

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

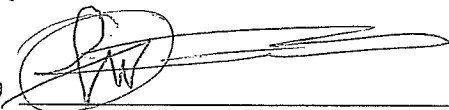
LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED 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. 622122 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 200 PER ACRE, IF SOLD, AND \$ 400 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

2001.

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

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

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



SCCELLANEOUS INSTRUMENT:

FILE NO: 8793

POWER OF ATTORNEY GIVEN TO JOHN J. KELLY.

FIDAVIT: JEFFEREY E. EPSTEIN FOR ZORRO TRUST.

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 GR2122

(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

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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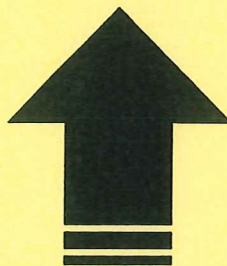
Form Type = "AgLeaseContract"
CODE128 type barcode



This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"
CODE128 type barcode



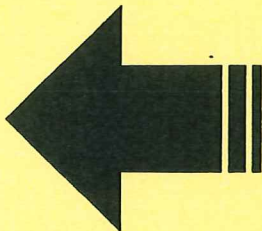
Portrait Feed

New Form Follows...

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C O N T R A C T



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, 1999 , 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, 1999 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 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.

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

Zorro Trust by
LESSEE
Jeffrey Epstein, Trustee

(212) 750-9895
TELEPHONE

LESSEE
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

TRUST

STATE OF NEW YORK)
COUNTY OF York)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 28 DAY OF July, 1999.

BY Jeffrey E. Epstein
(NAME OF PERSON ACKNOWLEDGED)

TRUSTEE ON BEHALF OF Zorro Trust, A TRUST

MY COMMISSION EXPIRES:

HARRY I. BELLER
Notary Public, State of New York
No. 01BE4853924
Qualified in Rockland County
Commission Expires Feb. 17, 2000

Harry I. Beller
NOTARY PUBLIC

CORPORATION

STATE OF NEW MEXICO)
COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 19____,

BY _____ OF _____
(NAME OF OFFICER) (TITLE OF OFFICER)

_____ A _____ CORPORATION, ON BEHALF
(CORPORATION NAME)
OF SAID CORPORATION.

MY COMMISSION EXPIRES:

NOTARY PUBLIC

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. 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, Ghislaine 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. GR2122 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$300.00 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 Avenue

CITY/STATE New York, NY 10022

SUBSCRIBED AND SWORN TO BEFORE ME THIS 28 DAY OF July 1999

MY COMMISSION EXPIRES:

NOTARY PUBLIC

HARRY I. BELLER
Notary Public, State of New York
No. 01BE4853924
Qualified in Rockland County
Commission Expires Feb. 17, 2000

IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION

NAME ZORRO TRUST

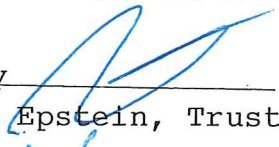
LEASE NUMBER GR2122

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.

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)

IMPROVEMENT	APPROXIMATE MONTH AND YEAR BUILT	LOCATION BY SUBDIVISION SEC/TSP/RGE
NONE		

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

ZORRO TRUST by 
Lessee Jeffrey Epstein, Trustee Lessee

Date: 7/28/99

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U	PRICE	CC
						S	PER	AA
						E	UNIT	RP
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:		\$922.91	

LEASE CONSOLIDATED FROM
GM27910000 G099990000



POWER OF ATTORNEY: JOHN J. KELLY
AFFIDAVIT: JEFFREY E. EPSTEIN
TRUSTEE FOR ZORRO TRUST. #8793

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,
H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

CONFIDENTIAL DOCUMENTS

PRIVILEGED AND CONFIDENTIAL MATERIAL - THIS MATERIAL IS NOT TO BE INCLUDED IN ANY LEASE, CONTRACT OR OTHER FILE OR RECORD AVAILABLE TO THE PUBLIC. IT MAY BE DISCLOSED ONLY BY THE EXPRESS WRITTEN ORDER OF THE COMMISSIONER.

List of confidential materials redacted from this lease file: GR-2122

(A copy of this list may be provided to the public during inspection of public records)

1	Field Report submitted by Marcus J Garcia (MSG-305) 3-2-2004
2	Field Report submitted by Marcus J Garcia (MSG-1087) 4-22-2004
3	Field Report submitted by Marcus J Garcia (MSG-1175) 3-30-2006
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NEW MEXICO STATE LAND OFFICE
REQUEST FOR FIELD ASSIGNMENT

Rec'd 4/21/04
MJG

DATE TO FIELD DIVISION: 3-30-04 FIELD DIVISION CONTROL NO. MJG-1087

REQUESTING DIVISION: Surface Division BY: Lucille Martinez

LEASE NUMBER: GR-2122 TYPE OF REQUEST: Improvement

NAME OF LESSEE/APPLICANT: Zorro Trust - C/O Jeffrey E. Epstein

ADDRESS: 457 Madison Ave., New York, NY 10022

DESIGNATED CONTACT: Brice Gordon PHONE: (505) 832-2675

ADDRESS: 49 Zorro Ranch Rd, Stanley, NM 87056

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	<u>02</u>	<u>12N</u>	<u>09E</u>	<u>Santa Fe</u>

Please see attached legal description.

REMARKS: Please inspect and make your recommendations. See attached Memo for Remarks.

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 4-26-04

DISTRICT RESOURCE MANAGER RECOMMENDATION:

Approve application
JN 4-22-04

APPROVE RECOMMENDATION: FIELD DIVISION } {REQUESTING DIVISION
Cmd 6-8-04

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: Approval was granted at 25% of value. MD

Improvement Application Approved on 6/8/04.

DATE RETURNED TO DISTRICT RESOURCE 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

APRIL 22, 2004

MJG-1087

TO: JERRY KING, ASSISTANT COMMISSIONER

THROUGH: DAVID COSS, FIELD OPERATIONS DIVISION

FROM: MARCUS J. GARCIA, SANTA FE DISTRICT 

SUBJECT: GR-2122. ZORRO TRUST. APPLICATION FOR IMPROVEMENTS.
FOLLOW-UP TO MJG-SA-305 (MARCH 2, 2004). ASSIGNMENT
RECEIVED APRIL 8, 2004.

REMARKS

As per your direction, the attached special assignment (MJG-SA-305 dated March 2, 2004) was previously filed in regard to your report of heavy machinery possibly working on or near to state trust land within the subject ranch unit.

MJG

Attachments

MARCH 2, 2004

MJG-SA-305

TO: JERRY KING, ASSISTANT COMMISSIONER
THROUGH: DAVID COSS, FIELD OPERATIONS DIVISION
FROM: MARCUS J. GARCIA, SANTA FE DISTRICT
SUBJECT: GR-2122. ZORRO TRUST. REPORT OF POSSIBLE THEFT OF
ARCHAEOLOGICAL RESOURCES ON OR NEAR TO STATE TUST LAND
WITHIN THE RANCH UNIT.

SYNOPSIS

There was no documented evidence of theft and/or damage to the archaeological resources in this immediate area along the Creston petroglyph panel site; however, the lessee is in the midst of setting a non-ranch related improvement item near to or on the subject property. See the **REMARKS** section for additional information.

LEGAL DESCRIPTION

Within or near to the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2, Township 12 North, Range 9 East, N.M.P.M., Santa Fe County, New Mexico.

LOCATION

Within the Zorro Ranch at Comanche Gap and near the Creston petroglyph panel sites.

REMARKS

David Eck and myself inspected the subject property in response to a report of heavy machinery located either on or very near to state trust land at the Comanche Gap and Creston petroglyph panel sites within the Zorro Ranch. Uncorrected GPS coordinates obtained at the site with the Garmin Etrex Legend indicates the machinery was apparently operating in part on the subject property. However, without greater instrumental accuracy, we cannot definitively place the site on state trust land. According to the ranch hand that escorted us to and from the property, a level pad site was prepared so that a caboose can be placed on a short section of railroad tracks for whatever reason the lessee might have. The site is adjacent to the abandoned narrow gauge railroad corridor.

It is suggested that the lessee be informed that the site might encumber state trust land and reminded that permission is needed from the Commissioner prior to placing improvements and other structures on the lease. Whether this non-ranching related item is located on state leased

property is not a matter of great concern but what is disconcerting is that a ranch escort is needed for personnel from this office to access cultural sites for general administrative fieldwork and/or educational uses.

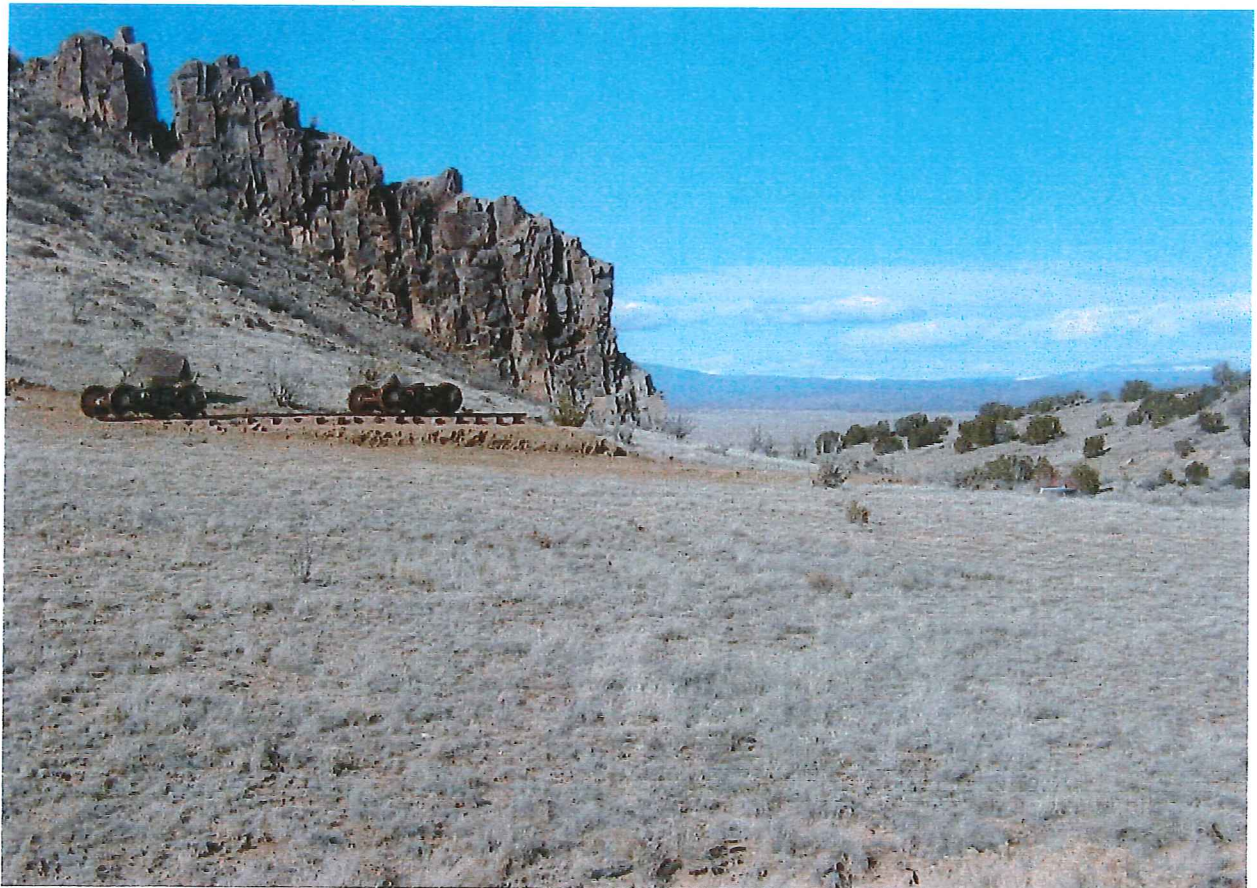
A recent conversation with the ranch manager (Bryce Gordon) for access into the ranch via a gate along the Anaya Ranch Road (County Road 38-B) was fruitful and apparently, this office will be able to secure access with prior notification to the lessee.

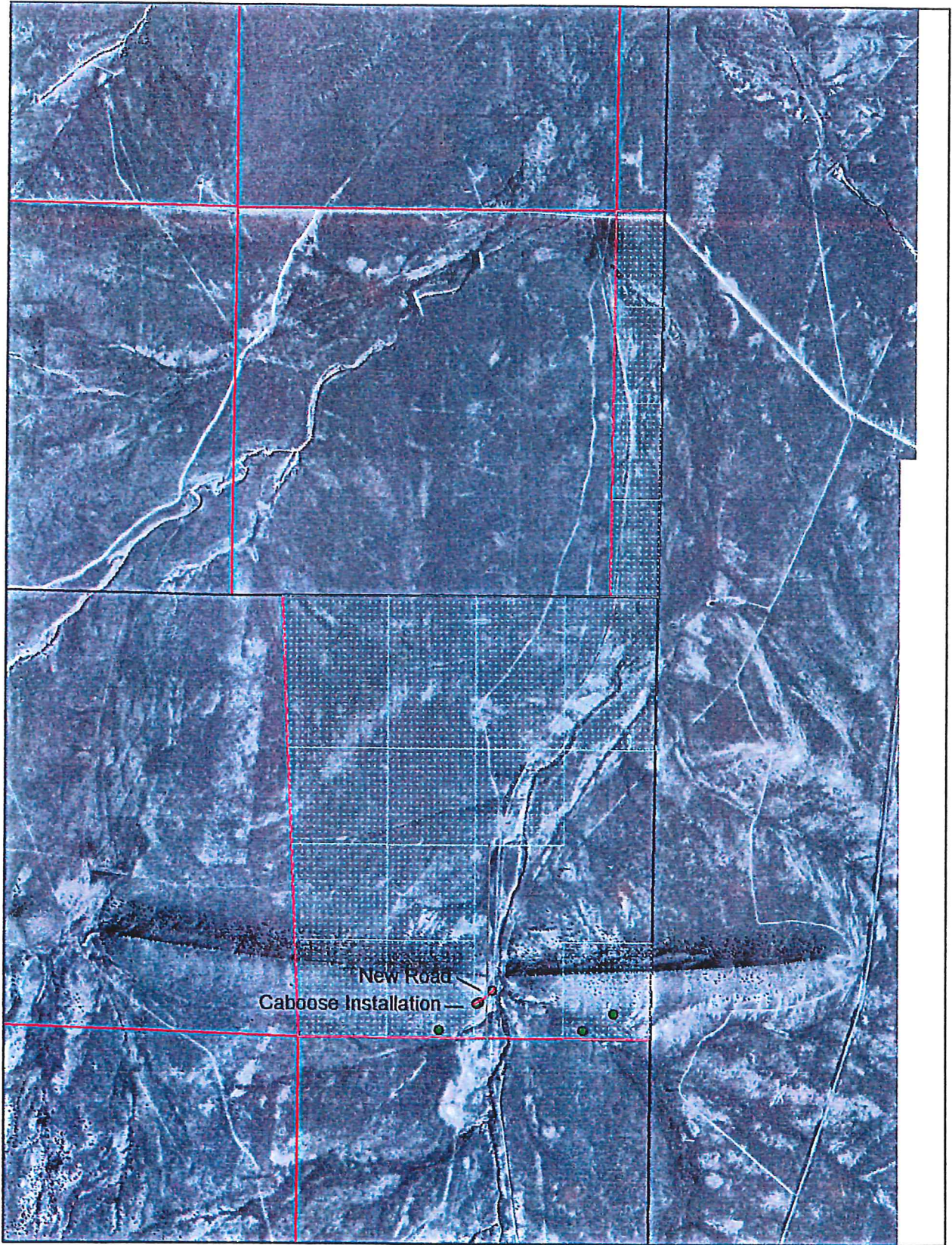
MJG

Attachments

DIGITAL IMAGES – MJG-SA-305

These two images show the pad site on or very near to state trust land.





Scale: 1:24,000

0 0.125 0.25 0.5 0.75 1 Miles

Creston Caboose Installation -- Possible Encroachment on Trust Land

- GPS Location -- Photo Point
- State Trust Boundary

Creston Area, Trust Ownership, GPS Locations



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 2, 2004

MJG-SA-305

TO: JERRY KING, ASSISTANT COMMISSIONER
THROUGH: DAVID COSS, FIELD OPERATIONS DIVISION
FROM: MARCUS J. GARCIA, SANTA FE DISTRICT
SUBJECT: GR-2122. ZORRO TRUST. REPORT OF POSSIBLE THEFT OF
ARCHAEOLOGICAL RESOURCES ON OR NEAR TO STATE TUST LAND
WITHIN THE RANCH UNIT.

JN 3-9-04
Marcus J. Garcia

SYNOPSIS

There was no documented evidence of theft and/or damage to the archaeological resources in this immediate area along the Creston petroglyph panel site; however, the lessee is in the midst of setting a non-ranch related improvement item near to or on the subject property. See the REMARKS section for additional information.

LEGAL DESCRIPTION

Within or near to the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2, Township 12 North, Range 9 East, N.M.P.M., Santa Fe County, New Mexico.

LOCATION

Within the Zorro Ranch at Comanche Gap and near the Creston petroglyph panel sites.

REMARKS

David Eck and myself inspected the subject property in response to a report of heavy machinery located either on or very near to state trust land at the Comanche Gap and Creston petroglyph panel sites within the Zorro Ranch. Uncorrected GPS coordinates obtained at the site with the Garmin Etrex Legend indicates the machinery was apparently operating in part on the subject property. However, without greater instrumental accuracy, we cannot definitively place the site on state trust land. According to the ranch hand that escorted us to and from the property, a level pad site was prepared so that a caboose can be placed on a short section of railroad tracks for whatever reason the lessee might have. The site is adjacent to the abandoned narrow gauge railroad corridor.

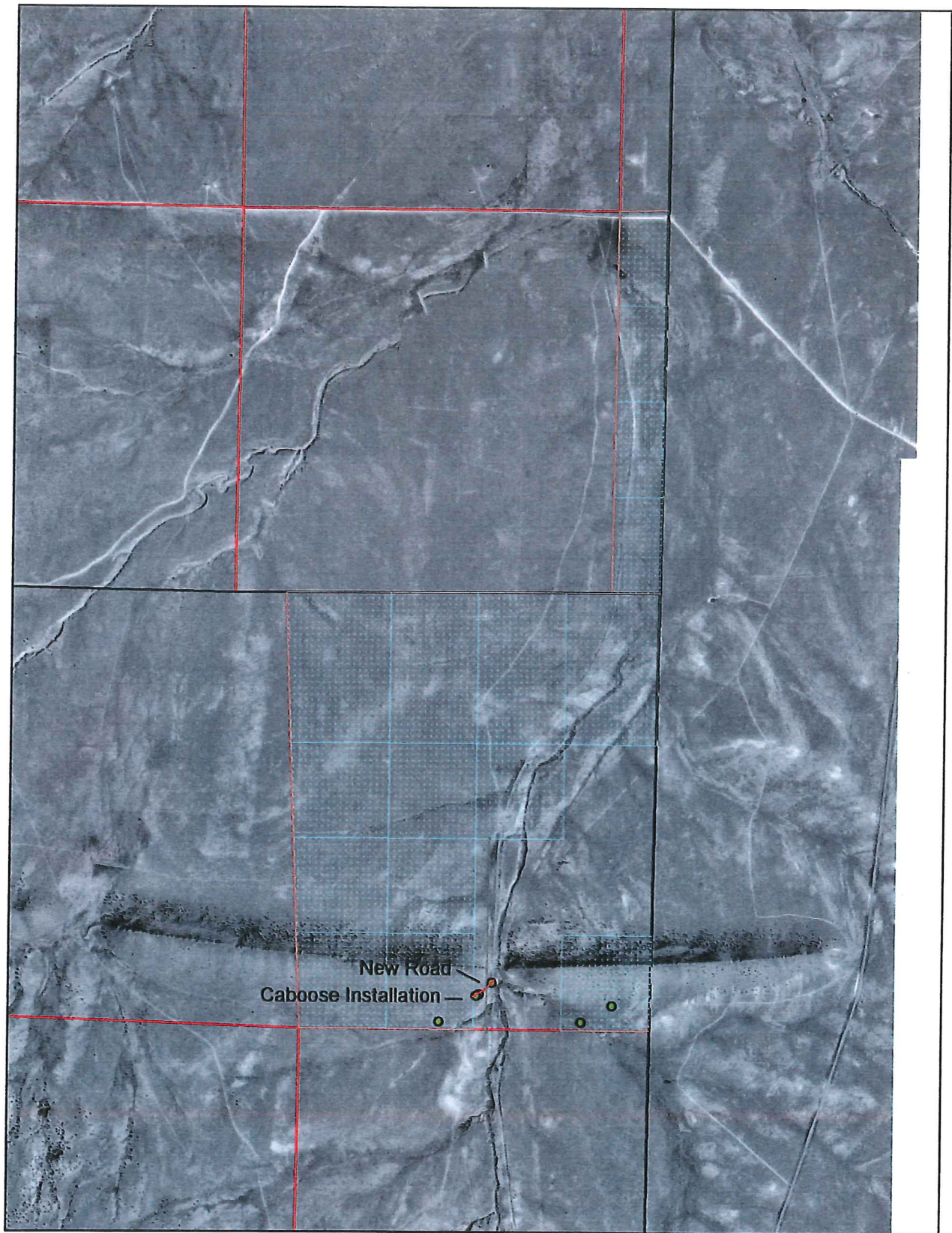
It is suggested that the lessee be informed that the site might encumber state trust land and reminded that permission is needed from the Commissioner prior to placing improvements and other structures on the lease. Whether this non-ranching related item is located on state leased

property is not a matter of great concern but what is disconcerting is that a ranch escort is needed for personnel from this office to access cultural sites for general administrative fieldwork and/or educational uses.

A recent conversation with the ranch manager (Bryce Gordon) for access into the ranch via a gate along the Anaya Ranch Road (County Road 38-B) was fruitful and apparently, this office will be able to secure access with prior notification to the lessee.

MJG

Attachments



Scale: 1:24,000

0 0.125 0.25 0.5 0.75 1 Miles

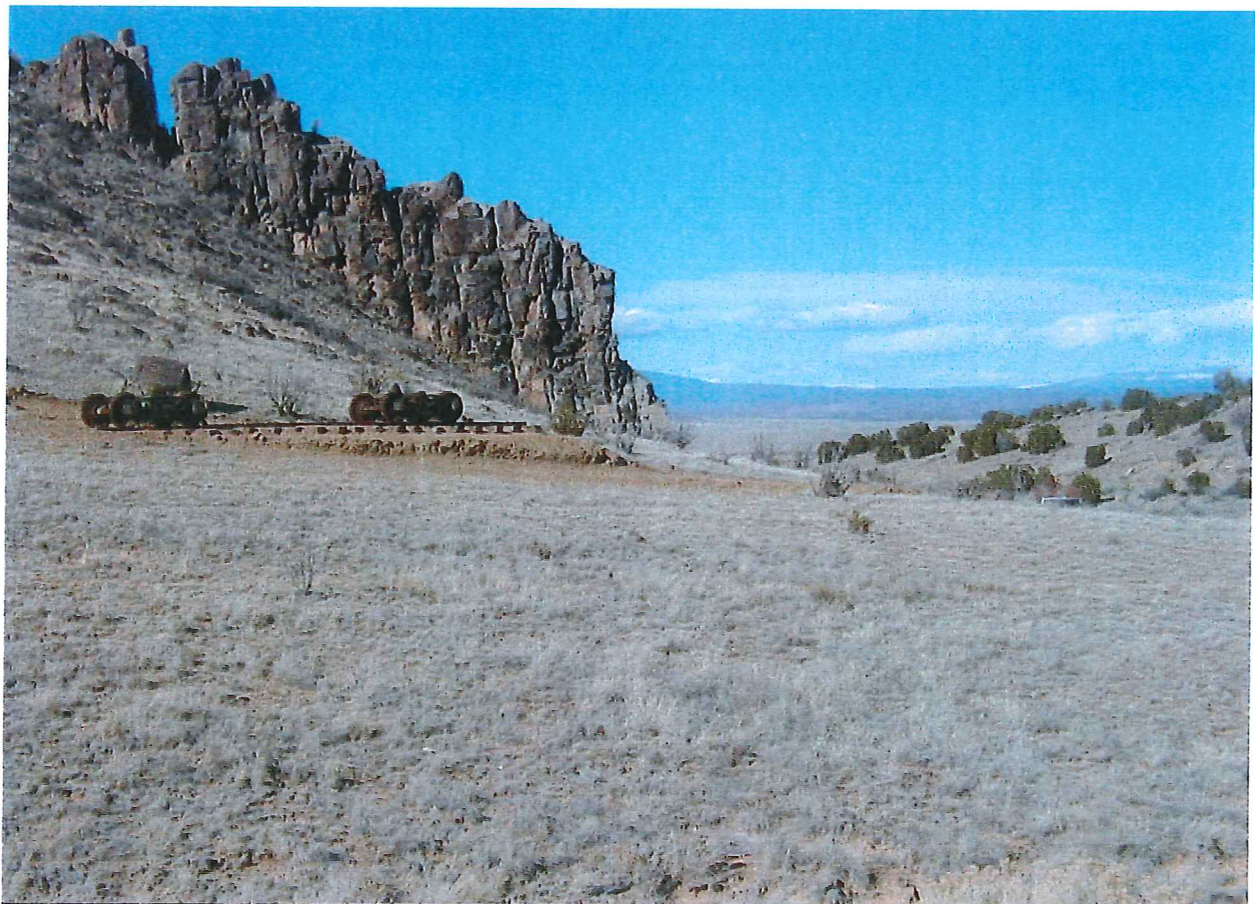
Creston Caboose Installation -- Possible Encroachment on Trust Land

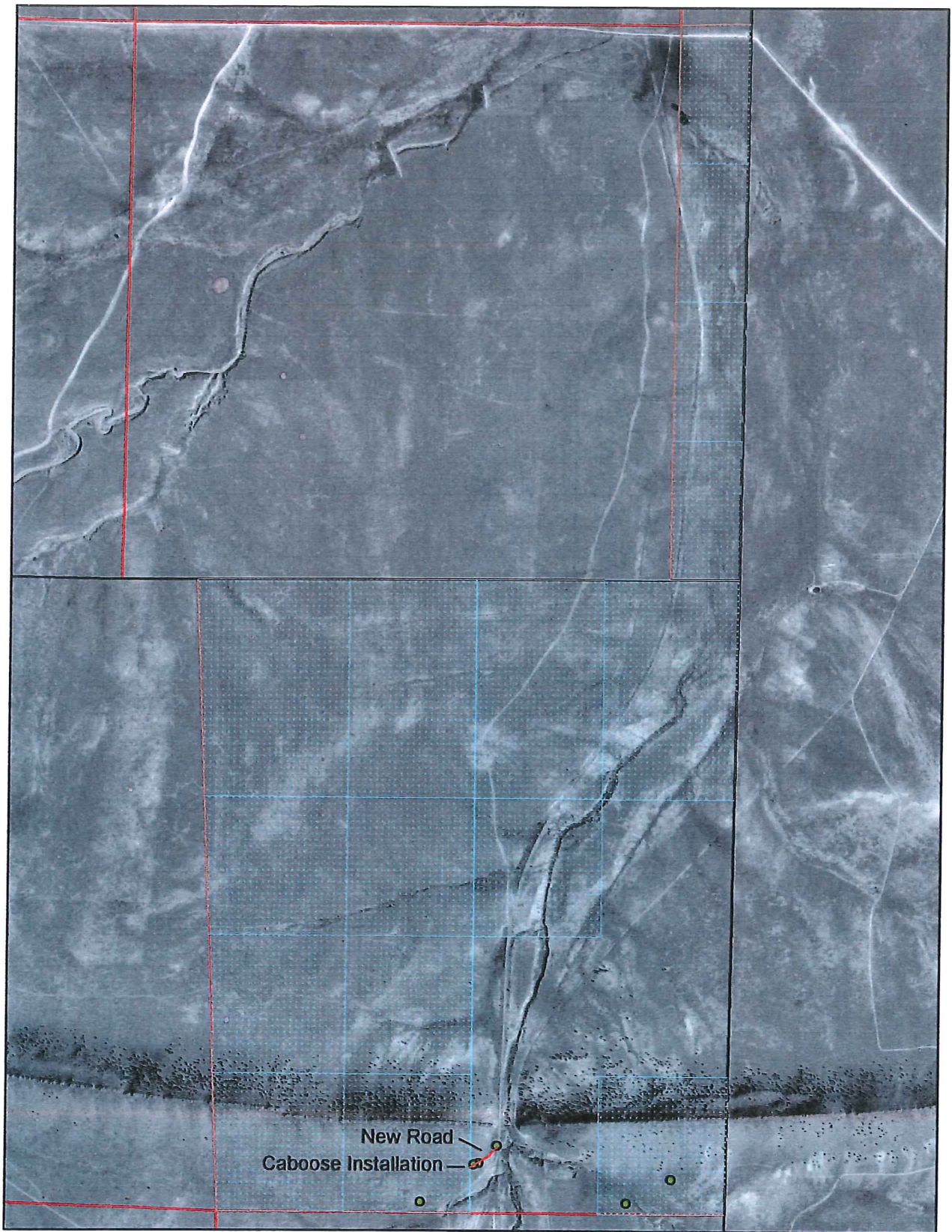
- GPS Location -- Photo Point
- State Trust Boundary

Creston Area, Trust Ownership, GPS Locations

DIGITAL IMAGES – MJG-SA-305

These two images show the pad site on or very near to state trust land.





Scale: 1:16,502

0 0.125 0.25 0.5 0.75 1 Miles

Creston Caboose Installation -- Possible Encroachment on Trust Land

- GPS Location -- Photo Point
- State Trust Boundary

Creston Area, Trust Ownership, GPS Locations

NEW MEXICO STATE LAND OFFICE
REQUEST FOR FIELD ASSIGNMENT

DO 2113
3/30
28

DATE TO FIELD DIVISION: 2-10-06 FIELD DIVISION CONTROL NO. M56-1175

REQUESTING DIVISION: Surface BY: Leroy A. Ulibarri

LEASE NUMBER: GR-2122 & GR-2088 TYPE OF REQUEST: Sublease

NAME OF LESSEE/APPLICANT: Zorro Trust

ADDRESS: 49 Zorro Ranch Rd., Stanley, NM 87056

DESIGNATED CONTACT: Brice M. Gordon PHONE: 505-832-2675

ADDRESS: _____

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
<u>See attached legal description</u>				

REMARKS: Please inspect and make recommendation.
See attached memo for remarks.

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 4-4-06

DISTRICT RESOURCE MANAGER RECOMMENDATION: Approve sublease request for both
GR-2088 (M56-1174) & GR-2122 (M56-1175) Range conditions
are fine to good.

APPROVE RECOMMENDATION: BK FIELD DIVISION: B/4/06 {REQUESTING DIVISION: Cmd 4-10-06

DO NOT APPROVE RECOMMENDATION: (Please state reasons) _____

ACTION TAKEN BY REQUESTING DIVISION: Approval sublease. Rd

Approved 9-13-06 JH.

DATE RETURNED TO DISTRICT RESOURCE 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

MARCH 30, 2006

MJG-1174 AND MJG-1175

TO: GILBERT BORREGO, SURFACE RESOURCES DIVISION

ATTENTION: MARY DUBOSE
GRAZING MANAGER

THROUGH: BRIAN HENINGTON, FIELD OPERATIONS DIVISION

FROM: MARCUS J. GARCIA, SANTA FE DISTRICT

SUBJECT: GR-2088 AND GR-2122. ZORRO TRUST. APPLICATION TO
SUBLEASE.

SYNOPSIS

The recommendation is to approve this application to sublease. The ocularly estimated range condition varies from fair to good condition. See the **IMPROVEMENTS** for additional information relative to unauthorized improvements.

LEGAL DESCRIPTION

GR-2088: Lot 1, 2, 3 and 4 within Section 36, Township 13 North, Range 9 East, N.M.P.M., Santa Fe, County, New Mexico; containing 84.86 acres, more-or-less.

GR-2122: Lot 1, 2, 3, 4 and 7; SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 2, Township 12 North, Range 9 East, N.M.P.M., Santa Fe, County, New Mexico; containing 518.97 acres, more-or-less.

Section 16, Township 12 North, Range 9 East, N.M.P.M., Santa Fe, County, New Mexico; containing 640 acres, more-or-less.

LOCATION

These state trust lands are located in south central Santa Fe County between Galisteo and Stanley, New Mexico. Section 16 is landlocked but Section 36 can be accessed directly from The Anaya Ranch Road (County Road 38-B). Section 2 abuts Section 36 and can conceivably be reached by walking across Section 36.

The condition of the grazable sites was ocularly estimated to be in fair to good condition.

-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 School of Forestry • Water Resources • Western New Mexico University

Generally, the condition of section 16 is fair and Sections 2 and 36 are in good condition. The ranch has not been extensively grazed since being sold to the current owner approximately 10 years ago. According to the ranch manager, the surface ownership status consists of 7,575 deeded and 1,582 acres of leased, mainly state trust land. Currently, there are 50 head of livestock grazing the ranch that belong to an employee of the ranch, as listed in the application.

HIGHEST AND BEST USE

Highest, best and current use is estimated to be livestock grazing. Historic rock art panels associated with the Creston geologic feature on Section 2 attract people interested in historic graffiti.

IMPROVEMENTS

On the day of the field evaluation, I documented a new water distribution pipeline within the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 16 and cholla removal in the same section. There is another water distribution pipeline also on Section 16 but this should be covered under a water easement since it is the water supply for the lessees' residence. These items will be covered in special assignment reports.

REMARKS

I met with the ranch manager, Brice Gordon, for this field evaluation. The lessee has essentially given over care and control of the livestock on the subject property, so a sublease is needed. Based on my field evaluation and the fair to good range conditions of the ranch, it is recommended to approve the sublease application.

MJG

Attachments



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

APRIL 10, 2006

MJG-SA-312

TO: GILBERT BORREGO, SURFACE RESOURCES DIVISION
ATTENTION: MARY DUBOSE
GRAZING MANAGER
THROUGH: BRIAN HENINGTON, FIELD OPERATIONS DIVISION
FROM: MARCUS J. GARCIA, SANTA FE DISTRICT
SUBJECT: GR-2122. ZORRO TRUST. UNAUTHORIZED IMPROVEMENTS.

SYNOPSIS

Several unauthorized improvements were recently documented while on other field evaluations on the Zorro Ranch. The recommendation is to send the lessee an improvement validation application. See the **IMPROVEMENTS** section for the item description and location.

LEGAL DESCRIPTION

Section 16, Township 12 North, Range 9 East, N.M.P.M., Santa Fe, County, New Mexico; containing 640 acres, more-or-less.

LOCATION

These state trust lands are located in south central Santa Fe County between Galisteo and Stanley, New Mexico.

Generally, the condition of section 16 is estimated to be in fair condition. The ranch has not been extensively graded since being sold to the current owner approximately 10 years ago. According to the ranch manager, the surface ownership status consists of 7,575 deeded and 1,582 acres of leased, mainly state trust land. Currently, there are 50 head of livestock grazing the ranch that belong to an employee of the ranch.

HIGHEST AND BEST USE

Highest, best and current use is estimated to be livestock grazing.

-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

IMPROVEMENTS

The following two items were completed sans an improvement application and subsequent approval from this office:

1. Cholla control. I recall from my last visit approximately 18 years ago the presence of cholla cactus on Section 16. On my recent visit to the site I noticed that the plant had been treated mechanically. The ranch manager, Brice Gordon, confirmed this and added that the treatment was done before he assumed his current duties. He has yet to call me with the specifics on the treatment, as he indicated that he would.
2. One mile of water pipeline within the S¹/₂S¹/₂. The ranch manager has yet to confirm the diameter, etc.

REMARKS

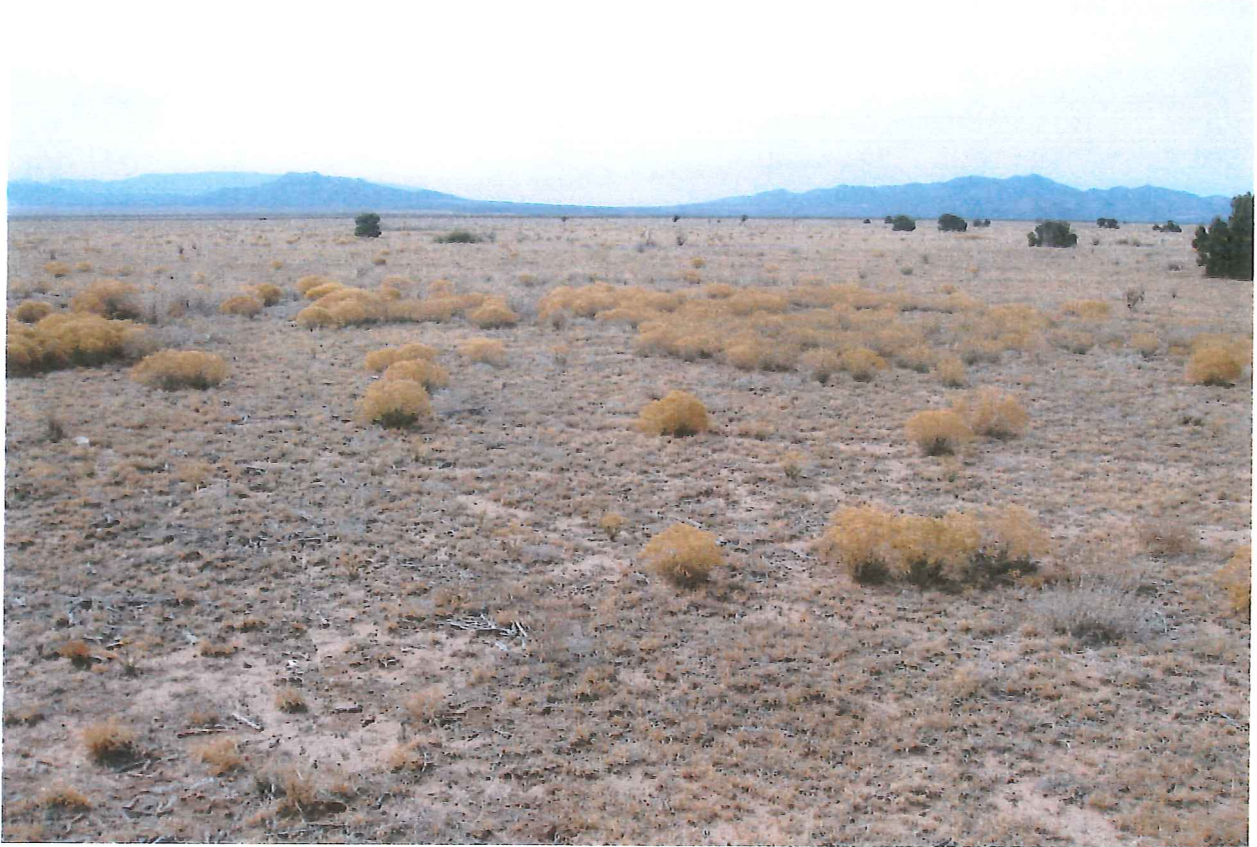
I documented these unauthorized improvements while on another field evaluation within the ranch unit. The recommendation is to send the lessee an improvement validation application.

MJG

Attachments

DIGITAL IMAGES – MJG-SA-312

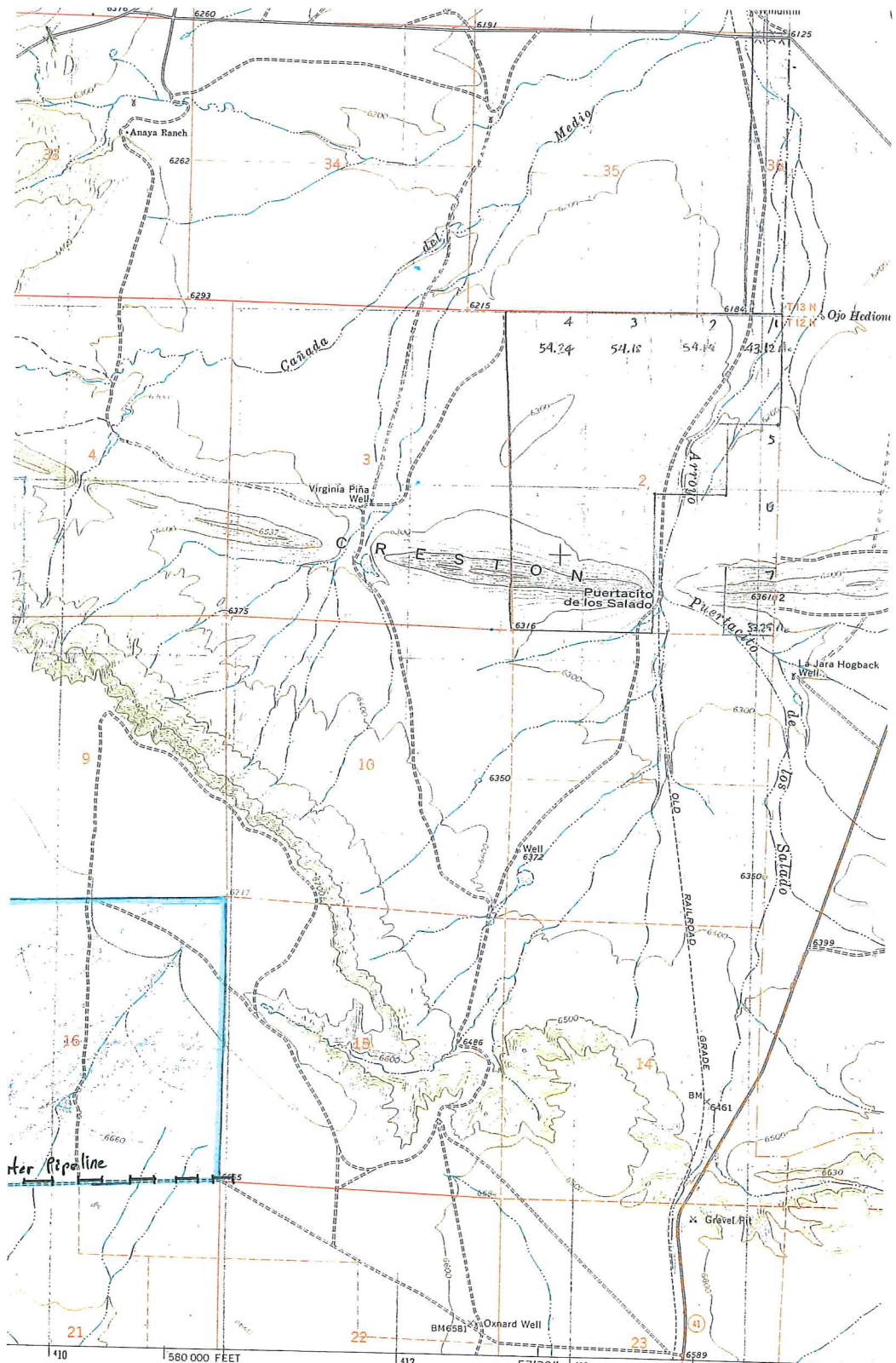
Looking northwest from the extreme southeast corner of Section 16.



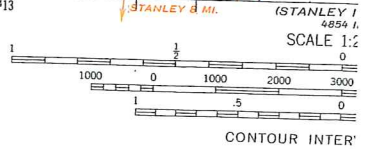
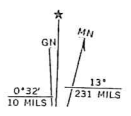
Looking north from the extreme southwest corner of Section 16.



510 SCAN 5/23/2006



published by the Geological Survey
 SC&GS
 metric methods from aerial
 4. Field checked 1966
 927 North American datum
 on New Mexico coordinate system



907977411



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

September 18, 2006

Zorro Trust
49 Zorro Ranch Rd.
Stanley, Nm 87056

**Re: State Agricultural Leases No. GR-2088 & GR-2122
(Sublease No. GR-2088-0001) & (Sublease No. GR-2122-0001)**

Dear Mr. Epstein:

Please find enclosed a copy of your approved sublease application. Your sublease will commence on October 1, 2006 and will expire on September 30, 2011.

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

ZORRO RANCH
49 ZORRO RANCH ROAD
STANLEY, NM 87056

TELEPHONE: 505 832 2675
FAX: 505 832 2676
E MAIL: zorr ranch@aol.com

August 24, 2006

Commissioner of Public Lands
State Land Office
P.O Box 1148
Santa Fe
NM 87504-1148

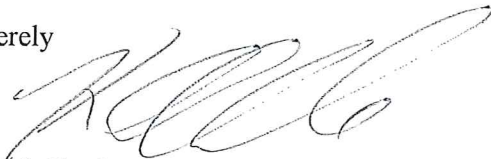
Reference: Sublease Renewal – Agricultural Lease No. GR-2122 (2006-2007)

Dear Mr. Leroy A. Ulibarri,

Reference your letter dated August 15, 2006, concerning sublease renewal for Agricultural Lease No. GR-2122, enclosed you will find 2 copies which have been notarized and signed. The attached rental for 2006-2007 of \$217.54.

If there are in questions or concerns please do not hesitate to call

Sincerely



Karen L. Gordon
Ranch Manager

RECEIVED
2006 AUG 28 AM 7 50
STATE LAND OFFICE
SANTO FE, N.M.

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, 2006, and to expire on September 30, 2007, (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		PERIOD OF USE	
	KIND	CLASS	FROM	TO
35	Mother Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus Cross		

RECEIVED
2006 AUG 28 AM 7:50
STATE LAND OFFICE
SANTA FE, N.M.

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U	PRICE S PER E 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

0= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,
 1= 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
FEB 6 10 18 AM '06

Land Suspense 3 NMSLD 0001-00

SLOSCAN 5/23/2006

94 0 06-FEB-06 01:41 75.72

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

Name: Brian 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 1st 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



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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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

April 20, 2006

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

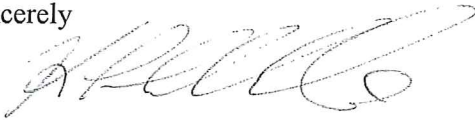
Reference GR – 2088 & GR -2122
Attention Leroy

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

SLOSCAN 5/23/2006



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

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.



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 COLD 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

SURFACE	0m	PURGED
DATE	6-9-04	
FILMED	4/16/05	
OPERATOR	EC	

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

SUBDIVISION	SEC.	TWP.	RGE.	ACRES
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 Value \$ _____

Caboase on a 48' x 8' stretch of railroad track laid on a 55' x 25' gravel pad and preparation of 20' x 30' viewing pad of graded and Value \$ _____

compacted earth on which there will be laid a 4' high 8' long hitching post. The viewing pad will be situated approximately Value \$ _____

10' from the gravel pad. 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, 20 06.

6/8/04
APPROVAL DATE

SANTA FE, N.M.
NEW MEXICO STATE LAND OFFICE
Patrick H. Lyons
COMMISSIONER OF PUBLIC LANDS

RECEIVED
2004 MAR 29 AM 8 08

S-09 (Revised 1/2001)

APPLICATION FEE \$30.00

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

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

RECEIVED
2004 MAR 29 AM 8 08

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
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
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

PNM State Land Office
Records Management
Printed: RS
2/16/2012
File Number: 011
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

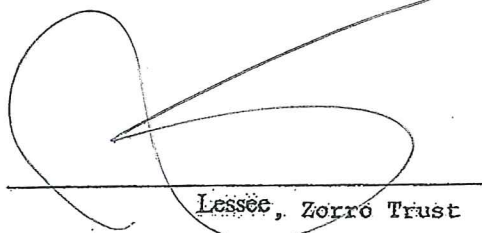
(mailing address) VI 00802

Brice Gordon
Telephone (340) - 513 - 9855 all (my/our) right, title and interest in State
Agricultural Lease No. GR 2122 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

1,158.97 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, 2011

by Jeffrey Epstein, Trustee of the Zorro Trust utu March 1, 1993, as amended

{print name(s) of person(s) acknowledged}

My commission expires: _____



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. 01BE4853924
Qualified in Rockland County
Commission Expires Feb. 17, 2014

2012 JAN 31 PM 3 17

SLO SCAN

MAR 12 2012

FEE: 54 0 01-FEB-12 09:15 4 NWSLO 001-00003 50.00

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 2122, 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: ~~Purchaser~~
Cypress, Inc., a Virgin Islands Corporation

~~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: _____

H. J. Keller
HARRY A. BELLER
Notary Public, State of New York
No. 01BE4833924
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 / PDM
COMMISSIONER OF PUBLIC LANDS

2012 JAN 31 PM 3 17



Aubrey Dunn, Commissioner of Public Lands
State of New Mexico

APPLICATION TO SUBLEASE STATE TRUST LANDS
(PLEASE FILL OUT IN INK)

I/We, Cypress, Inc, of _____, of
(mailing address) 49 Zorro Ranch Road Stanley, NM 87056, being lessee(s)
under Agriculture Lease No. AR-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: Ernest Ortiz & Steve Chavez
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, 2016, and to expire on September
30, 2017, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: Grazing purposes. Grazing License

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

NO.	LIVESTOCK		PERIOD OF USE	
	KIND	CLASS	FROM	TO
<u>39</u>	<u>Mother Cows</u>	<u>Angus Cross</u>		
<u>3</u>	<u>Bulls</u>	<u>Angus</u>		

S-01 (Revised 10/2015)

(1 of 2) APPLICATION FEE \$100.00



LAND SUSPENSE 3 NMSLO 001-00004
93 0 23-SEP-16 08:55 312:47

FEES 97 0 23-SEP-16 08:58 4 NMSLO 001-00004 312:47

FEES 96 0 23-SEP-16 08:57 4 NMSLO 001-00004 100.00

FEES 94 0 23-SEP-16 08:55 4 NMSLO 001-00004 100.00

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	

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

Add Extra Land Office
 Finance Department
 Paid *Mc*
 10-18-2011
 For Project #9
 10-20-11

2011 JUL 27 PM 4 08



NEW MEXICO STATE LAND OFFICE

REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 09/27/2016

FIELD DIVISION CONTROL NO: JUL251

REQUESTING DIVISION: Agriculture

BY: Danny Sandoval

LEASE NUMBER: GR 2122 101

TYPE OF REQUEST: Sublease Renewal

NAME OF LESSEE/APPLICANT: CYPRESS INC., A VIRGIN ISLANDS CORPORATION

ADDRESS: 49 ZORRO RANCH ROAD, STANLEY, New Mexico, 87056,

NAME	PHONE	ADDRESS	EMAIL
CYPRESS INC., A VIRGIN ISLANDS CORPORATION	5059333401	49 ZORRO RANCH ROAD STANLEY, NM 87056	

LEGAL DESCRIPTIONS	TWP	RNG	SEC	COUNTY
1, 2, 3, 4, 7, S2NW4, SW4 NE4, SW4	12N	09E	2	Santa Fe
ALL	12N	09E	16	Santa Fe

REMARKS:

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 11/07/2016

Recommendation	Supervisor Recommendation
	Approval recommended to renew sublease on GR2122.

ACTION TAKEN BY REQUESTING DIVISION: Approve Sublease Renewal per DRM's recommendation. 11/8/2016 DWS

APPROVE RECOMMENDATION: [FIELD DIVISION] ELECTRONICALLY APPROVED: 11/07/2016

Kenneth Baca

[REQUESTING DIVISION] ELECTRONICALLY APPROVED: 11/08/2016

Danny Sandoval

REQUESTING DIVISION SUPERVISOR COMMENT: Approval of the Sublease Application is recommended for a one (1) year term. October 1, 2016 - September 30, 2017 11/10/2016 LM

APPROVE RECOMMENDATION: [REQUESTING DIVISION SUPERVISOR] ELECTRONICALLY APPROVED: 11/10/2016

Lucille Martinez

CHECKLIST

241. If acreage is in poor condition, please provide transects.
242. Please advise on range conditions using an ocular estimate approach.
243. Please inspect and make your recommendations.
244. Please provide a ranch map and indicate where the state land sits in relation to the private land.
245. Please provide other pertinent information regarding this sublease.
246. Please verify how much acreage is being subleased and to whom?





Aubrey Dunn
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

November 4, 2016

JUL-251

TO: Lucille Martinez, Assistant Director Surface Resources
ATTN: Danny Sandoval, Management Analyst
THRU: Kenny Baca, Assistant Director Field Operations
FROM: Jason Lithgow, District Resource Manager
Santa Fe District Office
SUBJECT: *Sublease Renewal: GR-2122*
Cypress Inc.

Date Received: September 27, 2016

SYNOPSIS

This field report address's the sublease renewal application for grazing lease GR-2122. GR-2122 consists of 1,158.97 acres and is located in Santa Fe County. Cypress Inc wishes to sublease the total acreage to Ernest Ortiz & Steve Chavez. A field visit was conducted on November 04, 2016.



LEGAL LAND DESCRIPTION

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

<u>N.M.P.M.</u> <u>Section</u>	<u>Quarter/Quarter</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
02	Lots 1,2,3,4,7, S2NW4	12N	09E	Santa Fe
02	SW4NE4,SW4	12N	09E	Santa Fe
16	ALL	12N	09E	Santa Fe

LOCATION

310 Old Santa Fe Trail
Santa Fe, NM 87501

Continue to NM-466 S/Old Pecos Trail
6 min (2.1 mi)

Follow I-25 N/US-285 S and NM-41 S to Zorro Ranch Rd
34 min (31.8 mi)

Turn right onto Zorro Ranch Rd
Destination will be on the right
2 min (0.5 mi)

1-107 Zorro Ranch Road
Stanley, NM 87056

SITE/PHYSICAL DESCRIPTION

This site is rural rangeland. Adjoining lands are used for livestock grazing, and wildlife habitat. Vegetation consists of short and mid native grasses, forbs, and shrubs.

REMARKS

A field visit was conducted on November 04, 2016. No issues were found that should stop this sublease. I recommend approval of the sublease. This will continues sound management on the subject tract.



241 - If acreage is in poor condition, please provide transects.

Transects were not required at this time.

242 - Please advise on range conditions using an ocular estimate approach.

The range conditions were fair using an ocular estimation approach. The ranch runs a total of 40 cows on 10,000+ acres.

243 - Please inspect and make your recommendations.

The ranch is in good order, I recommend approving this sublease.

244 - Please provide a ranch map and indicate where the state land sits in relation to the private land.

See attached maps.

245 - Please provide other pertinent information regarding this sublease.

The subject tract is in good shape with no issues to report.

246 - Please verify how much acreage is being subleased and to whom?

The entire grazing lease is being leased to Ernest Ortiz & Steve Chavez.



APPENDIX A: PHOTOS



Pic 1. GR-2122





Pic 2. GR-2122

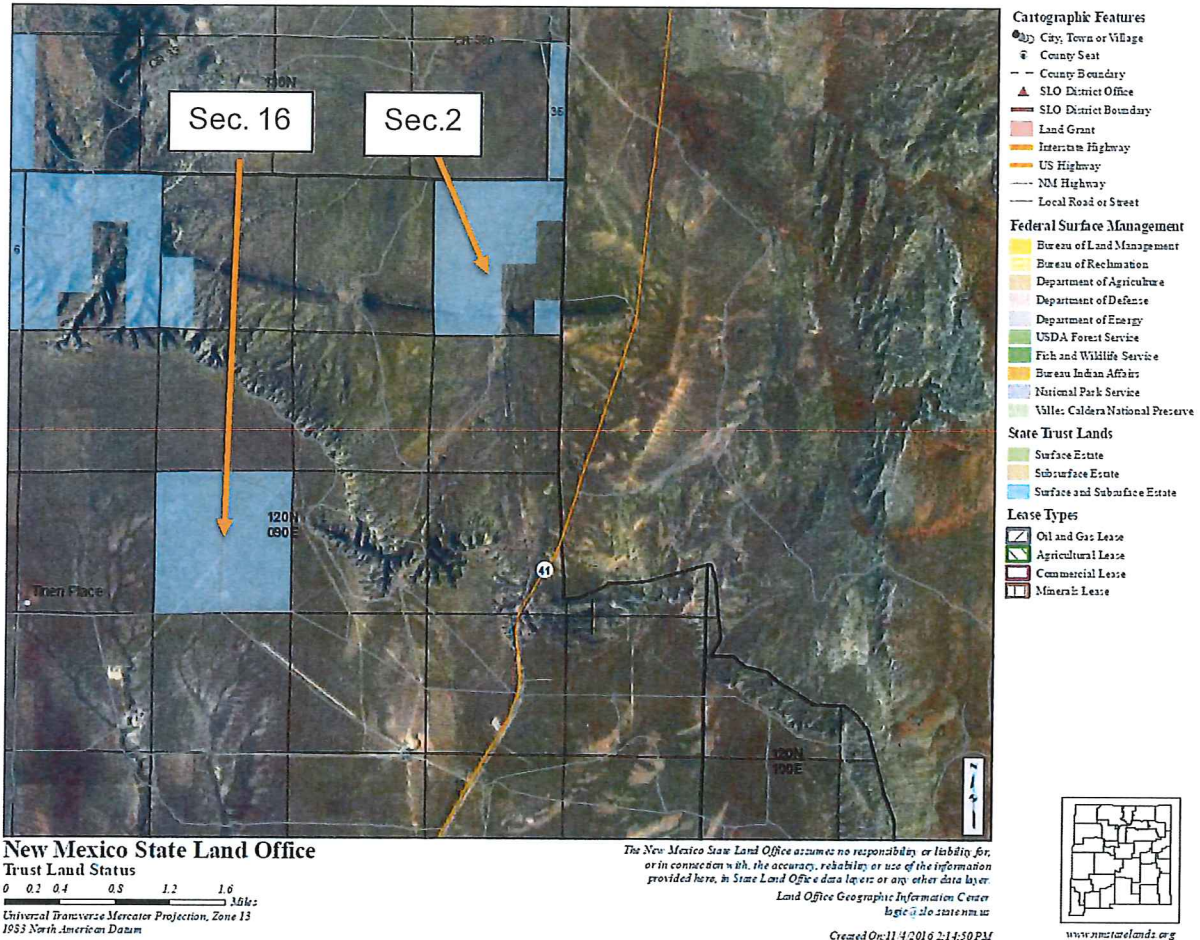




Pic 3. GR-2122



APPENDIX B: MAP GR-2122





Aubrey Dunn
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

November 10, 2016

Cypress Inc.
49 Zorro Ranch
Stanley, NM 87056

Re: State Agricultural Lease GR-2122
Sublease GR-2122-101

Dear Lessee(s):

Please find enclosed a copy of your approved sublease application. Your sublease will commenced on October 1, 2016 and will expire on September 30, 2017.

If you have any questions about your lease, please feel free to contact Mr. Danny Sandoval at the address above or at (505) 827-5775.

Sincerely,

A handwritten signature in black ink, appearing to read "Aubrey Dunn".

Aubrey Dunn
Commissioner of Public Lands
AD/ds

Encl.

