Division  
Encl: as stated

To: New Mexico State Land Office  
From: Jeffrey E. Epstein, Trustee of Zorro Trust  
Date: March 25, 2004

---

We respectfully submit for the approval and consent of the Commissioner of Public Lands the enclosed original Application for Permission to Make Improvements of Zorro Trust, in triplicate, relating to the Public Lands in Lease No. GR2122, together with a check for the application fee in the amount of \$30 payable to the Commissioner of Public Lands.

Please direct any comments or questions you may have regarding the Application to Mr. Brice Gordon (505-832-2675). If the Application is acceptable, please forward an original copy of the Application with the Commissioner's consent provided thereon to Mr. Gordon at 49 Zorro Ranch Road, Stanley, New Mexico 87056.

We thank you for your consideration.

RECEIVED  
2004 MAR 29 AM 8 06  
STATE LAND OFFICE  
SANTA FE, N.M.

6007078 030307



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

March 30, 2004

Zorro Trust  
C/O Jeffrey E. Epstein  
457 Madison Ave.  
New York, NY 10022

**Re: State Agricultural Lease No. GR-2122**

Dear Mr. Epstein:

This office has received your application for Permission to Make Improvements. **Please be aware that you should not begin your improvement project until you receive the application back with the Commissioner's signature. Any improvement(s) placed without the Commissioner's approval is considered unauthorized.**

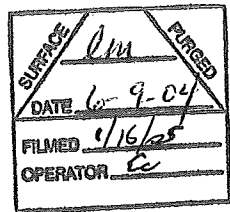
This office will send a District Resource Manager to inspect your proposed improvement on site and to make a recommendation. Typically, it takes four to six weeks until we can approve or disapprove the application.

If you have any questions, please feel free to contact me at the address above or at (505) 827-5732.

Sincerely,

A handwritten signature in cursive script that reads "Lucille V. Martinez".

Lucille V. Martinez  
Surface Resources Division  
NM State Land Office



NEW MEXICO STATE LAND OFFICE
APPLICATION FOR PERMISSION TO MAKE IMPROVEMENTS
(Please complete in ink)

I, Jeffrey Epstein of Zorro Trust herewith make application for the written consent of the Commissioner of Public Lands to make improvements on the lands in Lease No. GR2122, described below.

Designated contact person: Brice Gordon Phone No. 505 832 2675

Table with 5 columns: SUBDIVISION, SEC., TWP., RGE., ACRES. Row 1: SE 1/4 SW 1/4, 2, 12N, 9E

If any or all proposed improvements are to be built under a federal cost-share program, please indicate which program or programs are involved and give actual cost of each item.

Well (give depth and description) Value \$

Fences (give length, i.e., miles or footage and kind) Value \$

Windmill Value \$

Other improvements (describe): Placement of a vintage Santa Fe Railroad Caboose on a 48' x 5' stretch of railroad track laid on a 55' x 25' gravel pad and preparation of 20' x 30' viewing pad of graded and compacted earth on which there will be laid a 4' high 8' long hitching post. The viewing pad will be situated approximately 10' from the gravel pad. Value \$

Value \$

Value \$

TOTAL VALUE OF IMPROVEMENTS . . . . . \$ 44,000

Amount to be defrayed by federal cost-share program, if any . . . . . Value \$

List name of cost-share program(s):

Total economic cost expended by LESSEE . . . . . Value \$ 44,000

Estimated time of completion: One Month

ZORRO TRUST

By: LESSEE LESSEE

I, Patrick H. Lyons, Commissioner of Public Lands, hereby give my consent to the above lessee(s) to make improvements as listed above, conditioned upon the completion of such improvement(s) on or before July 1, 2006.

6/8/04 APPROVAL DATE

SANTA FE, N.M. STATE LAND OFFICE Commissioner of Public Lands Patrick H. Lyons

APPLICATION FEE \$30.00 RECEIVED 2004 MAR 29 AM 8:08

Approval granted at 25% of value. und 6-8-04

FEE \$ 30.00 NMSLD 001-00004 20 0 29-MAR-04 08:43 30.00

County, \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Form 104—(Four on Township)

6	5	4	3	2	1	6	5	4	3	2	1
	8	7	6	5	4	7	6	5	4	3	2
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION					SEC-TWN-RNG	ACREAGE	U	PRICE	CARRY
							S	PER	CAP *
							E	UNIT	
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$1,100.90	

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





Ray Powell, M.S., D.V.M.  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

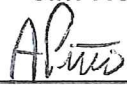
**ADP-303**

May 21, 2012

TO: Donald Martinez, Manager Agricultural Bureau  
Santa Fe, New Mexico

ATTN: Leroy Ulibarri, Management Analyst

THRU: Jim Norwick, Division Director Field Operations

FROM:   
Andrew Price, District Resource Manager  
Albuquerque District Office

SUBJECT: GR—2122-01  
*Cypress Inc.*  
*Brice Gordon*  
*(340) 513-9855*

**SYNOPSIS**

Application was submitted for permission to sublease state trust lands. Field research was completed on May 17, 2012 by reporting DRM. Lessee was on site at time of field site visit.

2012 MAY 25 PM 7 51

SLO SCAN

MAY 21 2012

**LEGAL LAND DESCRIPTION**

Section of land, containing 1,158.97 acres, more or less, and allocated by forties as follows:

N.M.P.M.

<b>Section</b>	<b>Quarter/Quarter</b>	<b>Township</b>	<b>Range</b>	<b>County</b>
16	All	12 North	09 East	Santa Fe
02	Lots 1-7, SW/4NE/4 S/2NW/4, SW/4	12 North	09 East	Santa Fe

**LOCATION**

This tract is located northwest of Stanley, New Mexico. Access is via Interstate 40 to Moriarty, take SH 41 north past Stanley until a large gate on the western side reading Zorro Ranch, see attached map.

**SITE DESCRIPTION:**

This site occurs as rangeland. Slopes are level to gently sloping, usually less than 8%. This is a grassland site with scattered shrubs throughout the site. Forbs are conspicuous when in bloom but otherwise comprise a minor component. Other species include: sideoats grama, blue grama, sand dropseed, pine dropseed, mat muhly, cheatgrass, pingue, woolly Indianwheat, globemallow spp., prairie coneflower, oneseed juniper, pinyon pine, pale wolfberry, broom snakeweed, yucca spp., cholla cactus and antelope bitterbrush.

**IMPROVEMENTS**

Subleasing these lands will not negatively impact any existing ranch improvements.

**CONFIDENTIAL**

*This section of the report may contain privileged information including but not limited to attorney/client privileged communication, and/or attorney work product*

**HIGHEST AND BEST USE:**

The highest and best use of this subject tract is agricultural activities, particularly, livestock grazing. No other Trends exist at this time.

**REMARKS:**

**I recommend approval** of this sublease on state trust land. A total of 1,158.97 acres will be subleased to Cypress Inc. Range conditions are good to excellent using an ocular estimate approach. Cattle are not currently present on trust lands. Sub lessee has requested to place cattle on subject lease. No other concerns are present. Access is easily obtained from ranch road. Surrounding land ownership is all private lands. No biological or cultural resources will be negatively impacted. No watersheds will be affected.

**Sublease Value:**

20% (twenty-percent) of the yearly \$751.51 rental  
= **\$150.3**

**APPENDIX A: PHOTOGRAPHS**

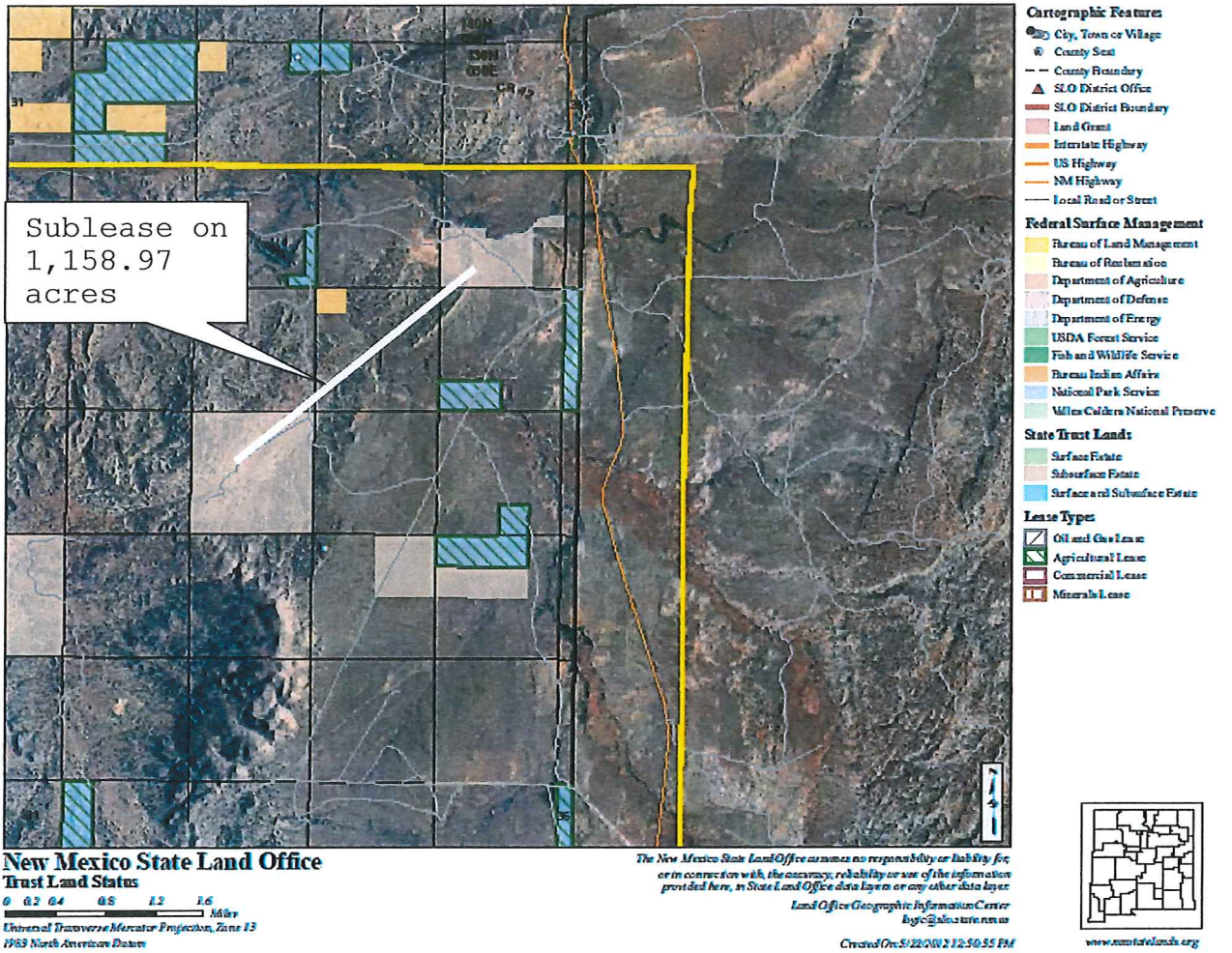


**Section 16**



**Rangeland is productive and in good-excellent condition.**

APPENDIX B: MAPS



NEW MEXICO STATE LAND OFFICE

Records Action Form for Grazing's Additional Scanning



Requested by: Danny S.

Date: 10-4-11

Contact Number/Phone#: 75775

Received by: \_\_\_\_\_

Grazing- DIVISION AREA						SCANNING DEPARTMENT			
LEASE #	CDE#	PAGES	POST	SCAN	MF	ARC	Notes	Form Type	Scan Date
6R-2122	1	9	x	x			Contract	Contract	SLO SCAN
" "	10	1		x			left side	General	OCT 20 2011
	10	1		x				General	
2-8-12	10	2		x				General	SLO SCAN
	11	3	x	x				Assignment	MAR 12 2012

<p><b>CODES and FORM TYPES:</b></p> <ul style="list-style-type: none"> <li>1. Contract</li> <li>2. Memo to file</li> <li>3. Improvements</li> <li>4. Assignment</li> <li>5. Notes to file</li> <li>6. Change of Address</li> <li>7. Sublease</li> <li>8. Notice</li> </ul>	<p>9. Field Report</p> <p>10. General Corresp.</p> <p>11. Bid</p>
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<p><input checked="" type="checkbox"/> Checked-In</p> <p><input checked="" type="checkbox"/> Change Status</p> <p><input checked="" type="checkbox"/> Posting</p> <p><input type="checkbox"/> P. Audit</p> <p><input checked="" type="checkbox"/> Pulled Card</p> <p>Name: <u>Daniel H. [Signature]</u></p>	<p><u>[Signature]</u></p> <p><u>[Signature]</u></p> <p><u>[Signature]</u></p> <p><u>[Signature]</u></p> <p><u>[Signature]</u></p>
---	---



Ray Powell, M.S., D.V.M.  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

February 8, 2012

Cypress Inc.  
9100 Havensight  
Port of Sale, Suite 15/16  
St. Thomas, Brice Gordon, VI 00802

Re: State Grazing Lease No.: GR2088 & **GR2122**

Dear Lessee(s):

Enclosed are approved copies of the Assignments for the above referenced leases for you to keep for your records.

If you have any questions regarding your lease, please feel free to contact me at the address above or at (505) 476-0218.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fernando Roybal".

Fernando Roybal  
Agricultural Lease Analyst

Enclosure

xc: Sutin, Thayer & Brown

SLO SCAN

MAR 12 2012



SUTIN THAYER & BROWNE  
A PROFESSIONAL CORPORATION  
LAWYERS

IRWIN S. MOISE (1906-1984)  
LEWIS R. SUTIN (1908-1992)  
FRANKLIN JONES (1919-1994)  
RAYMOND W. SCHOWERS (1948-1995)  
GRAHAM BROWNE (1935-2003)

SAUL COHEN (Of Counsel)

BENJAMIN ALLISON  
TIMOTHY J. ATLER  
PAUL BARDACKE  
ANNE P. BROWNE  
SUZANNE WOOD BRUCKNER  
RODINA C. CAVE  
SUSAN G. CHAPPELL  
MARIA MONTOYA CHAVEZ  
EDUARDO A. DUFFY  
MONICA C. EWING

MICHAEL J. GOLDEN  
DAVID G. GORDON  
GAIL GOTTLIEB  
SUSAN M. HAPKA  
ROBERT G. HEYMAN  
TRACY L. HOFMANN  
CHRISTOPHER A. HOLLAND  
GBENOBA N. IDAH  
HENRY A. KELLY  
KERRY KIERNAN  
PETER S. KIERST  
RACHEL S. KING  
TWILA B. LARKIN  
DEREK V. LARSON  
STEVAN DOUGLAS LOONEY  
JEAN C. MOORE  
LYNN E. MOSTOLLER

TIMOTHY J. MURPHY  
SARITA NAIR  
TRACI N. OLIVAS  
MICHELLE K. OSTRYE  
CHARLES J. PIECHOTA  
JAY D. ROSENBLUM  
SANDRA E. ROTRUCK  
FRANK C. SALAZAR  
JUSTIN R. SAWYER  
RONALD SEGEL  
ANDREW J. SIMONS  
MARIPOSA PADILLA SIVAGE  
TRAVIS R. STEELE  
NORMAN S. THAYER  
BENJAMIN E. THOMAS  
HANNAH S. TURNER  
CHRISTINA S. WEST

TWO PARK SQUARE  
6565 AMERICAS PARKWAY, N.E.  
ALBUQUERQUE, NEW MEXICO 87110  
POST OFFICE BOX 1945  
ALBUQUERQUE, NEW MEXICO 87103  
505-883-2500  
FAX 505-888-6565

317 PASEO DE PERALTA  
SANTA FE, NEW MEXICO 87501  
POST OFFICE BOX 2187  
SANTA FE, NEW MEXICO 87504  
505-988-5521  
FAX 505-982-5297

WWW.SUTINFIRM.COM

January 31, 2012

**BY HAND DELIVERY**

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

Assignment of Agricultural Leases

To Whom It May Concern:

We enclose duplicate originals of the following documents for filing in the New Mexico State Land Office:

1. Assignment of Agricultural Lease No. GR 2088.
2. Assignment of Agricultural Lease No. GR 2122.

We enclose our check in the amount of \$100.00 to cover the recording fees. Please call me at (505) 883-3362 if you have any questions. Thank you.

Very truly yours,

SUTIN, THAYER & BROWNE  
A Professional Corporation

By



David G. Gordon  
Albuquerque Office

DGG  
Enclosures  
2285929.doc

2012 JAN 31 PM 3 17

SLO SCAN

MAR 12 2012



*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

[www.nmstatelands.org](http://www.nmstatelands.org)

Ray Powell, M.S., D.V.M.  
COMMISSIONER

July 29, 2011

Zorro Trust  
C/O Karen Gordon  
49 Zorro Ranch Rd.  
Stanley, NM 87056

**RE: STATE GRAZING LEASE NO. GR-2122**

Dear Lessee:

This office has received a certified copy of Power of Attorney for Jeffrey Epstein. However, a \$10.00 filing fee is required to file the certified copy. **Please submit the filing fee to the address above as soon as possible.**

If you have any questions or need additional information regarding this matter, please feel free to contact me at (505) 827-5775, or write to us at the above address.

Sincerely,

A handwritten signature in black ink, appearing to read "D Sandoval", is written over a horizontal line.

Danny Sandoval  
Surface Resources Division  
NM State Land Office

SLO SCAN

OCT 20 2011

Zorro Trust  
49 Zorro Ranch Road  
Stanley, NM 87056

2011 AUG 29 AM 7 50

Ph: 505 938 2920  
Fax: 505 938 2924  
E mail: [zorro.office@gmail.com](mailto:zorro.office@gmail.com)

Aug 23<sup>rd</sup>, 2011

State of New Mexico  
Commissioner of Public Lands  
Surface Resources Division  
P.O Box 1148  
Santa Fe  
NM 87504-1148

Reference: Sublease Renewal 2011-2012 – Agricultural Lease No. GR-2122-01

Dear Mr. Ulibarri,

Please be advised as of the above date Zorro Trust will not be renewing the sublease for GR-2122-01.

If you require any further information, you may contact me at the above E Mail address or directly at 340 690 0091.

Sincerely,

  
Karen L. Gordon

*CANCELLED sub lease as requested above. J.M. 8/30/11*

*Spoke with Mrs. Gordon, she requested we CANCEL sublease GR-2088-01. Canceled 10/1/11 J.M.*

SLO SCAN

OCT 20 2011

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CAR CAP
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$751.51	

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. GR2122

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

2011 JUL 27 PM 4:00

SLO SCAN

OCT 20 2011

FEES

173 0 28-JUL-11 09:53

4 NMSLO 001-00004

50.00

LAND SUSPENSE

172 0 28-JUL-11 09:53

3 NMSLO 001-00004

751.51

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-

SLO SCAN

OCT 20 2011

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.

2011 JUL 27 PM 4 08

SLO SCAN

OCT 20 2011

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.

2011 JUL 27 PM 4 08

SLO SCAN

OCT 20 2011



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

310,513,9855

LESSEE SIGNATURE

TELEPHONE

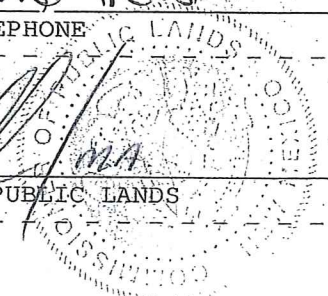
Bruce M Gordon for Jeffrey Epstein Trustee, Zoro Trust

LESSEE SIGNATURE

TELEPHONE

Ray Powell

LESSOR-COMMISSIONER OF PUBLIC LANDS



Terr US Virgin Islands  
STATE OF NEW MEXICO

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

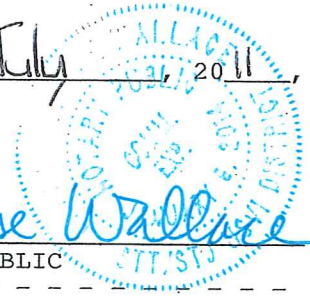
COUNTY OF St Thomas / St John

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 25th DAY OF July, 2011

BY Bruce 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 03

SLO SCAN  
OCT 20 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.

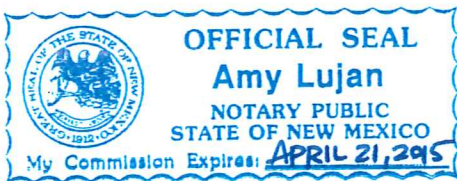
I, FRANK M. BOND, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GR 2122 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 400.00 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



2011 JUL 27 4 08 PM  
SLO SCAN  
OCT 20 2011

EXHIBIT A

LEASE NO: GR2122

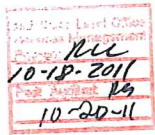
SUBDIVISION					SEC-TWN-RNG	ACREAGE	USE	PRICE PER UNIT	CAR CAP
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$751.51	

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



2011 JUL 27 PM 4 04  
 SLO SCAN  
 OCT 20 2011

LEASE NO. GR2122  
MISCELLANEOUS INSTRUMENT PAGE

MISCELLANEOUS INSTRUMENT:

FILE NO: 8793

POWER OF ATTORNEY GIVEN TO JOHN J. KELLY.

AFFIDAVIT: JEFFEREY E. EPSTEIN FOR ZORRO TRUST.

---

MISCELLANEOUS INSTRUMENT:

FILE NO: 11373

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

---

SLO SCAN

OCT 20 2018

## 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 2122

(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.

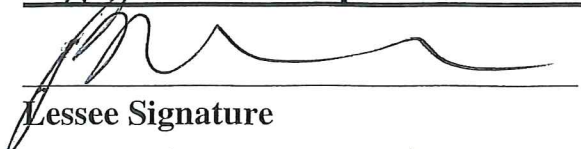
IMPROVEMENT	APPROXIMATE MONTH AND YEAR BUILT	SECTION	LOCATION TOWNSHIP	RANGE
Pipeline (water)	December 2002	16	12N	09E

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

2011 JUL 27 PM 4 04  
 SLO SCAN  
 OCT 20 2011

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. GR2122

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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2006 JUL 21 PM 3:00  
STATE LAND OFFICE  
SANTA FE, NM

NEW MEXICO STATE LAND OFFICE  
SANTA FE, NM

SLO scan 2/16/2007

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 TO GRANT SUCH OTHER RIGHTS-OF-WA. 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.

520 scan 2/16/2007



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

LESSEE

Jeffrey Epstein, as Trustee of Zoro Trust

(212) 750 1176  
TELEPHONE

LESSEE

( )  
TELEPHONE

Patrick H. 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

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2000 JUL 21 PM 3 20  
STATE LAND OFFICE

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 Trust

STATE OF NEW York MEXICO )  
COUNTY OF New York )

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

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

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

OF SAID CORPORATION. Trust

MY COMMISSION EXPIRES:

NOTARY PUBLIC

HARRY I. BELLER  
Notary Public, State of New York  
No. 018E4853924  
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.

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.

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2006 JUL 21 PM 01  
STATE LAND OFFICE  
SANTA FE, NM

I, Dan 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. 62122 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 72.00 PER ACRE, IF SOLD, AND \$ 4 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED Dan King  
ADDRESS Box 103  
CITY/STATE Stanley NM 87856

SUBSCRIBED AND SWORN TO BEFORE ME THIS 19 DAY OF July 20 06.

MY COMMISSION EXPIRES:  
5-28-06

Peggy Wimberly  
NOTARY PUBLIC

 OFFICIAL SEAL  
Peggy Wimberly  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: 5-28-06

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION					SEC-TWN-RNG	ACREAGE	U	PRICE	CARRY
								PER	CAP *
								UNIT	
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$1,087.72	

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

2-13-07  
 2-14-07  
 DWS

MISCELLANEOUS INSTRUMENT:

FILE NO: 8793

POWER OF ATTORNEY GIVEN TO JOHN J. KELLY.

AFFIDAVIT: JEFFEREY E. EPSTEIN FOR ZORRO TRUST.

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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. 5R-2172  
(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. 5-9-06  
J.H.

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

0-67 04/01/94

1954

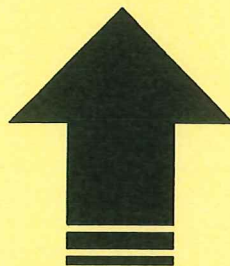
1954



This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"  
CODE128 type barcode



Portrait Feed

*New Form Follows...*

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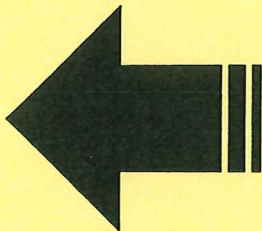


C O N T R A C T

This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"  
CODE128 type barcode



Landscape 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. GR2122

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#115

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\$949.28F4

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

(212) 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 )

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~~ Trust

New York  
STATE OF ~~NEW MEXICO~~ )

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 NAME) CORPORATION, ON BEHALF

OF SAID CORPORATION.

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, 2002