

**WATERLINE RIGHT-OF-WAY – R-30137  
COMPLETE LEASE FILE CONTENTS**

SDNY\_GM\_00173352

EFTA\_00195007

EFTA01305252





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

August 20, 2012

Sutin, Thayer, Browne  
P.O. Box 1945  
Albuquerque, NM 87103

Attn: Stacy L. Camacho

Re: New Mexico State Land Office Assignment for RW-30137

Dear Ms. Camacho,

Enclosed is the approved copy of an assignment between Zorro Trust., as Assignor and Cypress Inc. as Assignee.

If we can be of further assistance to you, please do not hesitate to contact this office at the above address or myself at 827-5773.

Sincerely,

Nick Jaramillo, Management Analyst  
Right-of-Way Section  
Surface Resource Division

Enclosures



SDNY\_GM\_00170354

EFTA\_00195009

EFTA01305254



03-15-2013  
6.4.2013

NEW MEXICO STATE LAND OFFICE  
ASSIGNMENT OF RIGHT-OF-WAY AND EASEMENT  
Type of Assignment Full / Partial (circle one)

KNOW ALL MEN BY THESE PRESENTS:

This agreement is entered into this 16th day of December, 2011, between Zorro Trust as Assignor and Cypress, Inc., a Virgin Islands corporation of 9100 Havensight, Port of Sale, Suite 15/16, St. Thomas, Virgin Islands 00802 as Assignee.  
(Address)

Assignor is holder of right-of-way and easement from the New Mexico State Land Office, by its Commissioner of Public Lands, designated as No. RW- 30137 dated September 6, 2006.  
(Original Approval Date)

The amount of \$ 1.00 and other consideration, the receipt of which is hereby acknowledged, Assignor does hereby convey all / partial (circle one) rights, title and interest in and to RW- 30137 (Attach description or exhibit if applicable.)

Assignor and Assignee acknowledge and agree that, unless agreed to by the Commissioner of Public Lands, Assignor shall remain fully liable for all damage to the subject trust lands arising from or in conjunction with Assignor use of the subject right-of-way; and that Assignee assumes all subsequent liability from the date of this assignment forward, and agrees to be strictly bound by all the terms of the assigned right-of-way as though those terms were set out herein.

EXECUTED THIS 16 day of December, 20 11.

BY: [Signature]  
\_\_\_\_\_  
(Assignor)

STATE OF New York  
COUNTY OF New York

The foregoing instrument was acknowledged before me this 16th day of December, 20 11, by Jeffrey Epstein as Trustee of the Zorro Trust utta March 1, 1993, as amended.  
(Name of Assignor) (Title of Officer, if applicable and Name of Corporation)

My Commission Expires: \_\_\_\_\_

[Signature]  
\_\_\_\_\_  
Notary Public  
Notary Public, State of New York  
No. 010643524  
Qualified in Rockland County  
Commission Expires Feb. 17, 2014  
FEES 4 NMSLO 001-00004

BY:

[Signature]

(Assignee)

STATE OF New York  
COUNTY OF New York

The foregoing instrument was acknowledged before me this 16th day of December,  
20 11, by Jeffery Epstein as President of Cypress, Inc., a Virgin Islands corporation.  
(Name of Assignee) (Title of Officer, if applicable and Name of Corporation)

My Commission Expires: \_\_\_\_\_

[Signature]  
Notary Public  
HARRIET BELLER  
Notary Public, State of New York  
No. 01064354924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2014

Approved by me on August 17, 2012.

[Signature]  
COMMISSIONER OF PUBLIC LANDS  


FULL ASSIGNMENT \$50.00  
PARTIAL ASSIGNMENT \$75.00

S-31 (Revised 03/2007)

STATE OF NEW MEXICO  
COMMISSIONER OF PUBLIC LANDS  
GRANT OF RIGHT-OF-WAY



Right-of-Way Easement No. RW-30137

This indenture, made this 6th day of September, 2006 by and between the State of New Mexico, acting by and through its Commissioner of Public Lands, "Grantor", Zorro Trust whose address is 457 Madison Ave., New York, NY 10022 Grantee;

**WITNESSETH:**

That Grantor, for and in consideration of the sum of \$12,969.00-----Twelve Thousand Nine Hundred and Sixty Nine Dollars and 00/100-----cash in hand, receipt of which is hereby acknowledged, and other good and valuable consideration, hereby conveys to grantee a right-of-way for the sole and exclusive purpose of water pipeline including the right to enter upon the real estate hereinafter described at any time that it may see fit to construct, maintain and repair the structures upon the right-of-way, together with the right to remove trees, brush, undergrowth, and other obstructions interfering with the location, construction, and maintenance of said right-of-way.

The right-of-way hereby granted covers a strip of land 30 feet in width in Santa Fe County (ies), as more particularly described by the attached centerline description and survey plats, which are incorporated herein.

This grant is made upon the following express terms and conditions:

1. This right-of-way is granted for a term of 35 years. The grant may be renewed for additional periods upon application to Grantor. Any such renewals are subject to such terms and conditions as the Grantor may require, and payment of compensation.
2. Grantor reserves the right to authorize or grant rights-of-way or other easements to third parties, which may be parallel to, cross over or bisect this right-of-way. In such cases, the subsequent grantee may, at the discretion of the Grantor, be required to post a bond guaranteeing payment for damages to the installations and improvements of Grantee herein. In crossing any right-of-way for a highway, road, telephone, telegraph, transmission line, etc. Grantee herein will exercise due care so as not to interfere with said rights-of-way and will comply with all applicable laws, rules, and regulations in connection with the making of such crossings
3. The right to grant additional rights-of-way or easements within this right-of-way belongs exclusively to Grantor. Grantor hereby agrees, however, that in the event Grantor elects to exercise such right and if Grantee herein is the New Mexico State Highway and Transportation Department, Grantor will secure in writing the agreement of subsequent right-of-way grantee that no facilities will be constructed or installed within the right-of-way subsequently granted without first obtaining from the Department a permit prescribing the conditions under which facilities may be placed within such right-of-way in accordance with the Department's applicable rules and regulations.

GRANTEE EXPRESSLY AGREES THAT PRIOR TO THE CONSTRUCTION OR INSTALLATION OF ANY FACILITIES WITHIN THE RIGHT-OF-WAY GRANTED HEREIN, GRANTEE WILL DETERMINE WHETHER THE RIGHT-OF-WAY IS WITHIN A PREVIOUSLY

S-25 (Revised 01/03/2000)

SLO SCAN

(2)

DEC 16 2009

SDNY\_GM\_00173357

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ESTABLISHED NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RIGHT-OF-WAY, AND IF IT IS, GRANTEE WILL OBTAIN FROM THE DEPARTMENT A PERMIT THAT PRESCRIBES THE CONDITIONS UNDER WHICH FACILITIES MAY BE PLACED WITHIN THE RIGHT-OF-WAY IN ACCORDANCE WITH THE DEPARTMENT'S APPLICABLE RULES AND REGULATIONS. GRANTEE FURTHER UNDERSTANDS AND AGREES THAT THE FAILURE TO OBTAIN SUCH PERMIT SHALL RESULT IN THE FORCIBLE REMOVAL BY THE DEPARTMENT OF ANY FACILITIES THAT MAY BE CONSTRUCTED OR INSTALLED WITHIN THE RIGHT-OF-WAY.

4. In clearing the right-of-way, Grantee agrees to dispose of brush and other debris so as not to interfere with the movement of livestock of state agriculture lessees.
5. All pipelines placed on said lands by virtue of this grant shall be buried not less than twenty inches (20") deep. An exception to this requirement may be granted on other than agricultural lands when hard rock is encountered which would require blasting, or when a temporary pipeline is necessary and will not unduly hamper other surface uses. Deviation of the twenty-inch depth must be shown on the plat accompanying the application for right-of-way or by the filing of an amended plat upon completion of construction.
6. Grantee hereby agrees to carefully avoid destruction or injury to any improvements or livestock lawfully upon the premises described herein, to close all gates immediately upon passing through same, and to pay promptly the reasonable and just damages for any injury or destruction arising from construction or maintenance of this right-of way.
7. Grantee shall not assign this right-of-way without the prior written approval of Grantor. Such approval may be conditioned upon the agreement by Grantee's assignee to additional conditions and covenants and may require payment of additional compensation to Grantor. This right-of-way is for the sole purpose stated and no other. Grantee agrees not to sell or otherwise grant to any person or entity any interest therein or the right to use any portion thereof.
8. The rights granted herein are subject to valid existing rights.
9. Grantor reserves the right to execute leases for oil and gas, coal, and minerals of whatsoever kind and for geothermal resources development and operation, the right to sell or dispose of same and the right to grant rights-of-way and easements related to such leasing.
10. In all matter affecting the premises described herein or operations thereon, Grantee, its employees, agents and contractors shall, at their own expense, fully comply with all laws, regulations, rules, ordinances, and requirements of any governmental authority or agency, which may be enacted or promulgated, including, but not limited to, requirements or enactment's pertaining to conservation, sanitation, aesthetics, pollution, cultural properties, fire, or ecology, including those provisions of the New Mexico Cultural Properties Act, §§18-6-1 through 17, NMSA 1978, that attach criminal penalties to the appropriation, excavation, injury or destruction of any site or object of historical, archaeological, architectural, or scientific value located on state lands. In addition, Grantee, its employees, agents and contractors must comply with the provisions of the Pipeline Safety Act, §§ 70-3-11 through 20, NMSA 1978, and rules enacted pursuant to the Act, and agree to provide the Public Regulation Commission access to records of compliance.
11. Non-use of the right-of-way granted herein for any period in excess of one (1) year without the prior written consent of Grantor shall be conclusive proof of abandonment of the right-of-way, and non-use for shorter periods shall place upon grantee the burden of providing that there was no intent to abandon.

S-25 (Revised 01/03/2000)

SLO SCAN

DEC 16 2009

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12. Grantee, if other than a governmental entity that is provided immunity from suit by the New Mexico Tort Claims Act, agrees to save and hold harmless, defend and indemnify the State of New Mexico, the Commissioner of Public Lands, and his agents or employees, 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 Grantee, its employees, agents, or contractors hereunder.
13. Notwithstanding anything contained herein, Grantor may cancel this grant for violation of any of the covenants of this agreement; provided, however, that before any such cancellation shall become effective, Grantor shall mail to grantee or any approved assignee, by certified mail addressed to the post office address of Grantee or such assignee shown by Land Office records, a thirty (30) day notice of intention to cancel, specifying the default for which the grant is subject to cancellation. No proof of receipt of notice shall be necessary and thirty (30) days after such mailing, Grantor may enter cancellation unless Grantee shall have sooner remedied the default to the satisfaction of Grantor.
14. Grantee agrees to preserve and protect the natural environmental conditions of the land encompassed in this grant, and to take those reclamation or corrective actions that are accepted soil and water conservation practices and that are deemed necessary by Grantor to protect the land from pollution, erosion, or other environmental degradation.
15. Grantee agrees to reclaim by grading, leveling, or terracing all areas disturbed by the construction or maintenance of the right-of-way or operations thereon and to landscape such areas at its own cost and expense. Landscaping shall include the planting of native grasses, shrubs, or other vegetation so as to return disturbed areas to their natural state and prevent water and wind erosion.
16. This grant shall become effective upon its execution by Grantor.

**STIPULATION:**

S-25 (Revised 01/03/2000)

SLO SCAN  
DEC 16 2009

SDNY\_GM\_00173359

EFTA\_00195014

EFTA01305259

(4)

Right-of-Way Easement No. RW-30137

GRANTEE:

By: \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF New York )  
 ) ss.  
COUNTY OF New York )

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of August, 2006,  
by Jeffrey Epstein, of Zorra Trust, a  
as trustee corporation, on behalf of said corporation: trust.

My Commission Expires:

\_\_\_\_\_

[Signature]  
NOTARY PUBLIC

LAUREN J. KWINTNER  
Notary Public, State of New York  
No. 02KW6016686  
Qualified in New York County  
Commission Expires November 30, 2006

STATE OF NEW MEXICO

BY: Patricia H. Lyons  
COMMISSIONER OF PUBLIC LANDS



S-25 (Revised 01/03/2000)

SLO SCAN  
DEC 16 2000

SDNY\_GM\_00173360

EFTA\_00195015

EFTA01305260



NEW MEXICO STATE LAND OFFICE
APPLICATION FOR RIGHT-OF-WAY EASEMENT

(Highways, Roads, Telephone and Telegraph, Pipelines, Saltwater Disposal, etc.)

2008 JUL 7 PM 12:15

STATE LAND OFFICE SANTA FE, N.M.

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

Dear Commissioner:

RW 30137

Zorro Trust (Name of Applicant) of
457 Madison Ave (Address)
New York, NY 10022

hereby applies for a right-of-way easement for construction and location of a water pipeline -
3" PVC, from Well # 7871, terminating at a 25,000 gal reservoir

(Type of line or facility, for pipeline give o.d.)

It is requested that the right-of-way be 7132.36 feet wide as indicated on the attached two copies of survey maps or plats, shown in red, (except for saltwater disposal well easement applications,) the survey centerline and the length of the right-of-way measured in rods. Also, enclosed is the legal description of the proposed right-of-way allocated by 40-acre acts and a computation of the number of acres included in the proposed right-of-way.

If the right-of-way is desired for a period other than thirty-five years, state the duration for which the grant is sought.

One of the following is enclosed to cover payment for damages that might occur to the state land improvements of a surface lessee:

- A bond in the amount of \$500.00 for a single right-of-way.
A blanket bond in a minimum amount of \$2,500.00 is already on file with the State Land Office.
Applicant desires to have bond waived by consent of the Commissioner of Public Lands. A waiver of property damage bond by the current surface lessee is enclosed.

Enclosed is a check in the amount of \$ 13144.00 for 432.3 (acres) (rods) at \$ 30.00 per (acre) (rod), plus \$100.00 application fee and \$75.00 appraisal fee. (If applicable)

The approximate dates for construction of facilities on the right of way are from 12/2002

Applicant covenants and agree to abide by all laws and regulations of the Land Office and to hold harmless, indemnify, and defend the Commissioner, his agents and lessees, 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 operations under any grant made by the Commissioner.

Applicant
By: [Signature]
Title: Trustee

SLO SCAN

DEC 16 2009

(Page 1 of 2)

SDNY\_GM\_00173361

EFTA\_00195016

EFTA01305261

ACKNOWLEDGMENT FOR CORPORATION

STATE OF )  
 ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of July  
20 06, by Harry Beller (Name of Officer), Notary Public (Title of Officer)  
of Zorlo Trust (Name of Corporation Acknowledging), a New York (State of Incorporation)  
corporation, on behalf of said corporation.

My Commission Expires:  
Feb 17<sup>th</sup> 2010

Harry I Beller  
NOTARY PUBLIC

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

ACKNOWLEDGEMENT FOR NATURAL PERSONS

STATE OF )  
 ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_, by \_\_\_\_\_

My Commission Expires:  
\_\_\_\_\_

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

STATE LAND OFFICE  
SANTA FE, N.M.  
2006 JUL 24 AM 8 14

2006 JUL 7 PM 12 15  
STATE LAND OFFICE  
SANTA FE, N.M.

06 (Revised 06/27/2001)

SLO SCAN  
DEC 16 2009

(Page 2 of 2)

NEW MEXICO STATE LAND OFFICE

CONSENT TO RIGHT-OF-WAY AND WAIVER OF PROPERTY DAMAGE

WITNESSETH:

That Zorro Trust  
(Name (s) of Surface Lessee and Spouse, if applicable)

Grantor, for and in consideration of the amount of cash in hand paid \_\_\_\_\_ (\$ \_\_\_\_\_) receipt of which is hereby acknowledged, and/or other good and valuable consideration, does hereby waive filing of property damage bond as prescribed by the Rules and Regulations of the State Land Office, on the following described state land leased by Grantor under Lease No. GR 2122

(Described state land by forty-acre tracts.)

<u>SUBDIVISION</u>	<u>SECTION / TOWNSHIP / RANGE</u>	<u>ACREAGE</u>
	16 12 North 09 East	6.5

Grantor hereby consents to the exercise by \_\_\_\_\_, Grantee, its successors and assigns, of all rights granted to it by a certain right-of-way agreement heretofore or hereinafter to be executed between the Commissioner of Public Lands of the State of New Mexico and the Grantee, with the understanding that the damages, if any occurring from the exercise of the rights therein granted, to any crops or other property of said Grantor shall be paid to said Grantor as agreed upon by the Grantor and Grantee.

Dated \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

Amanda Kull  
NAME

457 Madison Ave NE, NE 10022  
ADDRESS

Amanda Kull  
NAME

457 Madison Ave NE, NE 10022  
ADDRESS

[Signature]  
GRANTOR/SURFACE LESSEE  
STATE LAND OFFICE  
SANTA FE, N.M.  
JUL 7 PM 12 15

[Signature]  
ADDRESS

GRANTEE/RIGHT OF WAY APPLICANT

ADDRESS

SLO SCAN  
DEC 16 2009

SIMONS & SLATTERY | LLP

Thomas A. Simons, IV  
William P. Slattery  
Daniel H. Friedman  
Frank M. Bond  
Faith Kalman Reyes  
David B. Lawrenz  
Alexia Constantinaras  
Dana Simmons Hardy  
Selh T. Cohen  
Bege Simons Harwood  
Giulia M. Urquhart

Frank M. Bond  
Direct line: [REDACTED]  
E-mail: [REDACTED]

Mailing address: P. O. Box 5333  
Santa Fe, NM 87502-5333

Street address: 1660A Old Pecos Trail  
Santa Fe, NM 87505

voice [REDACTED]  
facsimile [REDACTED]  
toll free [REDACTED]

September 26, 2006

VIA HAND DELIVERY

Ms. Melissa Armijo  
Management Analyst  
Surface Resource Management Division  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87504-1148

Re: *Right-of-Way Easement No. RW-30137*

Dear Ms. Armijo:

I attach for you the right-of-way easement, RW-30137, signed by my client for the Zorro Trust. Also enclosed is the Affidavit of Completion of Right-of-Way Construction, executed by the manager of Zorro Ranch.

In the third paragraph of the Right-of-Way easement, we recognize that this easement applies to lands leased by Zorro Trust in Santa Fe County, not Lea County, as written. We authorize and request that you strike through "Lea" and insert "Santa Fe" by hand, then initial the change. This, of course, was an inadvertent error.

With these two documents I believe that the documentation to complete the water pipeline right-of-way is complete. If I may answer any questions, please contact Brice [REDACTED] at Zorro Ranch.

Sincerely yours,



Frank M. Bond

SLO SCAN  
DEC 16 2009

FMB/gdg  
cc: Zorro Trust (w/encl.)



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 7, 2006

Zorro Trust  
49 Zorro Ranch Road  
Stanley, NM 87056

Attn: [REDACTED]

Re: Right-of-Way Easement No. R-30137

Dear Ms. Gordon;

Enclosed is the completed Grant of Right of Way, and "Affidavit of Completion" form to be completed and returned to this office upon completion of the project.

If any corrections are necessary, please let us know and we will retype or amend this lease as necessary.

If you have any questions, please feel free to contact this office at the above address or at (505) 827-5728 or 5729.

Sincerely,

Melissa Armijo, Management Analyst  
Surface Resource Management Division

SLO SCAN

DEC 16 2009

-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

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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

August 17, 2006

Zorro Trust  
49 Zorro Ranch Road  
Stanley, NM 87056

Re: Right-of-Way Application No. RW-30137

Dear Ms. Gordon,

Please sign the enclosed grant of right-of-way and easement in the presence of a Notary Public and return to this office for approval. **BOTH COPIES MUST BE RETURNED.**

Be advised that the grant must be signed by the applicant or a person authorized to sign for the applicant, such as an officer or authorized agent of a company or corporation.

Please **DO NOT DATE THE GRANT.** It will be dated when the Commissioner's signature and official seal are affixed to the document.

If any corrections are necessary, notify this office and we will retype or amend the grant as required.

If we can be of further assistance, do not hesitate to contact this office at [REDACTED]

Sincerely,

*Anna Villa*  
Anna Villa, R/W Manager  
Surface Resource Management Division

SLO SCAN  
DEC 16 2009

-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  
SDNY\_GM\_00173366

EFTA\_00195021

EFTA01305266

LEASE NO. R-30137

Date 8-17-06

TYPE "EASEMENT" FOR \$2,969.00 DATED \_\_\_\_\_

PRICE PER ROD \$ 30 ACRE \_\_\_\_\_ ESMT OR WELLS \_\_\_\_\_

WIDTH 30 TERM 35 STIPULATIONS YES OR NO \_\_\_\_\_  
STIPULATIONS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TYPE OF R/W \_\_\_\_\_

MORE MONEY \$ 0 REFUND DUE \$ 0

*[Handwritten Signature]*

SLO SCAN  
DEC 16 2009



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

July 13, 2006

Zorro Trust  
C/o Zorro Ranch  
49 Zorro Ranch Road  
Stanley, NM 87056

Attn: [REDACTED]

Re: Right of Way Application No. RW-30137

Dear Ms. Gordon:

Your application for a new Right of Way has been received and is being processed by the Surface Resources Management Division of The New Mexico State Land Office.

Receipt by the New Mexico State Land Office of the application, fee, and/or accompanying payment does not constitute issuance of a lease by the Commissioner of Public Lands. You will be notified when the lease application is approved or denied.

Application fees are not refundable. Other payments submitted with your application will be deposited in a suspense account and will be refunded if the application is denied.

The New Mexico State Land Office thanks you for your cooperation and we look forward to a successful business relationship.

Please contact us at [REDACTED] for Melissa Armijo or [REDACTED] Gilbert Borrego, Surface Director, if you have any questions regarding the status of your application.

Sincerely,

Melissa Armijo, Management Analyst  
R/W Section, Surface Resource Management Division

SLO SCAN  
DEC 16 2009

-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

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SLO SCAN  
DEC 16 2009

SDNY\_GM\_00173369

EFTA\_00195024

EFTA01305269

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

TELEPHONE: [REDACTED]  
FAX: [REDACTED]  
E MAIL: [REDACTED]

July 6, 2006

Reference: GR-2122

Mr. Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office  
PO Box 1148  
Santa Fe  
NM 87504-1148

Dear Mr. Ulibarri,

As per our conversation May 16, 2006, I have attached a completed application to Validate Improvements on GR-2122 with an attached description of said improvements. Enclosed the application fee of \$30.00.

The Application for Right-of-Way and survey has been submitted to Melissa Armijo  
If you require any further information please do not hesitate to call.

Sincerely



[REDACTED]  
Ranch Manager

2006 JUL 7 PM 12 15  
STATE LAND OFFICE  
SANTA FE, N.M.

SLO SCAN  
DEC 16 2009

**NEW MEXICO STATE LAND OFFICE**  
**Application to Validate Improvements**

I/We, Zorro Trust make application for the Commissioner of Public Lands' validation of improvements placed on state trust lands held under Agricultural Lease No. GR2122, described below. These improvements were placed on state trust lands without the prior written consent of the Commissioner of Public Lands.

Subdivision \_\_\_\_\_ Section 16 Township 12 North Range 09 East Acres 640

Please list any federal, state or other cost-share programs involved with developing the improvements and any recovery provisions:

Indicate below the separate costs expended by yourself and any federal or state agency:

	Amount paid by Lessee	Amount paid by cost share	Approximate month and year built
Barns, stables and corrals _____	\$ _____	\$ _____	_____
Wells (give depth & description) _____	\$ _____	\$ _____	_____
Fences (give length and kind) _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
Windmill _____	\$ _____	\$ _____	_____
Water rights _____	\$ _____	\$ _____	_____
Pipeline <u>Please Note Attached Description</u>	\$ <u>19,333.00</u>	\$ _____	<u>12/2002</u>
Other improvements _____	\$ _____	\$ _____	_____

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

I, \_\_\_\_\_, Commissioner of Public Lands, hereby give my consent to the above lessee(s) to validate improvements as listed above. (Any changes in valuations will be shown on an attachment).

Validation date \_\_\_\_\_

Application fee: \$30.00

SLO SCAN  
 DEC 18 2019  
 COMMISSIONER OF PUBLIC LANDS

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

TELEPHONE: [REDACTED]  
FAX: [REDACTED]  
E MAIL: [REDACTED]

July 6, 2006

Reference: GR-2122

Water Pipeline – Section 16, Township 12 North, Range 09 East:

Construction - 3 inch PVC pipe

Depth – 4 feet

Use – to provide water for domestic, irrigation and livestock from Dakota Well # 7871, terminating at a 25,000 gal reservoir

Total Length of Pipeline Crossing thru GR-2122 – 7132.36'

Approx Cost of Pipeline Crossing thru GR-2122 – \$19,333.00

Please Note:

A completed centerline survey plats and Right-Of-Way Easement application was submitted to Melissa Armijo of R/W Section, Surface Resource Management Division on July 7, 2006

Sincerely



[REDACTED]  
Ranch Manager

2006 JUL 7 PM 12 15  
STATE LAND OFFICE  
SANTA FE, N.M.

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DEC 16 2009

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EFTA\_00195027

EFTA01305272

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

TELEPHONE: [REDACTED]  
FAX: [REDACTED]  
E MAIL: [REDACTED]

July 6, 2006

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

Reference: Water Pipeline  
Section 16, Township 12 North, Range 09 East

Dear Ms M. Armijo,

Reference your letter dated April 13, 2006, concerning an unapproved water pipeline installed for domestic and livestock purposes. Attached is a completed Application for Right-Of-Way, Centerline Survey Plat, Waiver of Property Damage, check for \$13,144.00 (based on 432.3 rods at \$30.00 per rod) and check for \$100.00 (application fee).

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

Sincerely



[REDACTED]  
Range Manager

2006 JUL 7 PM 12 15  
STATE LAND OFFICE  
SANTA FE, N.M.

SLO SCAN  
DEC 16 2009

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EFTA\_00195028

EFTA01305273

NEW MEXICO STATE LAND OFFICE  
AFFIDAVIT OF COMPLETION  
OF RIGHT-OF-WAY CONSTRUCTION

Zorro Trust \_\_\_\_\_ of  
(Name of Individual or Entity Holding Right-of-Way)

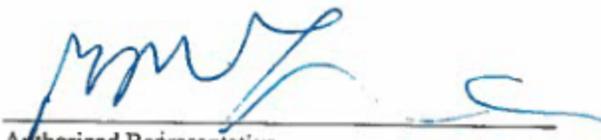
457 Madison Ave. New York, New York 10022  
(Address)

holder of Right-of-Way No. RW-30137, issued for construction operation and location  
of a Right of Way Easement  
(type of right-of-way)

hereby certifies that construction of the subject right-of-way has been completed, and that all  
guidelines of the State Land Office relating to reseeding and reclamation of disturbed areas have  
been or will be followed.

OR

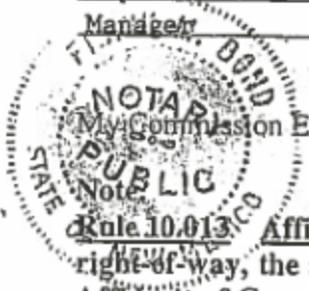
No construction was required as the right-of-way is for an existing \_\_\_\_\_

  
\_\_\_\_\_  
Authorized Representative  
Manager  
Position

ACKNOWLEDGEMENT

STATE OF NEW MEXICO \_\_\_\_\_ )  
\_\_\_\_\_ ) SS.  
COUNTY Santa Fe \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this 21st day of  
September, 2006, by Brice Gordon  
Manager of Zorro Trust  
(Title of Officer, if applicable, and name of Corporation)



My Commission Expires: 12/17/2006  
Frank M. Bond  
Notary Public

**Rule 10.013** Affidavit of Completion. Upon the completion of construction of any  
right-of-way, the applicant shall promptly file with the Commissioner of Public Lands an  
Affidavit of Completion. Failure to file such Affidavit in accordance with this section shall  
subject the right-of-way to cancellation in accordance with the provisions of these rules.

S-63 (Revised 01/03/2000)

SLO SCAN  
DEC 16 2009



# 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 EXPRESS WRITTEN ORDER OF THE COMMISSIONER

List of Confidential Materials redacted from this lease file: R-30137

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

1	Field report # <u>MJC-1196</u>
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NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

7/17  
Rec'd 7/21  
7/17/06  
MJB

DATE TO FIELD DIVISION: 7-13-06 FIELD DIVISION CONTROL NO. MJB-1196  
REQUESTING DIVISION: Surface BY: Melissa Armit  
LEASE NUMBER: R-30137 TYPE OF REQUEST: New Application  
NAME OF LESSEE/APPLICANT: Zorro Trust  
ADDRESS: 457 Madison Ave. New York, NY 10022  
DESIGNATED CONTACT: Karen Gordon PHONE: 505-832-2675  
ADDRESS: 49 Zorro Ranch Rd. Pstanchy, NM 87056  
LEGAL DESCRIPTION: SECTION 16 TWP 12N RANGE 09E COUNTY Santa Fe

REMARKS: GR-2122 Zorro Trust

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 7-31-06  
DISTRICT RESOURCE MANAGER RECOMMENDATION: Approve trespass waterline  
ROW at \$30/rod for 432.30 rods. A \$30/rod  
should be added to the ROW for penalty of trespass.  
Please see "remarks" section regarding cultural  
resource recommendations by DRM.

APPROVE RECOMMENDATION: (FIELD DIVISION) (REQUESTING DIVISION)  
DVS 7/27/06

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: Jenny King had given A  
verbal change \$30/rod  
8/16/06 [Signature]

DATE RETURNED TO DISTRICT RESOURCE MANAGER:

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 7-1-06 FIELD DIVISION CONTROL NO. 1936-1196

REQUESTING DIVISION: Surface BY: William L. ...

LEASE NUMBER: 4-2007 TYPE OF REQUEST: Boundary Location

NAME OF LESSEE/APPLICANT: ...

ADDRESS: 407 ...

DESIGNATED CONTACT: ... PHONE: 505-832-2611

ADDRESS: 49 ... Ranch ...

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	<u>16</u>	<u>12N</u>	<u>09E</u>	<u>Grant</u>

REMARKS: ...

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 7-31-06

DISTRICT RESOURCE MANAGER RECOMMENDATION: ...  
Now at 730/Mod for 432.30 acres. In 730/12/30E!  
Should be added to the ROW for security of the road.  
Please see "Remarks" section regarding ~~...~~ boundary location.  
Recommendation by DKM.

APPROVE RECOMMENDATION: DVE (FIELD DIVISION) 7/2/06 (REQUESTING DIVISION)

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: ...  
Boundary Change 730/Mod/25E  
8/16/06

DATE RETURNED TO DISTRICT RESOURCE MANAGER:

89 Revised: 11/1/99

SLO SCAN  
DEC 1 6 2009

SDNY\_GM\_00173378

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 7-1-06 FIELD DIVISION CONTROL NO. 016-1196

REQUESTING DIVISION: Surface BY: [Signature]

LEASE NUMBER: 1117 TYPE OF REQUEST: [Blank]

NAME OF LESSEE/APPLICANT: [Blank]

ADDRESS: [Blank]

DESIGNATED CONTACT: [Blank] PHONE: [Blank]

ADDRESS: [Blank]

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	<u>16</u>	<u>16N</u>	<u>07E</u>	<u>San Juan</u>

REMARKS: [Blank]

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 7-31-06

DISTRICT RESOURCE MANAGER RECOMMENDATION: [Handwritten text: I have reviewed the request and find it to be in the public interest. I recommend that the request be approved. I have marked the request with a checkmark and the initials of the District Resource Manager.]

APPROVE RECOMMENDATION: FIELD DIVISION) (REQUESTING DIVISION  
[Signature] [Signature]

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: [Handwritten text: Change 13.0/10d/10d]

DATE RETURNED TO DISTRICT RESOURCE MANAGER: [Blank]



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

JULY 26, 2006

MJG-1196

TO: GILBERT BORREGO, SURFACE RESOURCES DIVISION  
ATTENTION: MELISSA ARMJO  
RIGHT-OF-WAY BUREAU  
THROUGH: BRIAN HENINGTON, FIELD OPERATIONS DIVISION  
FROM: MARCUS J. GARCIA, SANTA FE DISTRICT  
SUBJECT: RW-30137. ZORRO TRUST. NEW RIGHT-OF-WAY APPLICATION FOR A TRESPASS DOMESTIC USE WATER PIPELINE

**SYNOPSIS**

This new application is to approve an existing domestic use water pipeline that is in trespass. The recommendation is to approve the application at the offered value of \$30.00 per rod and to assess an additional \$30.00 per rod penalty for the trespass. The easement should be 10 feet wide and be issued for a 35 year term. A cultural resource survey for the corridor is also recommended. See the **REMARKS** section for additional information.

**LEGAL DESCRIPTION**

Section 16, Township 12 North, Range 9 East, N.M.P.M., Santa Fe, County, New Mexico; containing 432.30 rods or 7,132.36 feet, more-or-less.

**LOCATION**

This state trust land section is located in south central Santa Fe County between Galisteo and Stanley, New Mexico. The section abuts fee land and lacks public access.

**HIGHEST AND BEST USE**

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

**ESTIMATE OF VALUE**

Valuation of pipelines easements on state trust lands in Santa Fe County (Central Quadrant) are based on fair market value, as per the *Pipeline Easement/Right-of-Way Price Schedule* currently in effect. Since sale disclosure is not required, private land market data for land sales and

**-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 Salize Lands • Water Reservoirs • Western New Mexico University  
SDNY\_GM\_00173380

easements, etc. is not readily available to the public sector and when discovered, it is difficult to confirm all pertinent data. This problem is magnified when some private land contracts specifically stipulate non-disclosure.

The applicant has offered \$30.00 per rod for this water pipeline and the recommendation is to accept the offer. The center line survey for the corridor refers to a 20 foot wide easement, but this is excessive for a buried 3 inch PVC pipeline. A 10 foot wide easement should be sufficient and this is the recommended width in addition to a 35 year term.

#### REMARKS

I documented this trespass while on another field evaluation within the ranch unit. The recommendation is to issue the right-of-way and to assess penalty of \$30.00 per rod in addition to the offered fee of \$30.00 per rod. The penalty is justified since there are other instances where the lessee has installed practices or built infrastructure without approval from this office, and presumably, ranch personnel are ignorant of or conveniently opt to ignore required permitting applications.

Water is pumped from a well (referred to as the Dakota Well, indicating the geologic formation from where the water is mined) located on private land on the adjacent Section 17, to the lessees' house approximately one and a half miles to the northwest. Although the State Engineer permit is for domestic and livestock use, the primary purpose is domestic. It is the more intense or higher use, which also justifies the recommended trespass fee.

Although ground disturbance has already occurred, it is recommended that the lessee submit a cultural resource survey for the corridor. This undertaking may have had an effect on the cultural resource assets of the Trust. Prior to approval for the placement of such an item on state trust land, an archaeological survey is required. Because the waterline is already in place, the archaeological fieldwork will have to include a complete survey of the entire waterline route as well as a damage assessment of the possible negative effects the installation may have had on any cultural resources identified by the survey. For further information regarding these requirements, the lessee may contact David Eck, Trust Land Archaeologist (827-5857).

MJG

Attachments

SLO SCAN

JUL 16 2006

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**DIGITAL IMAGES – MJG-1196**

Looking northwest from the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 16. This image shows the subject corridor and note that a 10-foot wide easement should suffice.





NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 7-1306 FIELD DIVISION CONTROL NO. \_\_\_\_\_

REQUESTING DIVISION: Surface BY: Melissa Armit

LEASE NUMBER: R-30137 TYPE OF REQUEST: New Application

NAME OF LESSEE/APPLICANT: Zorro Trust

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

DESIGNATED CONTACT: Karen Gordon PHONE: 505-832-2675

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

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	<u>16</u>	<u>12N</u>	<u>09E</u>	<u>Santa Fe</u>

REMARKS: GR-2122 Zorro Trust

DATE RETURNED TO REQUESTING DIVISION/BUREAU: \_\_\_\_\_  
DISTRICT RESOURCE MANAGER RECOMMENDATION: \_\_\_\_\_

APPROVE RECOMMENDATION: FIELD DIVISION) (REQUESTING DIVISION  
( ) ( )

DO NOT APPROVE RECOMMENDATION: (Please state reasons) \_\_\_\_\_

ACTION TAKEN BY REQUESTING DIVISION: \_\_\_\_\_

DATE RETURNED TO DISTRICT RESOURCE MANAGER: \_\_\_\_\_

SLO SCAN  
DEC 18 2009

89 Revised: 11/1/99

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EFTA01305285

**AGRICULTURAL LEASE – GR2088  
COMPLETE LEASE FILE CONTENTS**

SDNY\_GM\_00173386

EFTA\_00195041

EFTA01305286



THE CONTENTS OF THIS FOLDER HAVE BEEN PREPARED  
FOR IMAGING.

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

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

YOUR COOPERATION IS MUCH APPRECIATED.

LEASE

GR 2088

DATE OF PREP

3/21/02

This is a Patch I type separator sheet.



Form Type = "AgMiscBid"  
CODE128 type barcode



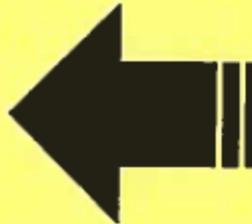
Portrait Feed

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Landscape Feed

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Form Type = "AgMiscBid"  
CODE128 type barcode

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EFTA\_00195044

EFTA01305289

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

AGRICULTURAL LEASE

LEASE NO. GR2088

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

CYPRESS INC., A VIRGIN ISLANDS CORPORATION

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

49 ZORRO RANCH ROAD  
STANLEY, NM 87056

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

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

2. TERM.

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

3. RENT.

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

4. PERMITTED USE.

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

FEES

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09:16

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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

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BY LAW.

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

15. WAIVER.

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

16. DELINQUENT RENTAL.

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

17. APPLICABLE LAW.

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

18. SUCCESSORS IN INTEREST.

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

19. CARRYING CAPACITY REEVALUATION.

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

20. SURFACE DAMAGES NOTIFICATION.

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EFTA01305292

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

2016 JUL 28 AM 11 21



SDNY\_GM\_00173393

EFTA\_00195048

EFTA01305293

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

LESSEE SIGNATURE

( ) TELEPHONE

EMAIL

LESSEE SIGNATURE

( ) TELEPHONE

EMAIL

LESSOR-COMMISSIONER OF PUBLIC LANDS



ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )

COUNTY OF )

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO )

COUNTY OF )

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

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

CORPORATION

STATE OF ~~NEW MEXICO~~ )

NEW YORK

COUNTY OF NEW YORK )

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

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

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

MY COMMISSION EXPIRES: 10/14/18

Habibe Avdiu  
NOTARY PUBLIC

2016 JUL 28 AM 11 21



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

SDNY\_GM\_00173394

EFTA\_00195049

EFTA01305294

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

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

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

APPRAISEMENT

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

I, Tim Eden, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GE 2088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 100.00 PER ACRE, IF SOLD, AND \$ 2.00 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED [Signature]  
ADDRESS PO Box 1976  
CITY/STATE Udacity, NM 87025

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

MY COMMISSION EXPIRES:  
10-9-17

[Signature]  
NOTARY PUBLIC



2016 JUL 28 AM 11 21



SDNY\_GM\_00173395

EFTA\_00195050

EFTA01305295

EXHIBIT A

LEASE NO: GR2088

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

RENEWAL LEASE

LEGEND: USE TYPE CODES

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

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

Miss State Land Office  
 Tennessee-Maryland  
 District  
 10.7.2016  
 Post Approved PD  
 10/11/2016

2016 JUL 28 AM 11 21



SDNY\_GM\_00173396

EFTA\_00195051

EFTA01305296





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  
(mailing address) 49 Zorro Ranch Road Stanley, NM 87056, being lessee(s)  
under Agriculture Lease No. GR-2088, 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
39	Mated Cows	Angus Cross		
3	bulls	Angus		

HT 2/11 12 DES 9187 APPLICATION FEE \$100.00



FEES 4 NMSLO 001-00004  
99 @ 23-SEP-16 08:59 100.00

SDNY\_GM\_00173398

EFTA\_00195053

EFTA01305298

FEES 4 M 001-00004  
 100 0 23-SEP-16 08:59 50.00

S-01 (Revised 10/2015)

MAP NO: 6E2088



SUBDIVISION

				SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARRY CAP =
DT1	-	-	-					
DT2	-	-	-					
DT3	-	-	-	36 13N 09E	21.14	G	-	11
DT4	-	-	-	36 13N 09E	21.19	G	-	11
				36 13N 09E	21.24	G	-	11
				36 13N 09E	21.29	G	-	11
<b>TOTAL ACREAGE:</b>				84.86	<b>TOTAL RENTAL:</b>		\$63.71	

NEWAL LEASE

SEND: USE TYPE CODES

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

G= GRAZING,  
 1= GRAZING (BID),  
 5= RSIP (BID)

CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS

2016 SEP 21 PM 2 14



SDNY\_GM\_00173399

EFTA\_00195054

EFTA01305299

**NEW MEXICO STATE LAND OFFICE**

**REQUEST FOR FIELD ASSIGNMENT**

DATE TO FIELD DIVISION: 09/27/2016

FIELD DIVISION CONTROL NO: JUL254

REQUESTING DIVISION: Agriculture

BY: Danny Sandoval

LEASE NUMBER: GR 2088 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	13N	09E	36	Santa Fe

**REMARKS:**

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

Recommendation	Supervisor Recommendation
Please see attached report JUL-254	Approval recommended to allow sublease on GR2088.

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?
- 



SDNY\_GM\_00173400

EFTA\_00195055

EFTA01305300



**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-254

**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-2088*  
*Cypress Inc.*

Date Received: September 27, 2016

**SYNOPSIS**

This field report address's the sublease renewal application for grazing lease GR-2088. GR-2088 consists of 84.86 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.



SDNY\_GM\_00173401

EFTA\_00195056

EFTA01305301

**LEGAL LAND DESCRIPTION**

A tract of land containing 84.86 acres, more or less, and allocated by forties as follows:

N.M.P.M.

<u>Section</u>	<u>Quarter/Quarter</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
36	Lots 1,2,3,4	13N	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 continue 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-2088**

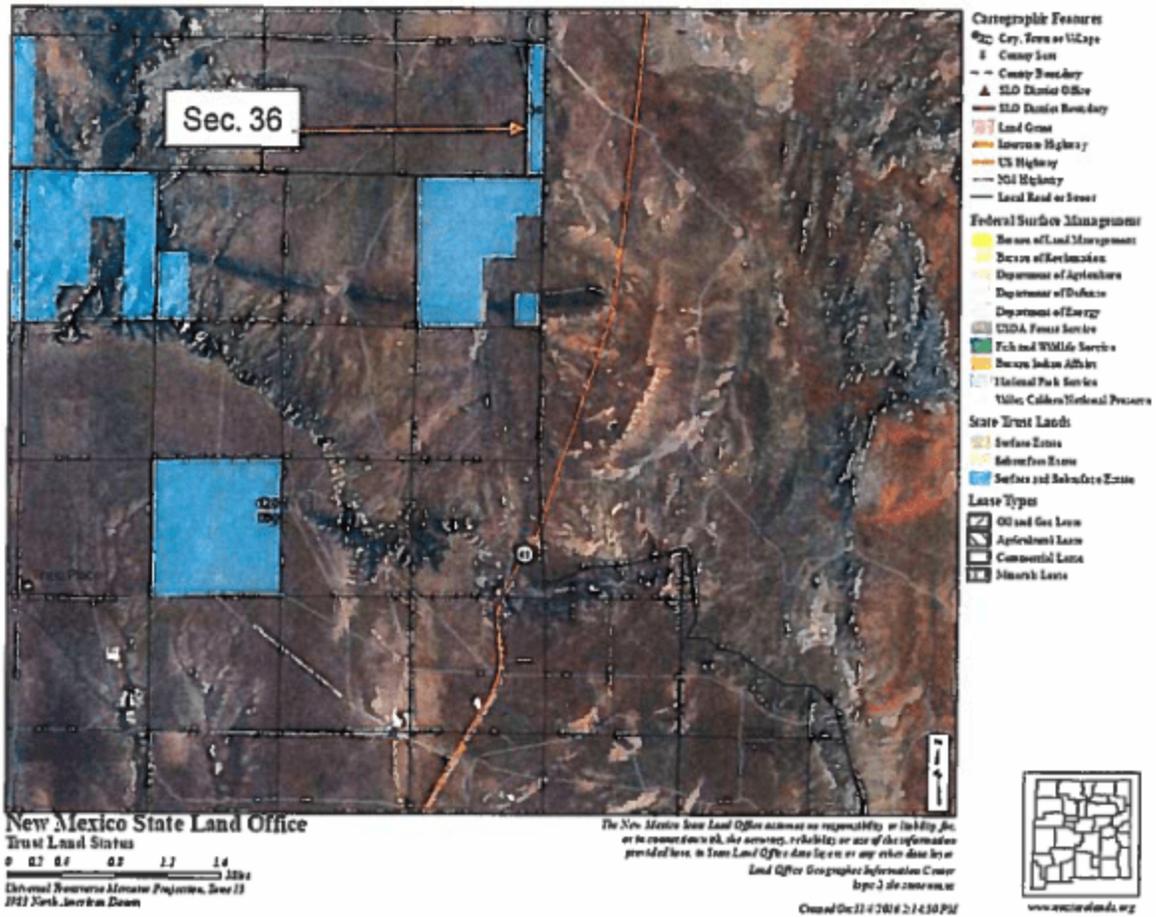




Pic 2. GR-2088



APPENDIX B: MAP GR-2088





**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-2088  
Sublease GR-2088-101

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 [REDACTED].

Sincerely,

Aubrey Dunn  
Commissioner of Public Lands  
AD/ds

Encl.



SDNY\_GM\_00173407

EFTA\_00195062

EFTA01305307

**Ortiz, Julian**

---

**From:** Zorro Ranch  
**Subject:** RE: CYP\_GRAZING\_LEASES\_110714

Ms. Gordon

Thank you for bringing this to my attention. After reviewing your two leases, GR2088, GR2122 and the two subleases, GR2088-0001, GR2122-0001, I have found that the sublease rental has not been paid on GR2088-0001 since 2011. If you intend to keep your leases, please submit the sublease rental for GR2088-0001 in the amount of \$50.00 for each year, 2012, 2013, and 2014. The Interest for late payment on the leases for 2014 in the amount of \$11.10 is also due. The total amount due will be \$161.10.

Once again, thank you for bringing this to my attention. If there is anything more that I can help with, please do not hesitate to contact me.

Julian Ortiz  
New Mexico State Land Office  
Management Analyst  
Surface Resources Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504  
[REDACTED]

**From:** Zorro Ranch [mailto:[REDACTED]]  
**Sent:** Monday, November 10, 2014 1:57 PM  
**To:** Ortiz, Julian  
**Subject:** Re: CYP\_GRAZING\_LEASES\_110714

*Good Afternoon,  
Just touching base to confirm that a revised Billing Statement will be forwarded  
Thank you  
Sincerely*  
[REDACTED]

On Fri, Nov 7, 2014 at 1:55 PM, Zorro Ranch <[REDACTED]> wrote:  
*Good Afternoon,*

*Attached original Billing Statement 2014, which was processed out for Check to be generated Sept 12th 2014. Check was generated Sept 17th 2014 and mailed out to the Santa Office Sept 19th 2014. It does concern me that it either took 2 weeks for your office to receive this and or was there a delay in release of funds clearing since this check was generated in the USVI.*

*Attached Billing Statement 2014 that was received 11/6/14, which does correspond to what you said about late payment, noting nothing is mentioned about a GR 2088 Sublease.*

*Attached Billing Statement 2013 showing how billing was previously formatted*



Please forward a revised Billing Statement  
Thank you

Sincerely

[REDACTED]

--  
Zorro Development Corp  
49 Zorro Ranch Road  
Stanley, NM 87056

Ranch Manager  
Tel: [REDACTED]  
Fax: [REDACTED]

--  
Zorro Development Corp  
49 Zorro Ranch Road  
Stanley, NM 87056

Ranch Manager  
Tel: [REDACTED]  
Fax: [REDACTED]

---

This email has been scanned by the Symantec Email Security.cloud service.  
For more information please visit <http://www.symanteccloud.com>

---





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

June 11, 2014

Cypress Inc.  
49 Zorro Ranch Road  
Stanley, NM 87056

Re: State Agricultural Lease No. GR-2088 & GR2122  
(Sublease No. GR-2088-0001 & GR2122-001)

Dear Lessee(s):

Please find enclosed a copy of your approved sublease applications. Your sublease commenced on October 1, 2013 and will expire on September 30, 2016.

If you have any questions, please feel free to contact me at the address above or at [REDACTED].

Sincerely,

Julian Ortiz  
Surface Resources Division  
NM State Land Office  
encl.



SDNY\_GM\_00173410

EFTA\_00195065

EFTA01305310

# CYPRESS, INC

49 Zorro Ranch Road

Stanley, NM 87056

Telephone: [REDACTED]

2014 MAY 15 PM 1 14

May 7<sup>th</sup>, 2014

New Mexico State Land Office  
PO Box 1148  
Santa Fe  
NM 87504

Attention: Ms Lucille Martinez

Dear Ms Martinez,

We would like to confirm that Cypress, Inc has a new mailing address. If all correspondence could please be forwarded to the following

49 Zorro Ranch Road  
Stanley, NM 87056

If you have any questions or concerns in reference to this could you please call [REDACTED]

Thank you for you assistance with this matter

Sincereley,



[REDACTED]



SDNY\_GM\_00173411

EFTA\_00195066

EFTA01305311

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.nmstatefands.org

May 16, 2014

Cypress Inc.  
49 Zorro Ranch Rd  
Stanley, NM 87056

**RE: STATE AGRICULTURAL LEASE NO. GR-2088-0001 &  
GR-2122-0001**

Dear Lessee(s):

This office has received your applications to Sublease State Trust Lands.

This office will send a District Resource Manager to inspect your leased lands on site and 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 [REDACTED].**

Sincerely,



Danny Sandoval  
Surface Resources Division  
NM State Land Office



SDNY\_GM\_00173412

EFTA\_00195067

EFTA01305312

5-7-11

NEW MEXICO STATE LAND OFFICE

OFFICIAL REQUEST FOR CHANGE OF ADDRESS

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

Dear Sir:

I am the holder of (Oil and Gas) (Mineral) (Other) \_\_\_\_\_ Lease No. GR 2088  
(Specify) GR-4122

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.

Cypress, Inc.  
(Company Name)

Signature (Please sign as name appears on lease)  
49 Zorro Ranch Road  
(Street Address or Box Number)

Stanley NM 87056  
(City, State and Zip Code)

Per: Karen L. Gordon  
5/15/14 em

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

0-67 04/01/94



SDNY\_GM\_00173413

EFTA\_00195068

EFTA01305313

NEW MEXICO STATE LAND OFFICE

OFFICIAL REQUEST FOR CHANGE OF ADDRESS

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

Dear Sir:

I am the holder of (Oil and Gas) (Mineral) (Other) \_\_\_\_\_ Lease No. GR-7088  
(Specify)

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

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

Zorro Trust

(Company Name)

c/o Karen Gordon

Signature (Please sign as name appears on lease)

49 Zorro Ranch Rd

(Street Address or Box Number)

Stanley NM 87056

(City, State and Zip Code)

Request by phone per Karen Gordon. 5-9-94  
74.

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

0-67 04/01/94

SDNY\_GM\_00173414

EFTA\_00195069

EFTA01305314

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

I/We, Cypress, Inc, of  
(mailing address) 24210 Larch Road, Santa Fe, NM 87506, being lessee(s)  
under Agriculture Lease No. GR 2088, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:

SUBDIVISION	SEC.	TWP.	RANGE	ACRES
See Attached Exhibit A				84.86

2014 MAY 15 PM 1 14

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: Steve Chavez / Ernest Ortiz  
PO Box 10524, Moriarty, NM 87035 / 198 County Rd B 108 S. Estancia, NM 87106

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, 20 11, and to expire on September 30, 20 16, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: Cattle Grazing

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

NO.	LIVESTOCK		PERIOD OF USE	
	KIND	CLASS	FROM	TO
39	Mother Cows	Angus Cross	12/1/11	9/30/16
2	Bulls	Angus		

S-01 (Revised 01/2001)



SDNY\_GM\_00173415

EFTA\_00195070

EFTA01305315

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

Name: [Redacted]

Address: 49 Zoro Ranch Road, Stanley, NM 87056

Home Telephone No. [Redacted] Business Telephone No. [Redacted]

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

I, Cypress, Inc, 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.** CYPRESS, INC.

Signed: Darren Indyke, Vice President  
Lessee

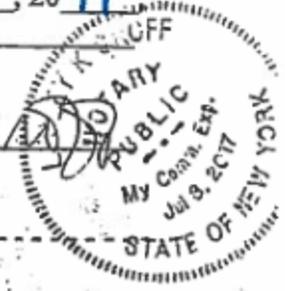
Signed: \_\_\_\_\_  
Lessee

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of May, 20 14  
by Darren Indyke  
{Name of Person's Signature being acknowledged}

LESLEY K GROFF  
Notary Public  
NO. 01GR6285700  
Qualified in New York County  
My Commission Expires Jul 8, 2017

EXPIRES: JULY 8, 2017

Lesley K. Groff  
Notary Public



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

APPROVED THIS 10 day of June, 20 14

Ray Powell  
COMMISSIONER OF PUBLIC LANDS



S-01 (Revised 01/2001)

HT 1 WJ ST AUW H02



SDNY\_GM\_00173416

EFTA\_00195071

EFTA01305316

EXHIBIT A

LEASE NO: GR2088

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CAR CAP	
LOT1	LOT2	LOT3	LOT4	-	36	13N 09E	84.86 G	-	11
TOTAL ACREAGE:					84.86	TOTAL RENTAL:			

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

2019 NOV 15 PM 1 14



SDNY\_GM\_00173417

EFTA\_00195072

EFTA01305317

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 5-16-14 FIELD DIVISION CONTROL NO. Jul-III

REQUESTING DIVISION: Surface / Grazing BY: Danny Sandover

LEASE NUMBER: GR-2088 TYPE OF REQUEST: New Sublease

NAME OF LESSEE/APPLICANT: Cypress Inc.

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

DESIGNATED CONTACT: [REDACTED] PHONE [REDACTED]

ADDRESS: Same as above

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
<u>Lots 1, 2, 3, 4</u>	<u>36</u>	<u>13N</u>	<u>09E</u>	<u>Santa Fe Co.</u>

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

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 6-4-14

DISTRICT RESOURCE MANAGER RECOMMENDATION:

Approve Sublease of Zorro Ranch to  
Mr. Chavez & Mr. Ortiz  
RANGE Fair/Good

APPROVE RECOMMENDATION: (FIELD DIVISION) [Signature] (REQUESTING DIVISION) LRM 6-10-14

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: Sublease approved as per DRMs  
recommendation. (2011-2016) em

DATE RETURNED TO DISTRICT RESOURCE MANAGER:





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

June 03, 2014

JUL-110, JUL-111

TO: Donald Martinez, Director Surface Resources  
ATTN: Danny Sandoval, Management Analyst  
THRU: Bill Pearson, Assistant Director Field Operations  
FROM:   
Jason Lithgow, District Resource Manager  
Santa Fe District Office  
SUBJECT: *New Sublease: GR-2122, GR-2088*  
*Cypress Inc.*

Date Received: May 20, 2014

SYNOPSIS

This report is to address the new sublease for GR-2122 and GR-2088. The sublease will encompass three sections totaling 1,243.83 acres. The subject trust land lies within the greater 11,000 Acre+ Zorro Ranch. At the time of the field visit an ocular estimate of the land was fair to good. There are no known reasons to not approve this sublease.

LEGAL LAND DESCRIPTION

A tract of land containing 1,243.83 acres, more or less, and allocated by forties as follows:

N.M.P.M.

Section	Quarter/Quarter	Township	Range	County
02	Lot 1, 2,3,4,7	12N	09E	Santa Fe
02	SW/4NE/4, S2NW4, SW4	12N	09E	Santa Fe
16	All	12N	09E	Santa Fe
36	Lot 1,2,3,4	13N	09E	Santa Fe



SDNY\_GM\_00173419

EFTA\_00195074

EFTA01305319

**LOCATION**

 310 Old Santa Fe Trail  
Santa Fe, NM 87501

- 1. Head **south** on **Old Santa Fe Trail** toward **E De Vargas St** 0.5 mi
- 2. Continue onto **Old Pecos Trail** 1.6 mi
- 3. Turn left onto **NM-466 S/Old Pecos Trail** 1.4 mi
- 4. Take the **Interstate 25 N** ramp to **Las Vegas/US 285 S/Clines Corners** 0.3 mi
- 5. Merge onto **I-25 N/US-285 S** 6.2 mi
- 6. Take exit **290** for **US-285 S** toward **Clines Corners** 0.2 mi
- 7. Keep right at the fork and merge onto **US-285 S** 6.7 mi
- 8. Turn right onto **NM-41 S** 16.8 mi
- 9. Turn right onto **Zorro Ranch Rd** 75 ft

The Zorro Ranch Rd is the access point to the State Trust Land. There is no public access to the subject tracts.

**SITE/PHYSICAL DESCRIPTION**

This site is rural rangeland. The leased site occupies 1,243.83 acres. Adjoining lands are used for livestock grazing, and wildlife habitat. Vegetation consists of short and mid native grasses, forbs, and shrubs and pinyon-juniper mixed forest.

**HIGHEST AND BEST USE**

The highest and best use of this land is livestock grazing and wildlife habitat. No other trends exist at this time.

**ENVIRONMENTAL CONCERNS/CULTURAL SITES**

No environmental concerns were observed at this time. Please note that this area has a very high concentration of artifacts, including Pueblo Blanco. If any improvements are made a thorough archeological review would be necessary.



**REMARKS**

On May 27, 2014 I met with a Mr. Gordon, who represents Cypress Inc., and conducted a site visit of the subject tract. At the time of the inspection the range was in better than fair condition. It was very apparent that the greater Zorro ranch took great care in managing the landscape. The Zorro ranch has been actively treating choya on both trust and deeded lands. They blade and pile the choya during the dormant period in winter, and burn the piles when they dry.

The new sub-lessees will be Steve Chavez and Ernest Ortiz. I recommend approval of the sublease.



**Appendix A: Photos**



**Photo 1- Overlooking Pueblo Blanco. Section 16.**





Photo 2- Representation of the range. Section 02.





Photo 3: East of Pueblo Blanco. Section 16.



**Photo 4:** Some choya encroachment. The ranch has been actively conducting choya removal during the winter months. This pasture was slated for treatment next winter. Section 2.

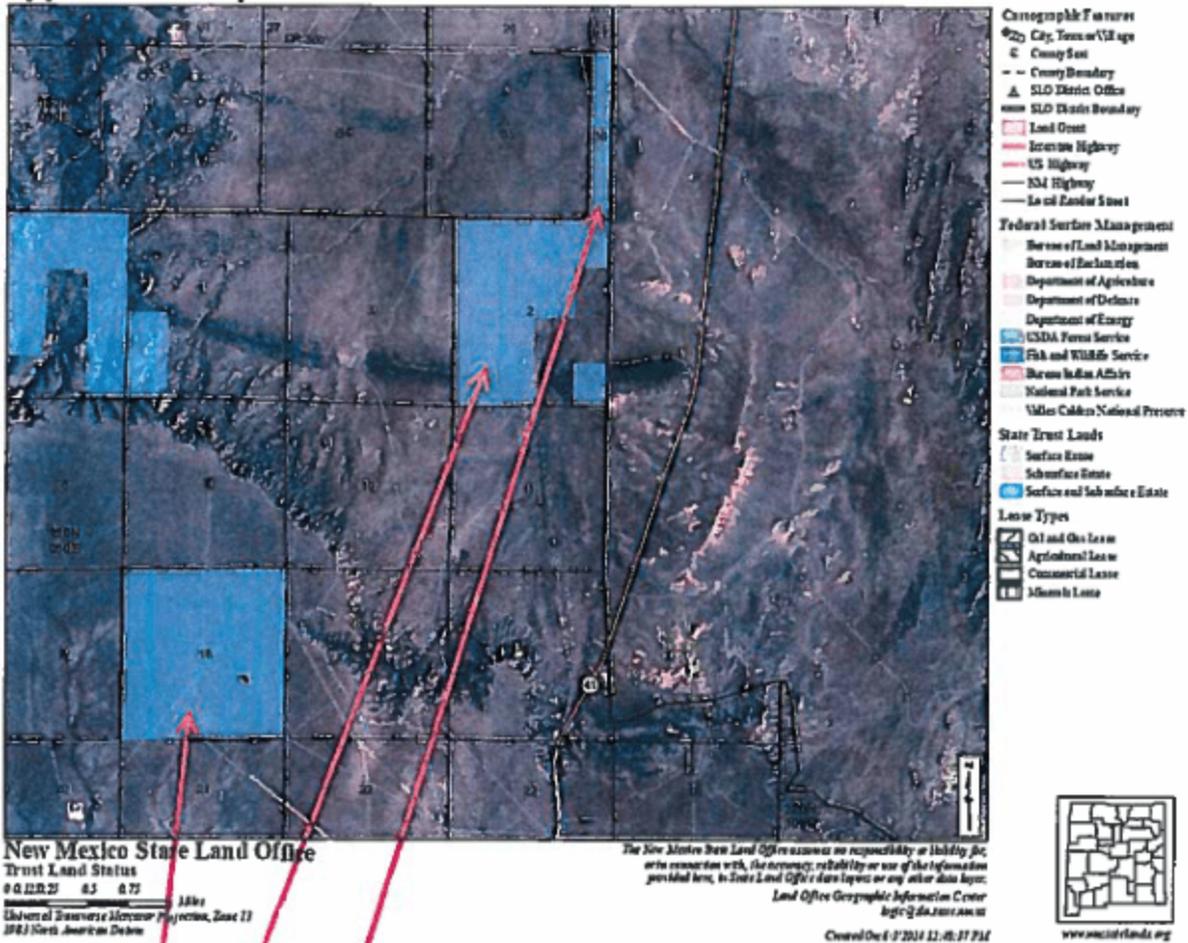




Photo 5: Section 36.



### Appendix B: Maps



Sections: 16 and 2 and 36. All the land around the sections is privately owned by the Zorro Ranch.





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

June 6, 2012

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

**Re: State Agricultural Lease No. GR-2088  
(Sublease No. GR-2088-0001)**

Dear Mr. Gordon:

Please find enclosed a copy of your approved sublease applications. Your sublease commenced on October 1, 2011 and will expire on September 30, 2016.

**If you have any questions, please feel free to contact me at the address above or at [REDACTED].**

Sincerely,

  
Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office  
encl.

SLO SCAN

JUN 07 2012

SDNY\_GM\_00173428

EFTA\_00195083

EFTA01305328

288

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

I/We, Cypress, Inc., of  
(mailing address) 9100 Havensight, Port of Sale, Suite 15/16, St. Thomas, VI 00802, being lessee(s)  
under Agriculture Lease No. GR 2088, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:

SUBDIVISION	SEC.	TWP.	RANGE	ACRES
See attached Exhibit A				84.86

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: Joe M. Chavez and Steve Chavez  
PO Box 1054, Moriarty, NM 87035

**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, 20 11, and to expire on September 30, 20 16, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: cattle grazing

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

NO.	LIVESTOCK KIND	CLASS	PERIOD OF USE	
			FROM	TO
11	cattle	cattle	10/1/2011	9/30/2016

S-01 (Revised 01/2001)

SLO SCAN  
JUN 07 2012

LAND SUSPENSE 3 NHSLO 001-00003  
67 0 29-FEB-12 11:43 50.00

SDNY\_GM\_00173429

EFTA\_00195084

EFTA01305329

2012 FEB 23 PM 10:14

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

Name: Brice Gordon

Address: 49 Zorro Ranch Rd, Stanley, NM 87056

Home Telephone No. [REDACTED] Business Telephone No. [REDACTED]

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

I, Cypress, Inc., 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 16 day of February, 20 12,  
by Darren Indyke as Vice President of Cypress, Inc.  
(name of Agricultural Lessee)

MY COMMISSION EXPIRES: 2/25/14 [Signature]  
Notary Public

2012 FEB 29 AM 10 14

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

APPROVED THIS 5<sup>th</sup> day of June, 20 12



S-01 (Revised 01/2001)

SLO SCAN  
JUN 07 2012

SDNY\_GM\_00173430

EFTA\_00195085

EFTA01305330

EXHIBIT A

LEASE NO: GR2088

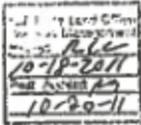
SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CAR CAP
LOT1	LOT2	LOT3	LOT4	-	36 13N 09E	84.86	G	-	11
TOTAL ACREAGE:					84.86	TOTAL RENTAL:		\$50.44	

RENEWAL LEASE

LEGEND: USE TYPE CODES

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

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



SLO SCAN  
 JUN 07 2012

JUN 27 2011

SDNY\_GM\_00173431

EFTA\_00195086

EFTA01305331



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

March 2, 2012

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

Re: State Agricultural Lease No.'s GR-2088-01 & GR -2122-01

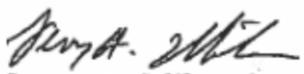
Dear Mr. Gordon:

This office has received your applications to Sublease State Trust Lands.

This office will send a District Resource Manager to inspect your leased lands on site and 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 [REDACTED].**

Sincerely,

  
Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

encl:

SLO SCAN  
JUN 07 2012

SDNY\_GM\_00173432

EFTA\_00195087

EFTA01305332

**SUTIN THAYER & BROWNE**  
A PROFESSIONAL CORPORATION  
LAWYERS

IRWIN S. MOISE (1906-1984)  
LEWIS R. SUTIN (1909-1992)  
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  
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TIMOTHY J. MURPHY  
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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

February 29, 2012

**BY HAND DELIVERY**  
New Mexico State Land Office  
Attn: Mr. Leroy Ulibarri  
310 Old Santa Fe Trail  
Santa Fe NM 87501

Application to Sublease New Mexico  
State Leases GR 2088 and GR 2122

Dear Mr. Ulibarri:

We enclose the following for processing in the New Mexico State Land Office:

1. Application to Sublease State Trust Lands for Agricultural Lease Number GR 2088.
2. Application to Sublease State Trust Lands for Agricultural Lease Number GR 2122.
3. Check number 179859 in the amount of \$50.00 for the sublease fee for Lease Number GR 2088.
4. Check number 179860 in the amount of \$150.30 for the sublease fee for Lease Number GR 2122.

2012 FEB 29 PM 10:19

SLO SCAN  
JUN 07 2012

SDNY\_GM\_00173433

EFTA\_00195088

EFTA01305333

February 29, 2012  
Page 2

Please accept the enclosed materials for processing. If you have any questions regarding this correspondence please contact me at [REDACTED]. Thank you.

Very truly yours,

SUTIN, THAYER & BROWNE  
A Professional Corporation

By   
David G. Gordon  
Albuquerque Office

DGG  
(Enclosures)  
2309183.doc

2012 FEB 29 AM 10 14

SLO SCAN  
JUN 07, 2012

SDNY\_GM\_00173434

EFTA\_00195089

EFTA01305334

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 3-2-12

FIELD DIVISION CONTROL NO. ADP-304

REQUESTING DIVISION: Surface

BY: Leroy A. Ulibarri

LEASE NUMBER: GR-2088-01 TYPE OF REQUEST: Sublease New

NAME OF LESSEE/APPLICANT: Cypress, Inc.

ADDRESS: 49 Zorro Ranch Rd. Stanley, NM 87066

DESIGNATED CONTACT: Brice Gordon

PHONE: [REDACTED]

ADDRESS:

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	36	13N	09E	S. F.

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

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 6-1-12

DISTRICT RESOURCE MANAGER RECOMMENDATION: Approve application for sublease  
84.86 acres per attached report. Range condition good to  
excellent plus ocular estimate.

APPROVE RECOMMENDATION: FIELD DIVISION (REQUESTING DIVISION)

*[Signature]* 2-1-12

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: Approve Sub lease Appl per DMR's  
Recommendation 6/2/12 thru mutual p.

DATE RETURNED TO DISTRICT RESOURCE MANAGER:



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

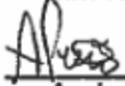
ADP-304

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—2088-01  
*Cypress Inc.*  
*Brice Gordon*  


**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.

SLO SCAN  
JUN 07 2012

SDNY\_GM\_00173436

EFTA\_00195091

EFTA01305336

**LEGAL LAND DESCRIPTION**

Section of land, containing 84.86 acres, more or less, and allocated by forties as follows:

N.M.P.M.

<u>Section</u>	<u>Quarter/Quarter</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
36	Lots 1,2,3,4	13 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 84.86 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 \$50.44 rental  
Minimum Sublease Rate is **\$50.00**

**APPENDIX A: PHOTOGRAPHS**

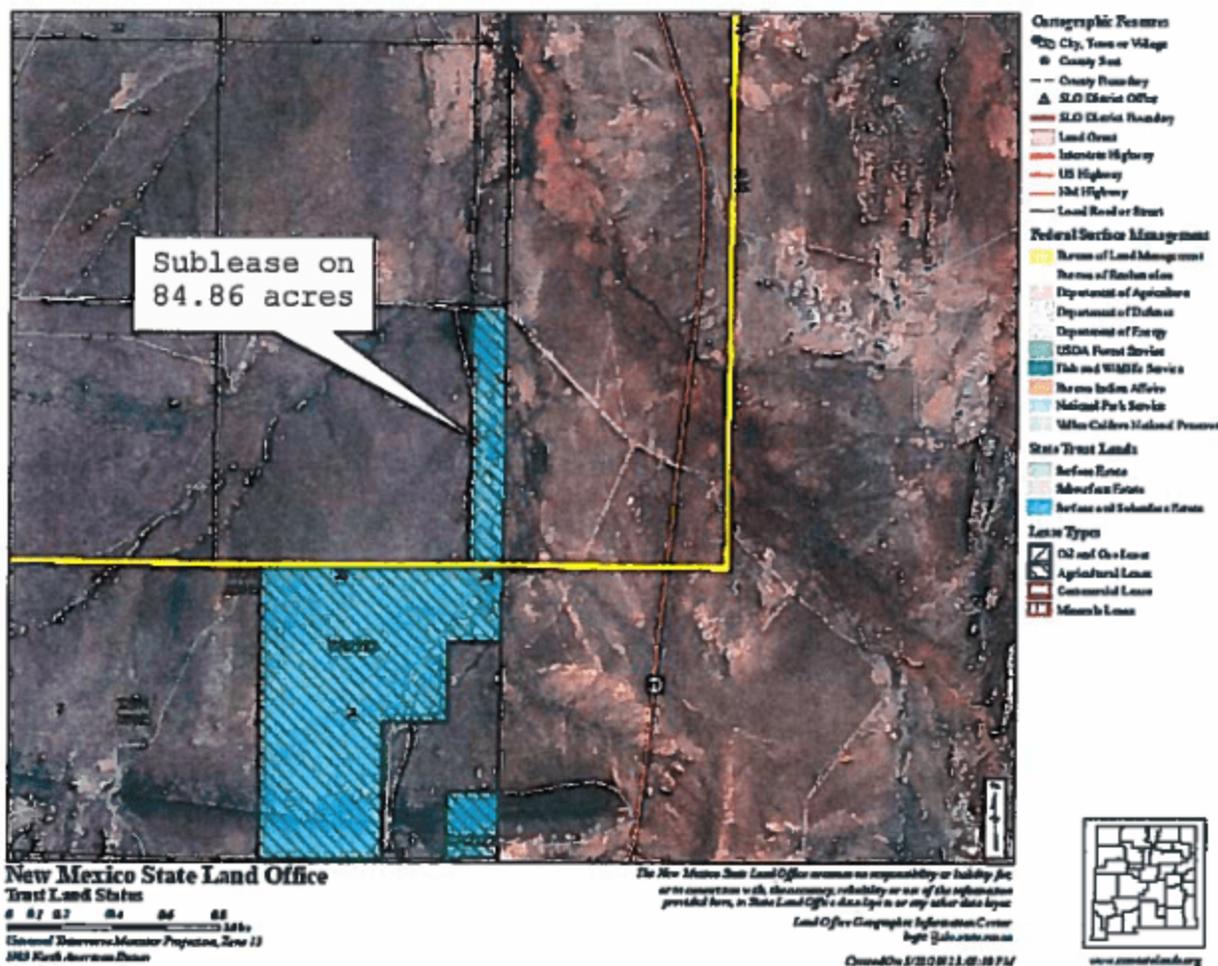


**Section 36**



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

APPENDIX B: MAPS







TO BE COMPLETED BY PURCHASER:

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

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

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

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

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

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

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

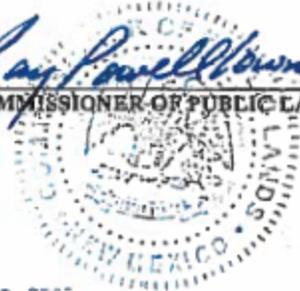
My commission expires: HARRY I. BELLER  
Notary Public, State of New York  
No. 0107123324  
Qualified in Rockland County  
Commission Expires Feb. 17, 2014

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 Brown  
COMMISSIONER OF PUBLIC LANDS



2012 JAN 31 PM 3 17

SLO SCAN  
MAR 12 2012

EXHIBIT A

LEASE NO: GR2088

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

LEGEND: USE TYPE CODES

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

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

SLO SCAN

MAR 12 2012

SDNY\_GM\_00173445

EFTA\_00195100

EFTA01305345



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 [REDACTED].

Sincerely,

Fernando Roybal  
Agricultural Lease Analyst

Enclosure

xc: Sutin, Thayer & Brown

SLO SCAN

MAR 12 2012

SDNY\_GM\_00173446

EFTA\_00195101

EFTA01305346

**SUTIN THAYER & BROWNE**  
A PROFESSIONAL CORPORATION  
LAWYERS

IRWIN S. MOISE (1906-1984)  
LEWIS R. SUTIN (1908-1992)  
FRANKLIN JONES (1919-1994)  
RAYMOND W. SCHWERS (1946-1995)  
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 KIERMAN  
PETER S. KIERST  
RACHEL S. KING  
TWILA B. LARION  
DEREK V. LARSON  
STEVEN 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 505-882-5297

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:

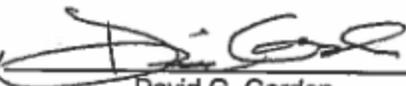
1. Assignment of Agricultural Lease No. GR 2088.
2. Assignment of Agricultural Lease No. GR 2122.

We enclose our check in the amount of \$100.00 to cover the recording fees. Please call me at [REDACTED] if you have any questions. Thank you.

Very truly yours,

SUTIN, THAYER & BROWNE  
A Professional Corporation

By

  
David G. Gordon  
Albuquerque Office

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

AGRICULTURAL LEASE

LEASE NO. GR2088

THIS LEASE, DATED OCTOBER 01, 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 [REDACTED]  
49 ZORRO RANCH RD.  
STANLEY, NM 87056

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

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

2. TERM.

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

3. RENT.

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

4. PERMITTED USE.

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

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CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

15. WAIVER.

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

16. DELINQUENT RENTAL.

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

17. APPLICABLE LAW.

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

18. SUCCESSORS IN INTEREST.

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

19. CARRYING CAPACITY REEVALUATION.

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

20. SURFACE DAMAGES NOTIFICATION.

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

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

LESSEE SIGNATURE

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

TELEPHONE

LESSEE SIGNATURE

TELEPHONE

Ray Powell  
LESSOR, COMMISSIONER OF PUBLIC LANDS

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 25<sup>th</sup> DAY OF July, 2011

BY Brian 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

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EXHIBIT A

LEASE NO: GR2088

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

RENEWAL LEASE

LEGEND: USE TYPE CODES

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

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



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LEASE NO. GR2088  
MISCELLANEOUS INSTRUMENT PAGE

MISCELLANEOUS INSTRUMENT:

FILE NO: 11737

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

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

AGRICULTURAL LEASE

LEASE NO. GR2088

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

ZORRO TRUST

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

C/O [REDACTED]  
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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CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

15. WAIVER.

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

16. DELINQUENT RENTAL.

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

17. APPLICABLE LAW.

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

18. SUCCESSORS IN INTEREST.

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

19. CARRYING CAPACITY REEVALUATION.

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

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

LESSEE Jeffery Epstein as Trustee of Zorro Trust TELEPHONE [REDACTED]  
LESSEE \_\_\_\_\_ TELEPHONE \_\_\_\_\_

Patrick A. Lyons  
LESSOR-COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

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

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

NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO )  
COUNTY OF \_\_\_\_\_ )  
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_,  
BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)  
PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.

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

NOTARY PUBLIC

STATE OF NEW York )  
COUNTY OF New York )  
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 6<sup>th</sup> DAY OF July, 2006,  
BY Jeffery Epstein, Trustee OF  
(NAME OF OFFICER) (TITLE OF OFFICER)  
Zorro Trust A New York Trust  
(CORPORATION NAME) CORPORATION, ON BEHALF  
OF SAID CORPORATION. Trust

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

NOTARY PUBLIC

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

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

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

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

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STATE LAND OFFICE  
SANTA FE, N.M.

APPRAISEMENT

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

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

SIGNED Don King  
ADDRESS Box 3  
CITY/STATE Stanley, NM 87256

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

MY COMMISSION EXPIRES:

Peggy Wimberly  
NOTARY PUBLIC



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

EXHIBIT A

LEASE NO: GR2088

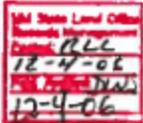
SUBDIVISION				SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARRY CAP *
LOT1	LOT2	LOT3	LOT4	36 13N 09E	84.86	G	-	11
TOTAL ACREAGE:				84.86	TOTAL RENTAL:		\$73.01	

RENEWAL LEASE

LEGEND: USE TYPE CODES

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

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



GRANT 2005/2006

SDNY\_GM\_00173462

EFTA\_00195117

EFTA01305362



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: [REDACTED]

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

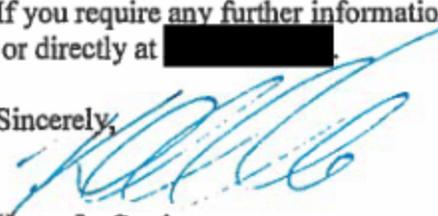
Reference: Sublease Renewal 2011-2012 – Agricultural Lease No. GR-2122-01

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 [REDACTED]

Sincerely,

  
Karen L. Gordon

*Cancelled sub lease as requested above. J.H. 8/30/11*

*Spoke with Mrs. Gordon, she requested we cancel sublease GR-2088-01. Cancelled 10/1/11 J.H.*

SLO SCAN  
MAR 12 2012

SLO SCAN  
OCT 20 2011

SDNY\_GM\_00173464

EFTA\_00195119

EFTA01305364



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 [REDACTED].

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

SDNY\_GM\_00173465

EFTA\_00195120

EFTA01305365

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

TELEPHONE: 505 832 2675  
FAX: 505 832 2676

E MAIL [REDACTED]

---

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-2088 (2006-2007)

Dear Mr. Leroy A. Ulibarri,

Reference your letter dated August 15, 2006, concerning sublease renewal for Agricultural Lease No. GR-2088, enclosed you will find 2 copies which have been notarized and signed. The attached rental for 2006-2007 of \$50.00.

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

Sincerely



[REDACTED]  
Ranch Manager

---

SDNY CAM 11/14/2006

SDNY\_GM\_00173466

EFTA\_00195121

EFTA01305366

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

8/31  
8/31 (1)  
Rec'd 8/31  
[Signature]

DATE TO FIELD DIVISION: 8-30-06 FIELD DIVISION CONTROL NO. MSC-1201

REQUESTING DIVISION: Surface BY: LeRoy A. Ulibarri

LEASE NUMBER: GR 2088 TYPE OF REQUEST: 2 Sublease Renewals

NAME OF LESSEE/APPLICANT: GR 2122  
Zorro Trust

ADDRESS: 49 Zorro Ranch Rd., Stanley, NM 87051

DESIGNATED CONTACT: Bruce M. Gordon PHONE: 

ADDRESS: \_\_\_\_\_

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	<u>See attached Exhibit "A"</u>			<u>Santa Fe</u>

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

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 9-5-06

DISTRICT RESOURCE MANAGER RECOMMENDATION: approve sublease request. Range  
conditions are fair to good.

APPROVE RECOMMENDATION: FIELD DIVISION: 9/6/06 (REQUESTING DIVISION: MLD 9-8-06)

DO NOT APPROVE RECOMMENDATION: (Please state reasons) \_\_\_\_\_

ACTION TAKEN BY REQUESTING DIVISION: Approve subleases. MLD

Approved 9-13-06 B.U.

DATE RETURNED TO DISTRICT RESOURCE MANAGER: \_\_\_\_\_

89 Revised: 11/1/99



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

AUGUST 31, 2006

MJG-1201

TO: GILBERT BORREGO, SURFACE RESOURCES DIVISION  
ATTENTION: LEROY ULIBARRI  
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 Saline Lands • Water Reservoirs • Western New Mexico University

SDNY\_GM\_00173468

EFTA\_00195123

EFTA01305368

Generally, the condition of section 16 is fair and Sections 2 and 36 are in good 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, 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 S½S½ 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 have already been addressed 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

**DIGITAL IMAGES - MJG-1201**

Looking west from the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16. This image shows the existing dirt tank.



Looking east from the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16. Range condition is estimated to be fair.



SDNY\_GM\_00173470

EFTA\_00195125

EFTA01305370

**DIGITAL IMAGES - MJG-1201**

Looking north from the access road in the SW¼SE¼ of Section 16.



Looking south from the access road in the SW¼SE¼ of Section 16.



**DIGITAL IMAGES - MJG-1201**

Looking northwest from the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16. Range condition is estimated to be fair.



Looking northeast from the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 16. Range condition is estimated to be fair.



**DIGITAL IMAGES - MJG-1201**

Looking west from the access road in the SW¼SE¼ of Section 2. Range condition is estimated to be good.



Looking southwest from the access road in the SW¼SE¼ of Section 2 to the north side of the Creston geologic feature. Range condition is estimated to be good.



SDNY\_GM\_00173473

EFTA\_00195128

EFTA01305373

**DIGITAL IMAGES - MJG-1201**

Looking west from the access road in Lot 1 of Section 2. Range condition is estimated to be good.



Looking south from the access road in Lot 1 of Section 2. Range condition is estimated to be good. Note the north side of the Creston geologic feature.



SDNY\_GM\_00173474

EFTA\_00195129

EFTA01305374

**DIGITAL IMAGES - MJG-1201**

Looking north from the access road in Lot 4 of Section 36. Range condition is estimated to be good.



Looking south from the access road in Lot 1 of Section 36. Range condition is estimated to be good.



SDNY\_GM\_00173475

EFTA\_00195130

EFTA01305375

**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. G-R-2088, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:

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

\$50.00 <sup>06</sup> FB  
Sublease  
2011 W. Cox  
9-2-06  
shall & shall  
about date  
for sublease

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 Karm 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
<u>35</u>	<u>Mother Cows</u>	<u>Angus Cross</u>		
<u>12</u>	<u>Yearly Heifers</u>	<u>Angus Cross</u>		
<u>2</u>	<u>Butts</u>	<u>Angus</u>		

STATE LAND OFFICE  
RECEIVED  
6 AUG 28 AM 7 50  
SANTÉ FE, N.M.

S-01 (Revised 01/2001)

FEE\$ 48 0 28-AUG-06 10:35 4 NMSLO 001-00003 50.00

SLGSC/MT/10/2006

SDNY\_GM\_00173476

EFTA\_00195131

EFTA01305376



NO: GR2088

SUBDIVISION

			SEC-TWN-RNG	ACREAGE	U	PRICE	CARRY
					S	PER	CAP =
					E	UNIT	
OT1	-	-					
OT2	-	-					
OT3	-	-	36	13N 09E		21.14 G	11
OT4	-	-	36	13N 09E		21.19 G	11
			36	13N 09E		21.24 G	11
			36	13N 09E		21.29 G	11
TOTAL ACREAGE:			84.86			TOTAL RENTAL:	\$63.71

*\* based on previous Rental*

RENEWAL LEASE

SEND: USE TYPE CODES

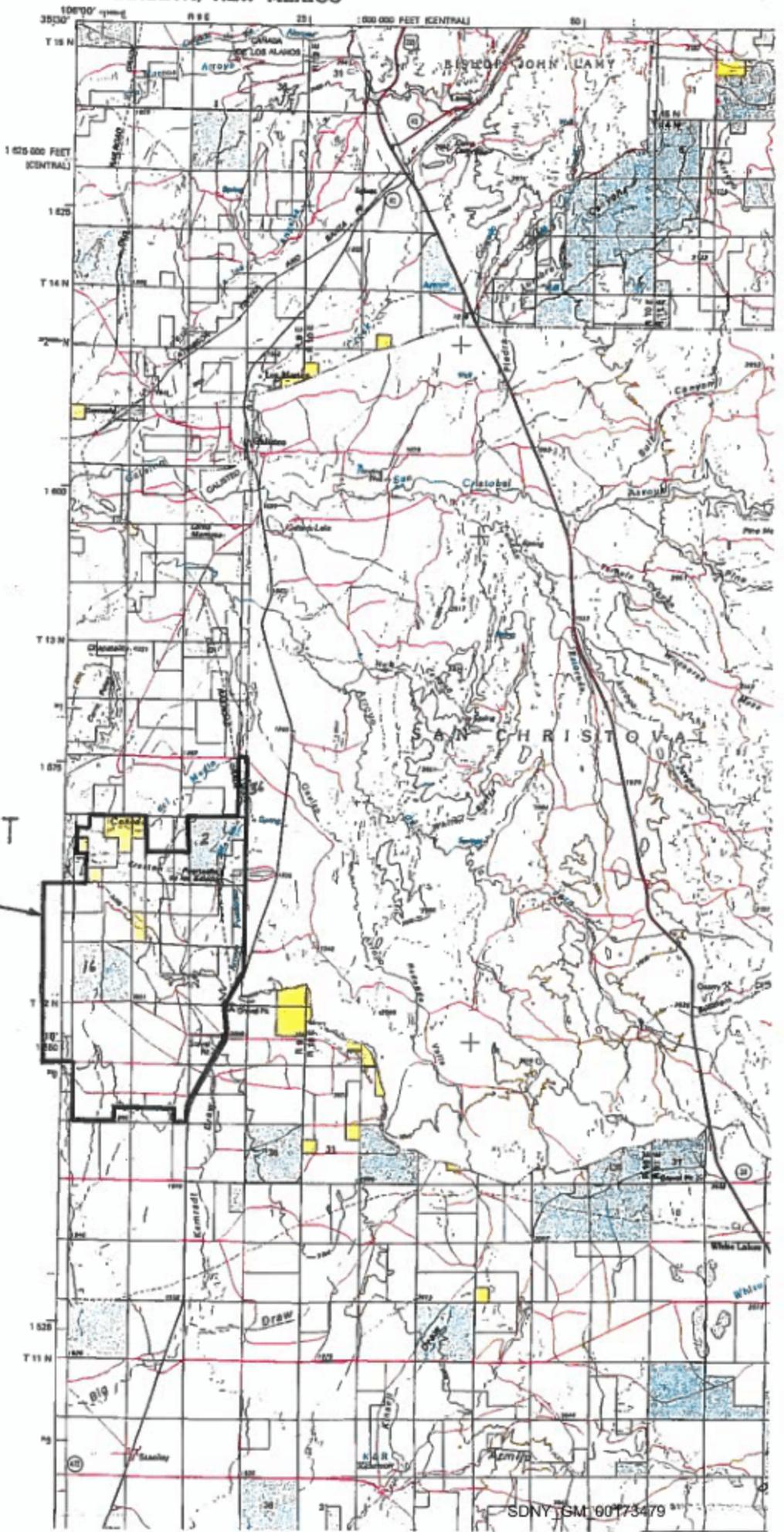
- CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,
- IRRIGATED CROPLAND, N= MOBILE HOME ON LAND, R= RSIP LAND, I= GRAZING (BID),
- DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND (BID) 4= CRP (BID) S= RSIP (BID),
- 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

CARRYING CAPACITY RATES LISTED ARE BASED ON 540 ACRE PARCELS



VILLANUEVA, NEW MEXICO

RANCH UNIT  
BOUNDARY





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-2088  
(Sublease No. GR-2088-0001)**

Dear Lessee(s):

Please find enclosed a copy of your approved sublease application. Your sublease commenced on January 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 [REDACTED].

Sincerely,

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

encl.

**-State Land Office Beneficiaries-**

Carnegie 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

SDNY\_GM\_00173480

EFTA\_00195135

EFTA01305380



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 [REDACTED] if you have any questions or need further assistance.

Sincerely,

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 • 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: [REDACTED]

FAX: [REDACTED]

E MAIL: [REDACTED]

January 24, 2006

New Mexico State Land Office  
PO Box 1148  
Santa Fe  
NM 87504-1148

Reference: GR - 2088 & GR - 2122  
Attention: Leroy

Dear Leroy,

As per our conversation 01/20/06 reference submitting Application to Sublease State Trust Lands, attached you will find two (2) applications for GR 2088 & 2122, completed as per the changes required. Attached a check for \$75.72 the balance required to complete this process.

Thank you for you guidance in this matter and hope that this completes all the changes and additions that you require. If you do have any questions or concerns please call.

Sincerely,



[REDACTED]  
Ranch Manager

SLOSCAN 5/23/2006

SDNY\_GM\_00173482

EFTA\_00195137

EFTA01305382

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

RECEIVED

JAN 6 10 29 AM '06  
SANTA FE, N.M.

I/We, Zorro Trust  
(mailing address) 49 Zorro Ranch Road, Stanley, NM 87056, being lessee(s)  
under Agriculture Lease No. 6 R2088, granted by the Commissioner of Public Lands, do hereby  
make application to sublease the lands described as follows:  
license

SUBDIVISION	SEC.	TWP.	RANGE	ACRES
Please Note: Exhibit A x 2 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  
licensee  
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 January ~~October 1~~, 20 06, and to expire on September  
30, 20 06, (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		PERIOD OF USE	
	KIND	CLASS	FROM	TO
35	Mother Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus Cross		

S-01 (Revised 01/2001)

LAND SUSPENSE 3 (MSLD 001-00006  
21 0 06-JAN-06 11:11 205.00  
SDNY\_GM\_00173483

SLOSCAN 5/23/2006

EFTA\_00195138

EFTA01305383

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

Name: Brice M Gordon

Address: 49 Zorro Ranch Road, Stony, NM 87506

Home Telephone No. [Redacted]

Business Telephone No. [Redacted]

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

I, Patrick A. Lrows, 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

Santa Fe  
County

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

I/We, Zorio Trust, of  
(mailing address) 19 Zorio Ranch Road, Stanley, NM 87056, being lessee(s)  
under Agriculture Lease No. AR-2088, 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 hereto				

Save for Val. 11/11/06

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 I. Burns  
19 Zorio 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	Polish Cow	Angus Cross		
12	Jersey Heifers	Angus Cross		
2	Bulls	Angus		

S-01 (Revised 01/2001)

RECEIVED  
NEW MEXICO STATE LAND OFFICE  
SANTA FE, N.M.

LAND SURVEY 3 NMSL 501-0006  
94 0 06-FEB-06 11:41 75.72

SLOSCAN 5/23/2006

SDNY\_GM\_00173485

EFTA\_00195140

EFTA01305385

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

00 210  
3/30  
28

DATE TO FIELD DIVISION: 2-10-06 FIELD DIVISION CONTROL NO. MSG-1174

REQUESTING DIVISION: Surface BY: LeRoy A. Ulibarri

LEASE NUMBER: 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: 

ADDRESS: \_\_\_\_\_

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
<u>See attached</u>	<u>legal</u>	<u>description</u>		<u>Santa Fe</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: Report is complete and addressed in  
MSG-1175 (RB-2122)

APPROVE RECOMMENDATION: (FIELD DIVISION) 4/4/06 (REQUESTING DIVISION) 4-10-06  
RAC

DO NOT APPROVE RECOMMENDATION: (Please state reasons) \_\_\_\_\_

ACTION TAKEN BY REQUESTING DIVISION: Approve sublease. RD

DATE RETURNED TO DISTRICT RESOURCE MANAGER: \_\_\_\_\_

-89 Revised: 11/1/99



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  
*Marcus J. Garcia*  
**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 Saline Lands • Water Reservoirs • Western New Mexico University

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EFTA01305387

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 S½S½ 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

**DIGITAL IMAGES - MJG-1174 AND MJG-1175**

Looking west from the SW¼SE¼ of Section 16. This image shows the existing dirt tank.



Looking east from the SW¼SE¼ of Section 16. Range condition is estimated to be fair.



*SLO scan 5/23/2006*

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EFTA\_00195144

EFTA01305389

DIGITAL IMAGES - MJG-1174 AND MJG-1175

Looking north from the access road in the SW¼SE¼ of Section 16.



Looking south from the access road in the SW¼SE¼ of Section 16.



*SLO SCAN 5/23/2006*

SDNY\_GM\_00173490

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EFTA01305390

**DIGITAL IMAGES - MJG-1174 AND MJG-1175**

Looking northwest from the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16. Range condition is estimated to be fair.



Looking northeast from the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 16. Range condition is estimated to be fair.



*510 scan 5/23/2006*

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EFTA\_00195146

EFTA01305391

**DIGITAL IMAGES - MJG-1174 AND MJG-1175**

Looking west from the access road in the SW¼SE¼ of Section 2. Range condition is estimated to be good.



Looking southwest from the access road in the SW¼SE¼ of Section 2 to the north side of the Creston geologic feature. Range condition is estimated to be good.



*510 scan 9/23/2006*

SDNY\_GM\_00173492

EFTA\_00195147

EFTA01305392

**DIGITAL IMAGES - MJG-1174 AND MJG-1175**

Looking west from the access road in Lot 1 of Section 2. Range condition is estimated to be good.



Looking south from the access road in Lot 1 of Section 2. Range condition is estimated to be good. Note the north side of the Creston geologic feature.



*SLO SCAN 5/23/2006*

SDNY\_GM\_00173493

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**DIGITAL IMAGES - MJG-1174 AND MJG-1175**

Looking north from the access road in Lot 4 of Section 36. Range condition is estimated to be good.



Looking south from the access road in Lot 1 of Section 36. Range condition is estimated to be good.



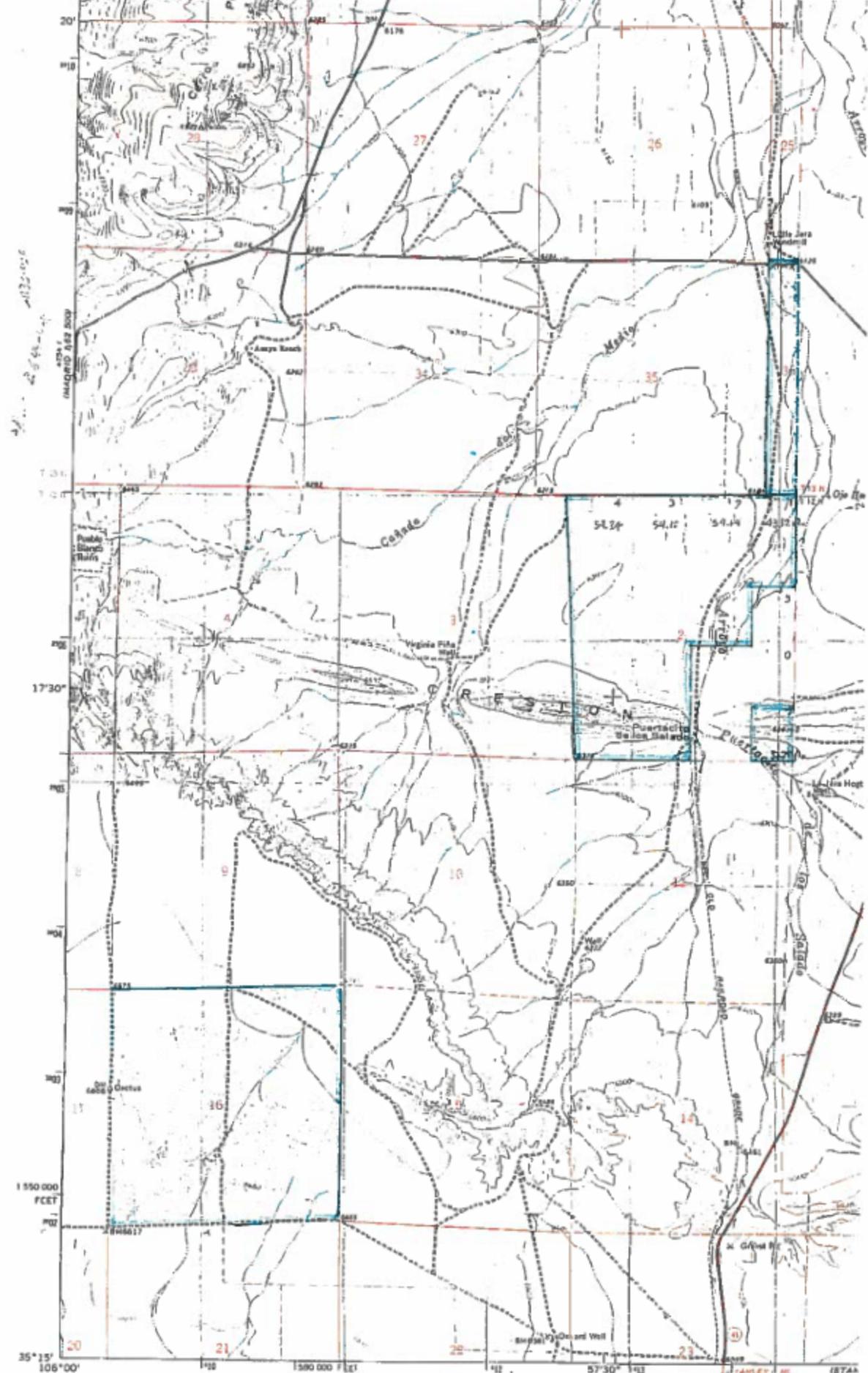
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42... 2 of 44... 1032-105



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1:500,000  
1:500,000

Mapped, edited, and published by the Geological Survey  
 Control by USGS and USC&GS  
 Topography by photogrammetric methods from aerial  
 photographs taken 1954. Field checked 1966  
 Polyconic projection. 1927 North American datum  
 10 NAD East grid based on Mean Meridian magnetic variation

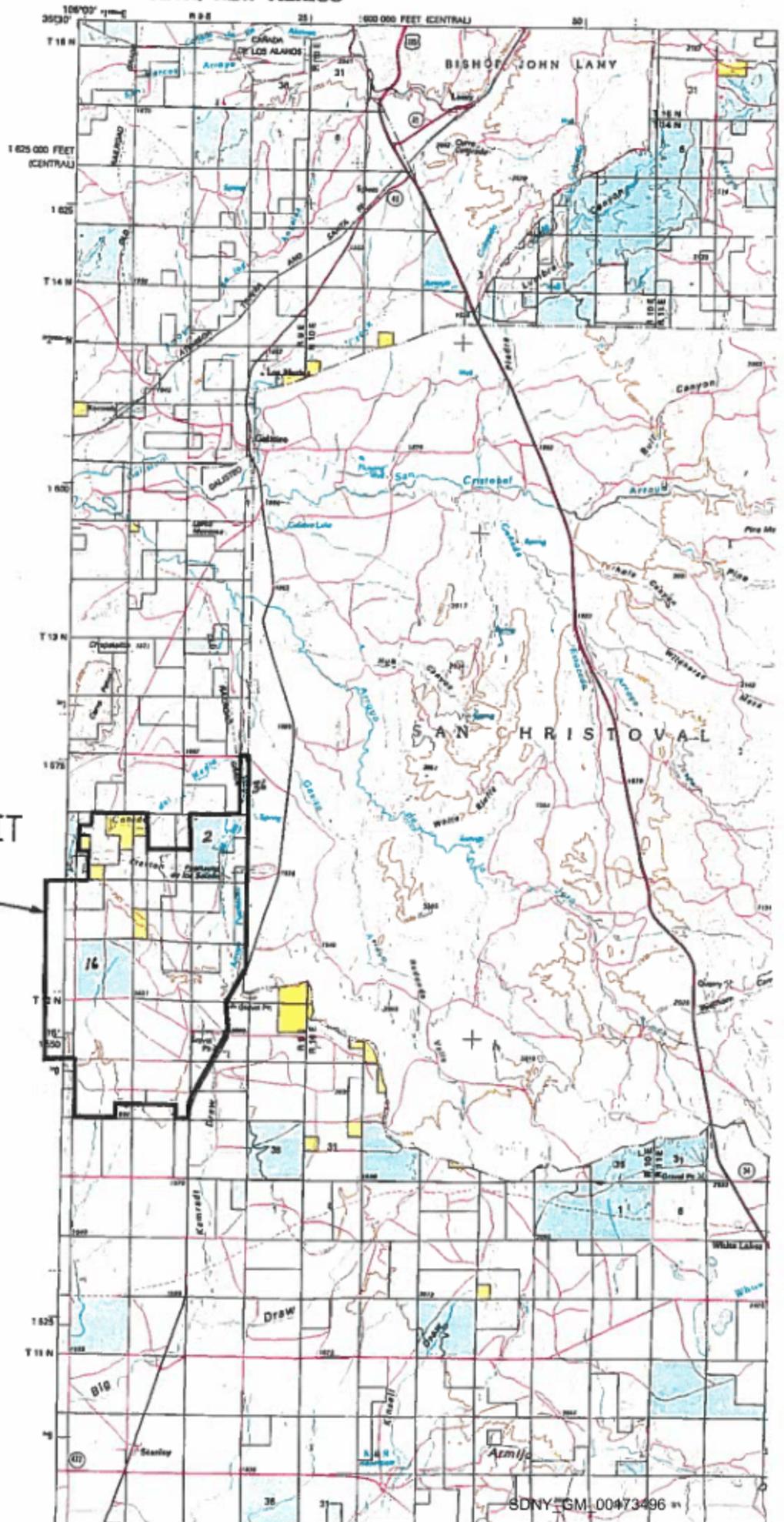


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VILLANUEVA, NEW MEXICO



RANCH UNIT  
BOUNDARY

SDNY GM 00473496

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CODE128 type barcode

This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"  
CODE128 type barcode



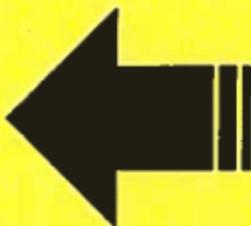
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C O N T R A C T



Landscape Feed

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

AGRICULTURAL LEASE

LEASE NO. GR2088

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

ZORRO TRUST

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

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

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

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

2. TERM.

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

3. RENT.

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

4. PERMITTED USE.

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

000 SLO 8-06-01#112

\$50.06F1

000 SLO 8-06-01#113

\$63.71F4

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EFTA\_00195153

EFTA01305398

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

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

TELEPHONE

LESSEE

TELEPHONE

Ray Powell  
LESSOR-COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )

COUNTY OF \_\_\_\_\_ )

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO <sup>York</sup> )

COUNTY OF New York )

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

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

~~CORPORATION~~ Trust

STATE OF NEW MEXICO <sup>York</sup> )

COUNTY OF New York )

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

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

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

OF SAID CORPORATION.

COMMISSION EXPIRES:

Harry I. Keller  
NOTARY PUBLIC  
HARRY I. BELLER  
Notary Public, State of New York  
No. 018E4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2002  
SDNY\_GM\_00173501

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 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. GR 2088 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 200.00 PER ACRE, IF SOLD, AND \$ 400.00 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

SIGNED



ADDRESS

457 Madison Ave

CITY/STATE

New York, NY

SUBSCRIBED AND SWORN TO BEFORE ME THIS

30th

DAY OF

July

20 01

MY COMMISSION EXPIRES:

Harry I. Fuller  
NOTARY PUBLIC

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

SDNY\_GM\_00173502

EFTA\_00195157

EFTA01305402

EXHIBIT A

LEASE NO: GR2088

SUBDIVISION				SEC-TWN-RNG	ACREAGE	USE	PRICE PER UNIT	CARRY CAP *
LOT1	-	-	-	36 13N 09E	21.14	G	-	11
LOT2	-	-	-	36 13N 09E	21.19	G	-	11
LOT3	-	-	-	36 13N 09E	21.24	G	-	11
LOT4	-	-	-	36 13N 09E	21.29	G	-	11
TOTAL ACREAGE:				84.86	TOTAL RENTAL:		\$63.71	

161 State Lane Office  
 Phoenix, AZ 85004  
 12-29-2001  
 1-21-2002

RENEWAL LEASE

LEGEND: USE TYPE CODES

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

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



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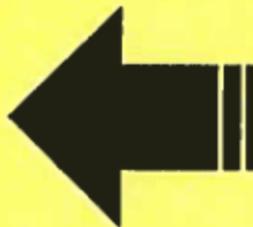
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Landscape Feed

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CODE128 type barcode

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EFTA\_00195160

EFTA01305405

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

AGRICULTURAL LEASE

LEASE NO. GR2088

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

ZORRO TRUST

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

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

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

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

2. TERM.

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

3. RENT.

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

4. PERMITTED USE.

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



EFTA\_00195161

EFTA01305406

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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



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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

15. WAIVER.

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

16. DELINQUENT RENTAL.

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

17. APPLICABLE LAW.

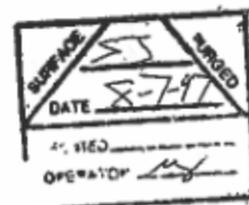
THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

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

19. CARRYING CAPACITY REEVALUATION.

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



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

*Dany Kenney*  
LESSEE  
*asst. Secy*  
LESSEE

( [REDACTED] )  
TELEPHONE  
( )  
TELEPHONE

*Ray Powell*  
COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

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

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_,  
BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES: \_\_\_\_\_  
NOTARY PUBLIC

PARTNERSHIP

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

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_,  
BY \_\_\_\_\_  
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF \_\_\_\_\_, A PARTNERSHIP.  
MY COMMISSION EXPIRES: \_\_\_\_\_  
NOTARY PUBLIC

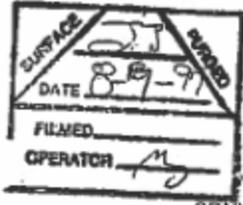
CORPORATION

STATE OF NEW MEXICO )  
COUNTY OF *Santa Fe* )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS *3* DAY OF *March*, 19*97*,  
BY *Dany Kenney* (NAME OF OFFICER), *Asst. Secretary* (TITLE OF OFFICER) OF

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

MY COMMISSION EXPIRES: *Aug. 7, 1999*  
*Nancy Louise*  
NOTARY PUBLIC



SDNY\_GM\_00173509

EXHIBIT A

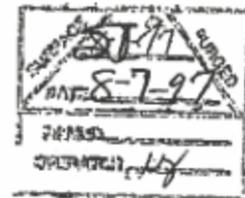
LEASE NO: GR2088

SUBDIVISION	SEC-TWN-RNG	ACREAGE	U	PRICE	CC
				PER UNIT	
LOT1	-	-	-	500.0000	11
LOT2	-	-	-	500.0000	11
LOT3	-	-	-	500.0000	11
LOT4	-	-	-	500.0000	11
TOTAL ACREAGE:		84.86	TOTAL RENTAL:		\$2,000.00

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

LEGEND: USE TYPE CODES

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



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EFTA\_00195165

EFTA01305410

NEW MEXICO STATE LAND OFFICE

APPLICATION TO LEASE STATE TRUST LAND

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

Purpose of application (check one):

COMPETITIVE BID

OPEN ACREAGE

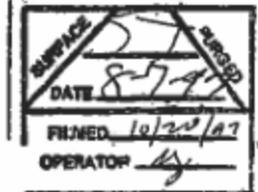
(I/We), Jeffrey E. Epstein, trustee of the Zorro Ranch, a  
 (name)

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

Telephone [REDACTED], having reached the age of majority and not in default under any state lease, do hereby apply to lease for a term not to exceed five years, a total of \_\_\_\_\_ acres which is described below.

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

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



Application fee \$50.00

continued on reverse side

I state in answer to the following questions:

Is this land within your pasture or grazing allotment? No

For what purpose is the land wanted? grazing

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

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

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

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

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

Telephone [Redacted] Telephone \_\_\_\_\_

Subscribed and sworn to before me this 29 day of January, 1997



My commission expires: May 4, 1999

Notary Public Lawrence Paul Visoski, Jr.

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

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

Notary Public \_\_\_\_\_



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

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

Sir:

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

**CHARACTER OF LAND**

The land is best adapted for grazing or agriculture TRUE. There are natural streams, springs, ponds, and water holes as follows: NONE

There are irrigating ditches on land as follows: NONE

Give depth of well nearest this land, and state location by section, township and range SECTION 11

TOWNSHIP 12 N RANGE 9 E

On said land there are NO acres natural hay land; NO acres agricultural land, without irrigation.

NO acres of irrigable land, NO acres in actual cultivation, and NO acres timber

land. State kind of timber, quality and present condition NONE

Is there mineral or coal on the land? NO. If so, state location, extent and kind of mineral

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

**IMPROVEMENTS**

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

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

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

Signed David King

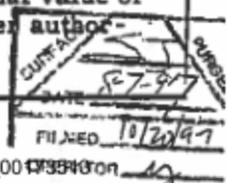
P.O. Stanley, N.M. 87056

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

X Debra Wimbush  
Notary Public

My Commission Expires: May 23, 1999

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



THE CONTENTS OF THIS FOLDER HAVE BEEN PREPARED  
FOR IMAGING.

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

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

YOUR COOPERATION IS MUCH APPRECIATED.

LEASE

GR 2088

DATE OF PREP

3/21/02



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

August 5, 1997

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

Re: State Agricultural Lease No. GR-2088

Dear Mr. Epstein:

Please find enclosed an approved copy of your agricultural lease contract issued from open-acreage. The term of your lease will commenced on February 3, 1997 and will expire on September 30, 2001.

If you have any questions, please feel free to contact me at the above address or at [REDACTED].

Sincerely,

Suzie Jacquez  
Surface Resources Division

Encl





COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
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(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

Zorro Trust C/O Jeffrey Epstein  
457 Madison Avenue  
New York, New York 10022

February 14, 1997

Re: State Agricultural Lease No. GR-2088

Dear Mr. Epstein:

Congratulations! You have won the competitive bid to lease State Land issued out of open-acreage (Lots 1, 2, 3 & 4 of Sect. 36, Tnsp. 13N & Rge. 9E which make up 84.86 acres). Enclosed is a set of lease contracts for your execution. Please note that the name of the lessee depicted on the lease contracts is "Zorro Trust". On your application to lease State Trust Land you indicated the name of "Zorro Ranch" as the applicant name, however all of our records pertaining to you show that you usually use the name "Zorro Trust". On February 10, 1997, I spoke with Shannon Heali of the Zorro Ranch who gave her verbal consent for us to use the name "Zorro Trust" as the lessee of this lease. She later confirmed that she would be sending us a written consent which we are waiting for.

Please note that the term for this lease commenced on February 3, 1997 and will expire on September 30, 2001. Please sign both copies before a Notary Public and return them to this office at your earliest convenience for the Commissioner's approval. Once approved, Marcus Garcia will contact you to schedule an appointment for an orientation interview and deliver to you your approved contract.

We also pro-rated your annual rental of \$2000.00 for 8 months. Due to this, your annual rental for 1996-1997 will be \$1,333.36. Since you submitted to us \$2000.00, we will be refunding you the difference of \$666.64 in 4-6 weeks.

If you have any questions, please feel free to contact me at the above address or at [REDACTED].

Sincerely,

Suzie Jacquez  
Surface Resources Division

Encl





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(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
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State of New Mexico  
Commissioner of Public Lands

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310 Old Santa Fe Trail, P. O. Box 1148  
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PLANNING  
(505)-827-5752

Zorro Trust C/O Jeffrey Epstein  
457 Madison Avenue  
New York, New York 10022

February 14, 1997

Re: State Agricultural Lease No. GR-2088

Dear Mr. Epstein:

Congratulations! You have won the competitive bid to lease State Land issued out of open-acreage (Lots 1, 2, 3 & 4 of Sect. 36, Tnsp. 13N & Rge. 9E which make up 84.86 acres). Enclosed is a set of lease contracts for your execution. Please note that the name of the lessee depicted on the lease contracts is "Zorro Trust". On your application to lease State Trust Land you indicated the name of "Zorro Ranch" as the applicant name, however all of our records pertaining to you show that you usually use the name "Zorro Trust". On February 10, 1997, I spoke with Shannon Heali of the Zorro Ranch who gave her verbal consent for us to use the name "Zorro Trust" as the lessee of this lease. She later confirmed that she would be sending us a written consent which we are waitig for.

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If you have any questions, please feel free to contact me at the above address or at [REDACTED].

Sincerely,

Suzie Jacquez  
Surface Resources Division

Encl



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COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

February 14, 1997

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

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(505)-827-5765

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(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

Ublivion Enterprises C/O Skip Whitson  
P.O. Box 5588  
Santa Fe, New Mexico 87502-5511

Re: Sealed Bid on Open-Acreage

Dear Mr. Whitson:

Recently, I wrote you to inform you that you did not win the competitive bid. I neglected to enclose your rejected application with that letter. Please excuse this oversight. I apologize for this inconvenience. I am enclosing these documents with this letter.

If you have any questions, please feel free to contact me at the above address or at [REDACTED].

Sincerely,

Suzie Jacquez  
Surface Resources Division

Encl.



COMMERCIAL RESOURCES  
(505)-827-5724

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State of New Mexico  
Commissioner of Public Lands

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LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

February 6, 1997

Ublivion Enterprises C/O Skip Whitson  
P.O. Box 5588  
Santa Fe, NM 87502-5588

Re: Sealed Bid on Open-Acreage

Dear Applicant:

I am sorry to inform you that you did not win the Sealed Bid competition. We will be refunding you your sealed bid offer of \$501.00. You should be receiving this refund in 4-6 weeks.

Enclosed with this letter is your original open-acreage application that has been stamped as "rejected" along with your appraisal form.

Thank you for expressing your interest in this open-acreage. If you have any further questions regarding this matter, please contact me at the above address or at [REDACTED].

Sincerely,

Suzie Jacquez  
Surface Resources Division

Encl.



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\$50.00CK      000 SLO 2-05-97H022      1278

**ZORRO DEVELOPMENT COPR./CASH ACCOUNT**

85-81/1070

JANUARY 30 19 97

PAY TO THE ORDER OF STATE OF NEW MEXICO COMMISSIONER OF PUBLIC LANDS \$ 50.00

FIFTY DOLLARS

**First Interstate Bank**  
 First Interstate Bank of New Mexico  
 P.O. Box 909  
 Santa Fe, New Mexico 87504-0909

FOR [REDACTED] 

6420      11-248420      OFFICIAL CHECK      6420001068  
 Office All #      1210(R)



WELLS FARGO & CO.

JANUARY 29 19 97

PAY TO THE ORDER OF NEW MEXICO COMMISSIONER OF PUBLIC LANDS \$ \*\*2,000.00\*\*

2,000dol's00ct

WELLS FARGO & COMPANY, ISSUER  
 420 MONTGOMERY STREET  
 SAN FRANCISCO, CA 94103  
 PAYABLE AT WELLS FARGO BANK, N.A.  
 FOR INQUIRIES CALL (415) 396-4554

Void if over \$10,000.00

  
 Authorized Signature Wells Fargo Bank Agent

000 SLO 2-05-97H022      \$2,000.00CK



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EFTA\_00195175

EFTA01305420



Los Alamos Credit Union

P. O. Box 1180  
Los Alamos, NM 87544  
(505) 662-4261

CORPORATE CHECK

88-9851/3119

242614

FR: UBLIVION ENTERPRISES 02-03-97 000242614 \*\*\*\*\*501.00

PAY TO THE ORDER OF  
**EXACTLY \$501 dol s 00 cts**

VOID AFTER 6 MONTHS

COMMISSIONER OF PUBLIC  
LANDS  
DEPOSIT ON LAND

*[Handwritten Signature]*

000 SLO 2-05-97#020

4501 CHECK



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EFTA\_00195176

EFTA01305421



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
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ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
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Phone (505)-827-5760, Fax (505)-827-5766

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ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

CERTIFIED MAIL

January 3, 1997

Lyman Fogel  
Highway 41  
P.O. Box 567  
Stanley, NM 87056

RE: Open-Acreage

Dear Sir:

This letter is in reference to State Trust Land which has become available for leasing: Lots 1, 2, 3 and 4 of Section 36, Township 13N, Range 9E. You have been identified by our Land Use Specialist as one of the individuals who may be interested in applying for this acreage. These lands are to be leased through a restrictive sealed bid process between you and other interested parties.

Also, we are aware of the fence that lies south of County Road 38B. This fence was placed on this parcel of land approximately 4 years ago and appears to have been placed without authorization from the Commissioner. Please note that if you lose the competitive bid, you will not receive a compensation value for the existing fence and may be required to remove it.

If you choose to bid, please complete and return the enclosed application, appraisal form, the \$50.00 application fee and your first year's offered bid amount in the enclosed envelope as your bid is confidential. The appraisal needs to be executed by a disinterested party. Your sealed bid offer must be submitted by money order, cashier's check or certified check and must be received in this office on or before 5:00 P.M. on Monday, February 3, 1997. The minimum amount offered shall be no less than \$.71 per acre for a total of \$60.18.

Please note that the \$50.00 application fee is non-refundable. If you have any further questions, please contact me at the above address or at [REDACTED]

Sincerely,

Suzie Jacquez  
Surface Resources

Encl.



SDNY\_GM\_00173522

EFTA\_00195177

EFTA01305422

NEW MEXICO STATE LAND OFFICE

APPLICATION TO LEASE STATE TRUST LAND

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

Purpose of application (check one):  
 \_\_\_\_\_ COMPETITIVE BID       OPEN ACREAGE

(I/We), UBLIVION ENTERPRISES, INC.  
 (name)

P.O. Box 5588, Santa Fe, NM 87502-5588  
 (address)

Telephone [REDACTED] having reached the age of majority and not in default under any state lease, do hereby apply to lease for a term not to exceed five years, a total of \_\_\_\_\_ acres which is described below.

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

SUBDIVISION	SECTION	TOWNSHIP	RANGE	ACRES
Lots 1, 2, 3, 4	536	T13N	R09E	84.86
NW4 SE4	502	T10N	R09E	40.00

Application fee \$50.00

continued on reverse

S-00 (revised 3/93)

000 SLO 8-21-96#053

\$50.00F1



SDNY\_GM\_00173523

EFTA\_00195178

EFTA01305423



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

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

Sir:

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

**CHARACTER OF LAND**

The land is best adapted for grazing or agriculture (EITHER). There are natural streams, springs, ponds, and water holes as follows: NONE NOTICED  
 There are irrigating ditches on land as follows: NONE NOTICED  
 Give depth of well nearest this land, and state location by section, township and range UNKNOWN  
 On said land there are NO acres natural hay land; \_\_\_\_\_ acres agricultural land, without irrigation, \_\_\_\_\_ acres of irrigable land, \_\_\_\_\_ acres in actual cultivation, and NO acres timber land. State kind of timber, quality and present condition APPEARS TO HAVE 2 OR 3 OLD COTTONWOOD TREES.  
 Is there mineral or coal on the land? UNLIKELY. If so, state location, extent and kind of mineral \_\_\_\_\_

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

**IMPROVEMENTS**

House, give size and type of construction _____	Value \$ _____
Fences, stables and corrals _____	Value \$ _____
_____ give depth and description _____	Value \$ _____
Windmill _____	Value \$ _____
Fences, give amount and kind ( <u>FENCE ON NORTH + EAST SIDE APPEARS TO BE ON NEIGH BORS LAND</u> )	Value \$ _____
Other improvements _____	Value \$ _____
Total Value of improvements	\$ <u>          </u>

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

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

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

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

X [Signature]  
 Notary Public

My Commission Expires: 8-17-98

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



CONFIDENTIAL

GR-2088

CONFIDENTIAL

SDNY\_GM\_00173525

EFTA\_00195180

EFTA01305425

This is a Patch I type separator sheet.



Form Type = "FieldReport"  
CODE128 type barcode



Portrait Feed

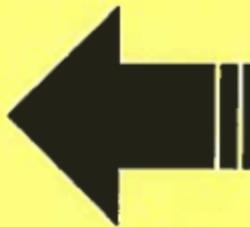
***New Form Follows...***

Printed on 7/6/2001 11:52:44 AM  
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This is a Patch I type separator sheet.



Form Type = "FieldReport"  
CODE128 type barcode



Landscape Feed

***New Form Follows...***

Printed on 7/6/2001 11:52:44 AM  
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SDNY\_GM\_00173526

EFTA\_00195181

EFTA01305426

## 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-2088

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

1	Field report submitted by Marcus Garcia (MJG-815) dated Oct. 15, 1996
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**NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT**

DATE TO FIELD DIVISION: 8-21-96 FIELD DIVISION CONTROL NO. MJB-875  
 REQUESTING DIVISION Surface Resources BY: Suzie Jacquez SJ  
 LEASE NUMBER: \_\_\_\_\_ TYPE OF REQUEST: Open-Acreage  
 NAME OF LESSEE/APPLICANT: Ublivion Enterprises Inc.  
 ADDRESS P.O. Box 5588, Santa Fe, NM 87502-5588  
 DESIGNATED CONTACT Skip Whitson  
 ADDRESS Same PHONE NO. 471-5177

LEGAL DESCRIPTION	SECTION:	TWP.	RGE.	COUNTY:
Lots 1, 2, 3, 4	36	13N	09E	Santa Fe <u>Zone Ranch 837-26</u>
NW4SE4	02	10N	09E	Santa Fe

10/7. Shannon Healy 832-2675 field 10/8 @ 9:00am C.R. 38B  
Lynnan Fogel

REMARKS: Please provide the following: Highest & Best use; Existing Range Conditions; Means of Public Access; Carrying Capacity(CC-worksheets are required); Improvements & their related value; Surrounding Land Ownership(Name, Address, Phone #); Potential for Competitive Bid vs Direct Lease.

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 10/24/96

LAND USE SPECIALIST RECOMMENDATION: Section 2: no public access. range condition good, 16 head/section. 1/2 mile 3 strand barbed wire fence @ #444. abatted by fee land all sides & fenced within ranch unit of Adam & Daniel White.  
Section 36: public access via County road 38 B; range condition good, 11 head per section; approximately 1 mile fence @ #4, 712. Offer at competitive bid as

RECOMMENDATION APPROVAL: FIELD DIVISION JW 10-23-96 REQUESTING DIVISION [Signature]

DO NOT APPROVE RECOMMENDATION: (PLEASE STATE REASONS) \_\_\_\_\_

ION TAKEN BY REQUESTING DIVISION: \_\_\_\_\_

DATE RETURNED TO LAND USE SPECIALIST: \_\_\_\_\_



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

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

(505) 827-5760  
FAX (505) 827-5766

OCTOBER 15, 1996

MJG-815

TO: DWAIN GLIDEWELL, DIRECTOR; SURFACE RESOURCES DIVISION  
THROUGH: DENNIS GARCIA, DIRECTOR; FIELD OPERATIONS DIVISION  
FROM: MARCUS J. GARCIA, LAND USE SPECIALIST, SR.  
FIELD OPERATIONS DIVISION  
SUBJECT: OPEN ACREAGE APPLICATION/UBLIVION ENTERPRISES, INC.

**SYNOPSIS**

The application is to lease two separate and non-adjacent parcels, one with public access and one without. See REMARKS for recommendations.

**LEGAL DESCRIPTION**

Parcel 1. The NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 2, Township 10 North, Range 9 East, N.M.P.M., Santa Fe County, New Mexico; containing 40 acres, more-or-less.

Parcel 2. Lots 1, 2, 3, and 4 of Section 36, Township 13 North, Range 9 East, N.M.P.M., Santa Fe County, New Mexico; containing 84.86 acres, more-or-less.

**LOCATION**

These parcels are located in southern Santa Fe County.

Parcel 1 lacks public access. However, the B. Anaya Road (C.R. 12-B) is located approximately  $\frac{1}{4}$ -mile to the south. There is an unimproved ranch road located on fee land (Adam/Daniel White) from the county road which does access the west side of the parcel. The range site is loamy and the condition has been ocularly estimated to be good which calculated to 16 head per section.

County road 38-B offers direct access to Parcel 2. The three soils mapped for this parcel all have loamy range sites which were ocularly estimated to be in good condition. The capacity per section calculated to 11.

**HIGHEST AND BEST USE**

Highest, best, and current use is grazing. Parcel 2 may have a trend to residential, but this is speculative.

**IMPROVEMENTS**

For this report, the method used to estimate the accrued depreciation of the improvements is the Economic Age-Life Method which is a constituent of the cost approach in real estate appraisal methodology. In this, the ratio of effective age to total economic life is applied to the current cost of the improvement to obtain a lump-sum depreciation estimate.

**Parcel 1. Item 1. Approximately 1/4-mile of three strand barb-wire boundary fencing with wood posts.**

Current Replacement Cost @ \$1.70 per foot	\$4,488.00
Total Economic Life	50 years
Remaining Economic Life	5 years
Effective Age	45 years
Ratio	45/50=90%
Less Total Accrued Depreciation	\$4,039.00
Depreciated Value of Fence	\$449.00

**PARCEL 1. TOTAL DEPRECIATED VALUE - \$449.00**

**Parcel 2. Item 1. Approximately 1.09 miles (5,780 feet) of four and five strand boundary fencing with wood posts.**

Current Replacement Cost @ \$1.70 per foot	\$9,826.00
Total Economic Life	50 years
Remaining Economic Life	20 years
Effective Age	30 years
Ratio	30/50=60%
Less Total Accrued Depreciation	\$5,896.00
Depreciated Value of Fence	\$3,930.00

**Item 2. Approximately 500 feet of four strand cross-fencing with steel posts.**

Current replacement cost @ \$1.70 per foot	\$850.00
Total Economic Life	50 years
Remaining Economic Life	46 years
Effective Age	4 years
Ratio	4/50=8%
Less Total Accrued Depreciation	\$68.00
Depreciated Value of Fence	\$782.00

**PARCEL 2. TOTAL DEPRECIATED VALUE - \$4,712.00**

**REMARKS**

Parcel 1 abuts fee land on all sides and is fenced within the ranch unit of Adam and Daniel White. According to records at the Santa Fe Co. Assessor Office, the adjacent landowners to the south and east is the New Mexico Boy's Ranch. Approximately 1/4-mile of an unimproved ranch road on property belonging to the White's must be crossed to access the subject. To the best of my knowledge, the applicant lacks access over this 1/4-mile of roadway which may negate Oblivion as a legitimate competitive bidder. However, it is possible that access can be obtained, and so it is my recommendation to delay any competitive bid scenario until the

OCTOBER 15, 1996

-3-

MJG-815

applicant can or can not obtain access to the subject. If access can not be obtained then it is recommended to restrict the bidding to the three landowners listed below. If it is obtained, then the applicant should be included on the bidding.

Adam/Daniel White  
P.O. Box 115  
Stanley, NM 87056  
[REDACTED]

New Mexico Boy's Ranch  
6209 Hendrix NE  
Albuquerque, NM 87110  
[REDACTED]

*Does Boys Ranch  
have other surround-  
ing owners?*

The New Mexico Boy's Ranch recently assigned GM-1811 (Sec. 36, T 11 N, R 9 E; 640 ac.) to Lamar and Virgie Cravens, which may or may not mean that they now are the abutting landowner to the south and east. Therefore, since they now lease 640 acres, it may be worth the effort to include them in the bidding. Their address is:

Lamar B. and Virgie Miree Cravens  
P.O. Box 714  
Moriarty, NM 87035  
[REDACTED]

*See Jerry  
on status  
of S-37, if any.*

Parcel 2 is fenced within the confines of the Zorro Ranch (GM-2791, 1,158.97 acres). Ranch spokesman, Lyman Fogel, indicated that he did not realize that this property was state trust land and would like to be included in the bid procedure. Therefore, it is recommended to offer this parcel at a separate bid to the applicant and the Zorro Ranch at the following address:

C/O Lyman Fogel  
Highway 41  
P.O. box 567  
Stanley, NM 87056  
[REDACTED]

Note that the fenceline constructed approximately four years ago (Item 2 for Parcel 2) appears to have been placed without authorization from the Commissioner.

MJG

Attachments

SDNY\_GM\_00173531

EFTA\_00195186

EFTA01305431

PHOTOGRAPHS - MJG-815

Parcel 1-Sec. 2, T 10 N, R 9 E. Looking north from the southwest corner of the subject property. Note the three wire fence with older wood posts suggesting functional obsolescence and physical deterioration, both curable.



Parcel 1. Looking northeast from the extreme southwest corner of the subject property.



SDNY GM 00173532

EFTA\_00195187

EFTA01305432

PHOTOGRAPHS - MJG-815

Parcel 1. Looking northwest from the extreme southeast corner of the subject property. Again, note condition of fence.



Parcel 1. Looking west from the extreme northeast corner of the subject property.



SDNY\_GM\_00173533

EFTA\_00195188

EFTA01305433

PHOTOGRAPHS - MJG-815

Parcel 1. Looking southwest from the extreme northeast corner of the subject property.



SDNY\_GM\_00173534

EFTA\_00195189

EFTA01305434

PHOTOGRAPHS - MJG-815

Parcel 2-Sec. 36, T 13 N, R 9 E. Looking south from C.R. 38-B to the subject property. Note the four wire fence with steel posts which is located to the south of the county road. This fenceline was apparently constructed without authorization from the Commissioner.



Parcel 2. Looking west from the county road as it encumbers the subject property. Note the boundary fencelines on both sides of the roadway.



SDNY\_GM\_00173535

EFTA\_00195190

EFTA01305435

PHOTOGRAPHS - MJG-815

Parcel 2. Looking southwest from county road 38-B.



Parcel 2. Looking south from County Road 38-B showing the boundary fenceline between the subject property and the landowner to the west.

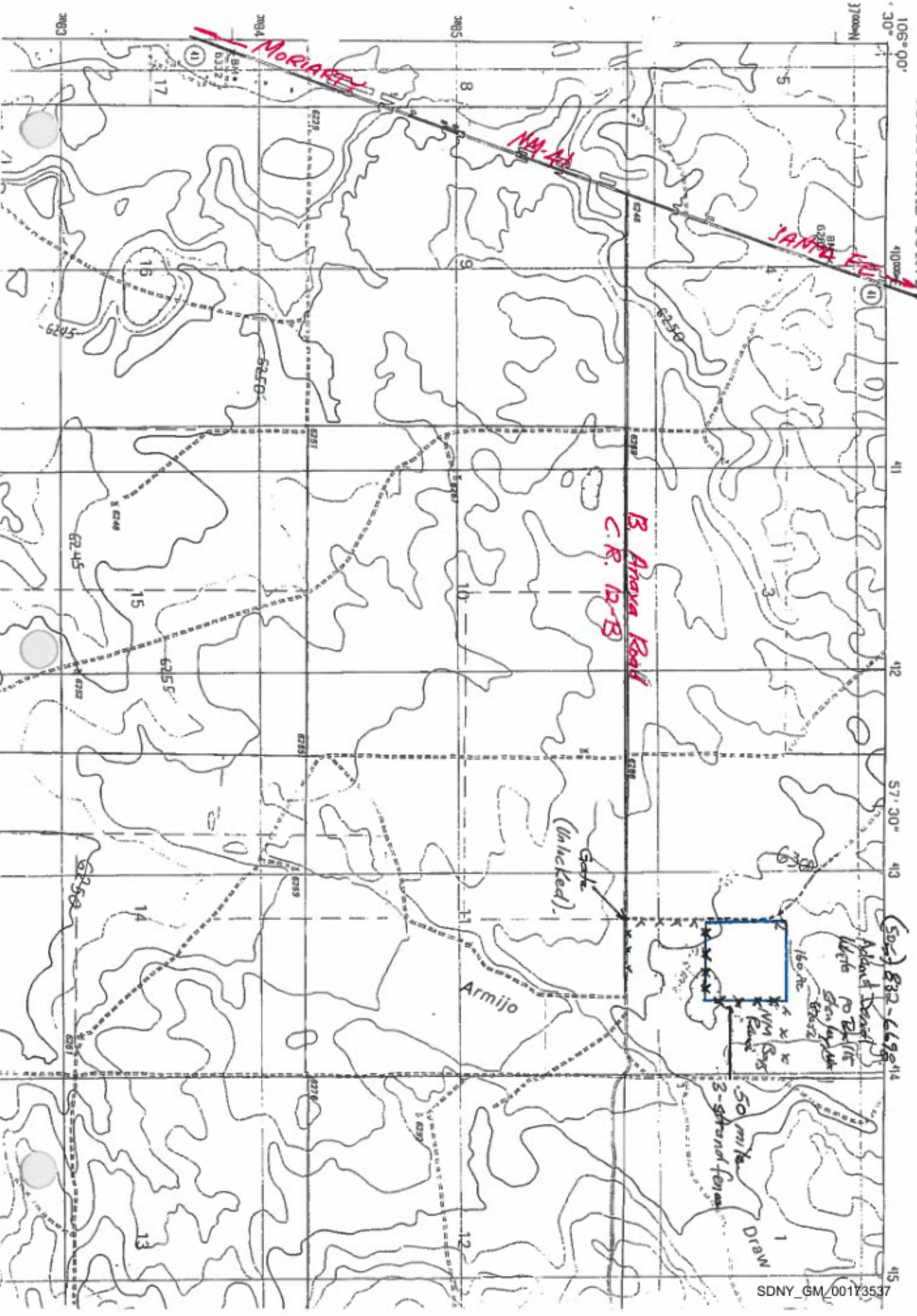


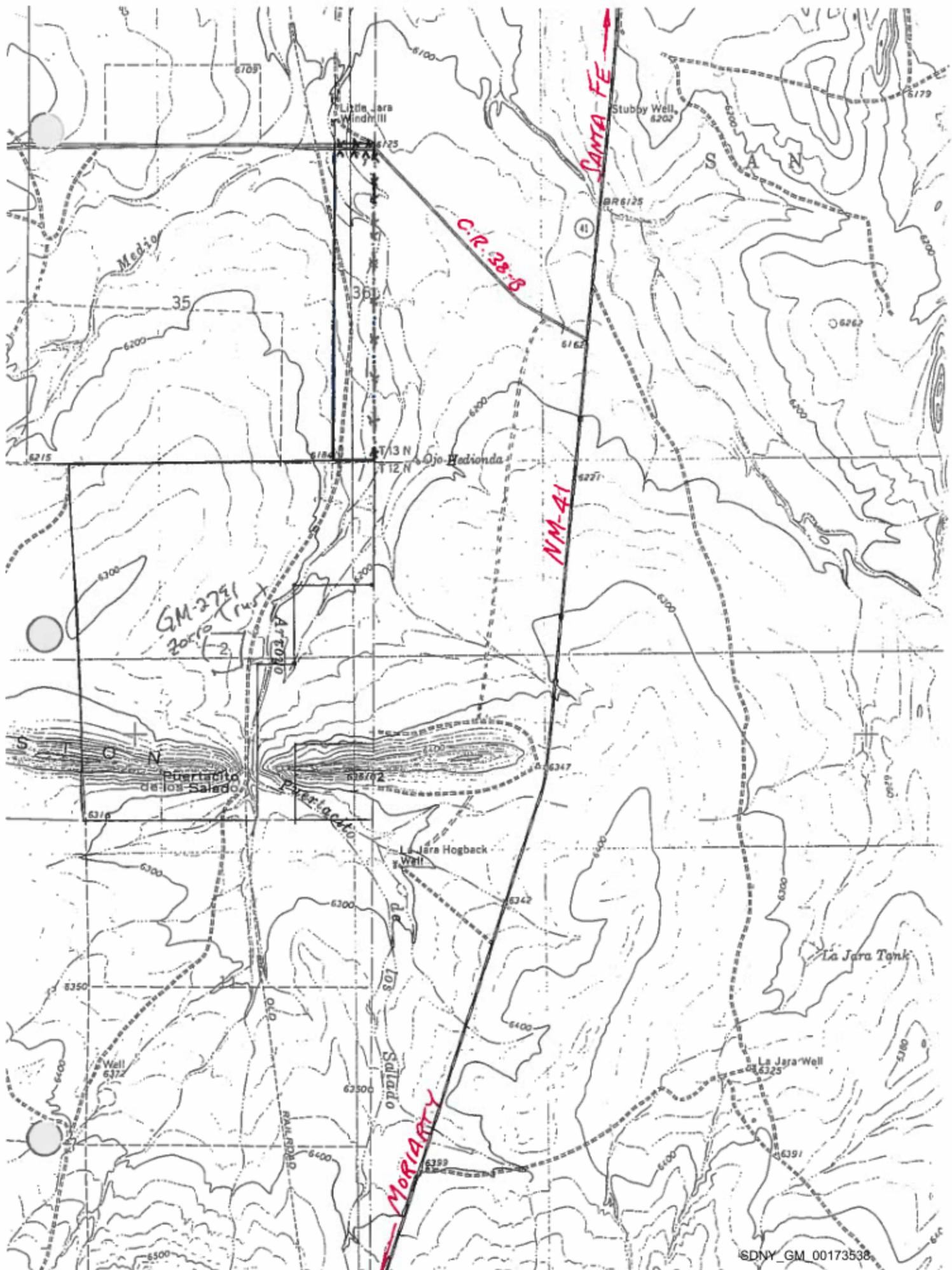
SDNY GM100173536

EFTA\_00195191

EFTA01305436

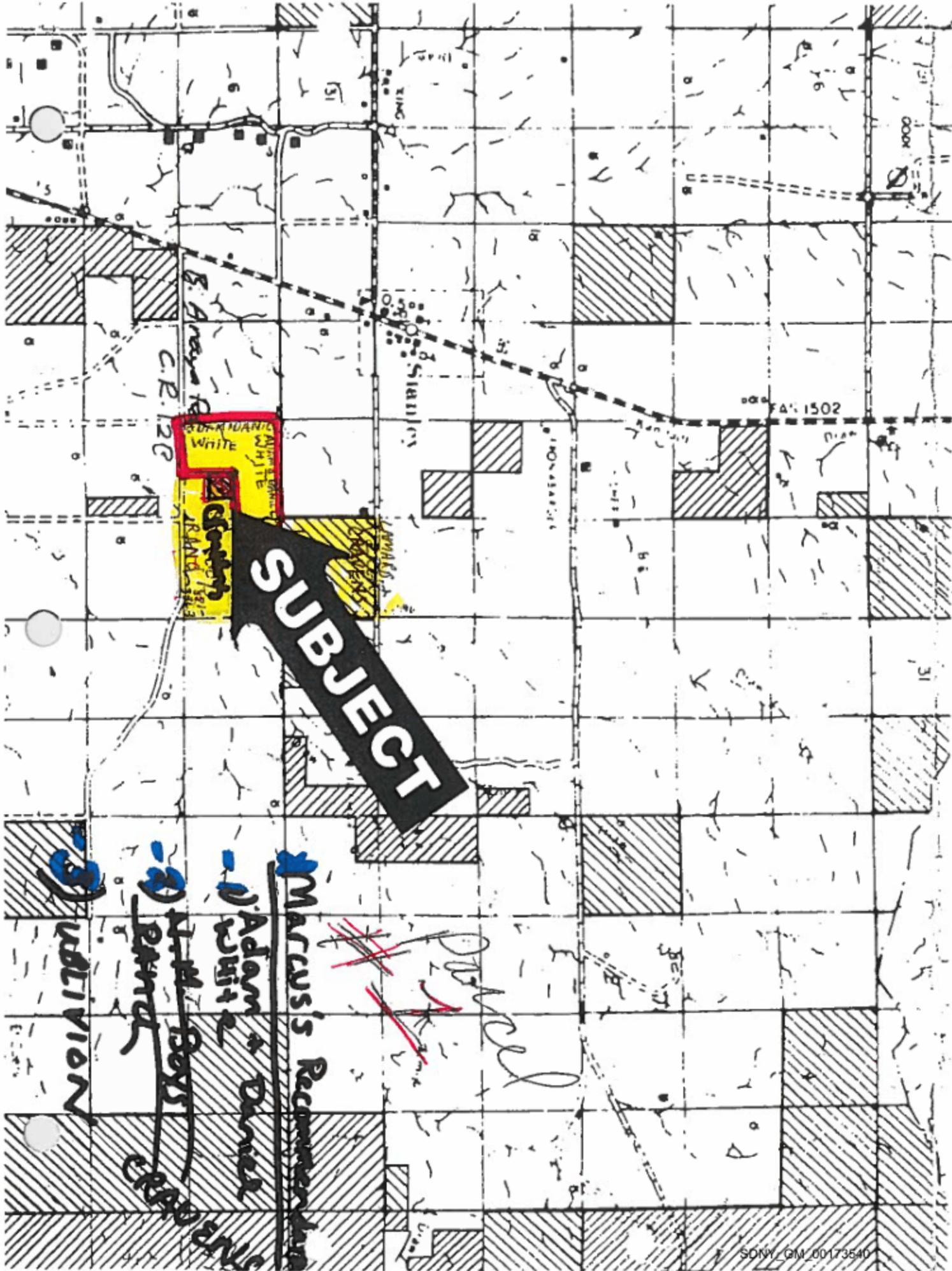
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY





SDNY\_GM\_00173538





B. Avenue  
C.R. 12G

EDUARD WILHELM  
WHITE  
GUYTON  
RAN 1918

**SUBJECT**

1502

STATION

~~Marcus's Recommendations~~  
~~Adam & Daniel~~  
~~White~~  
~~U-M Boys~~  
~~David~~  
~~UBIVION~~

SONY GM 00173540



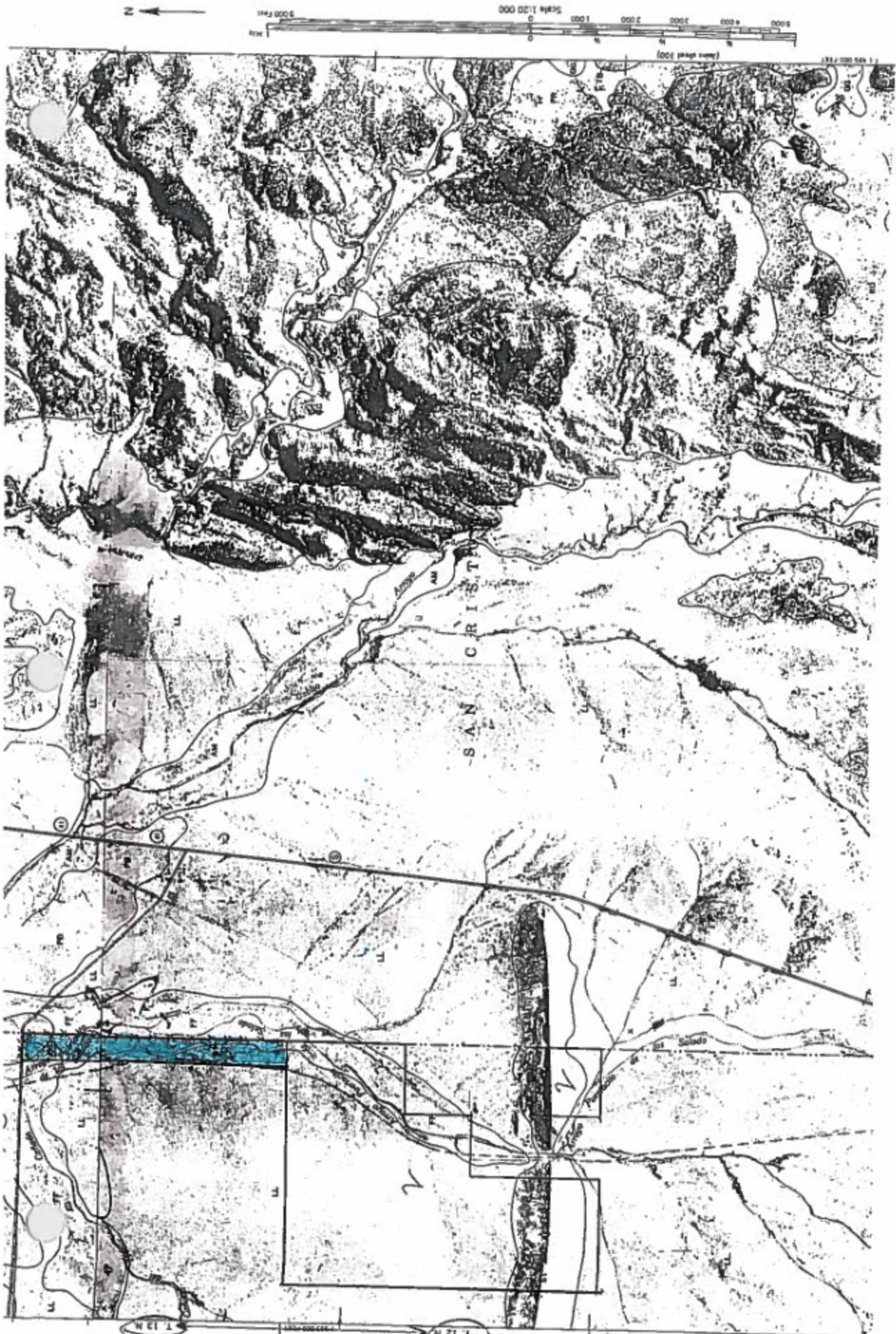


M A N U A L F E E D

SDNY\_GM\_00173542

EFTA\_00195197

EFTA01305442

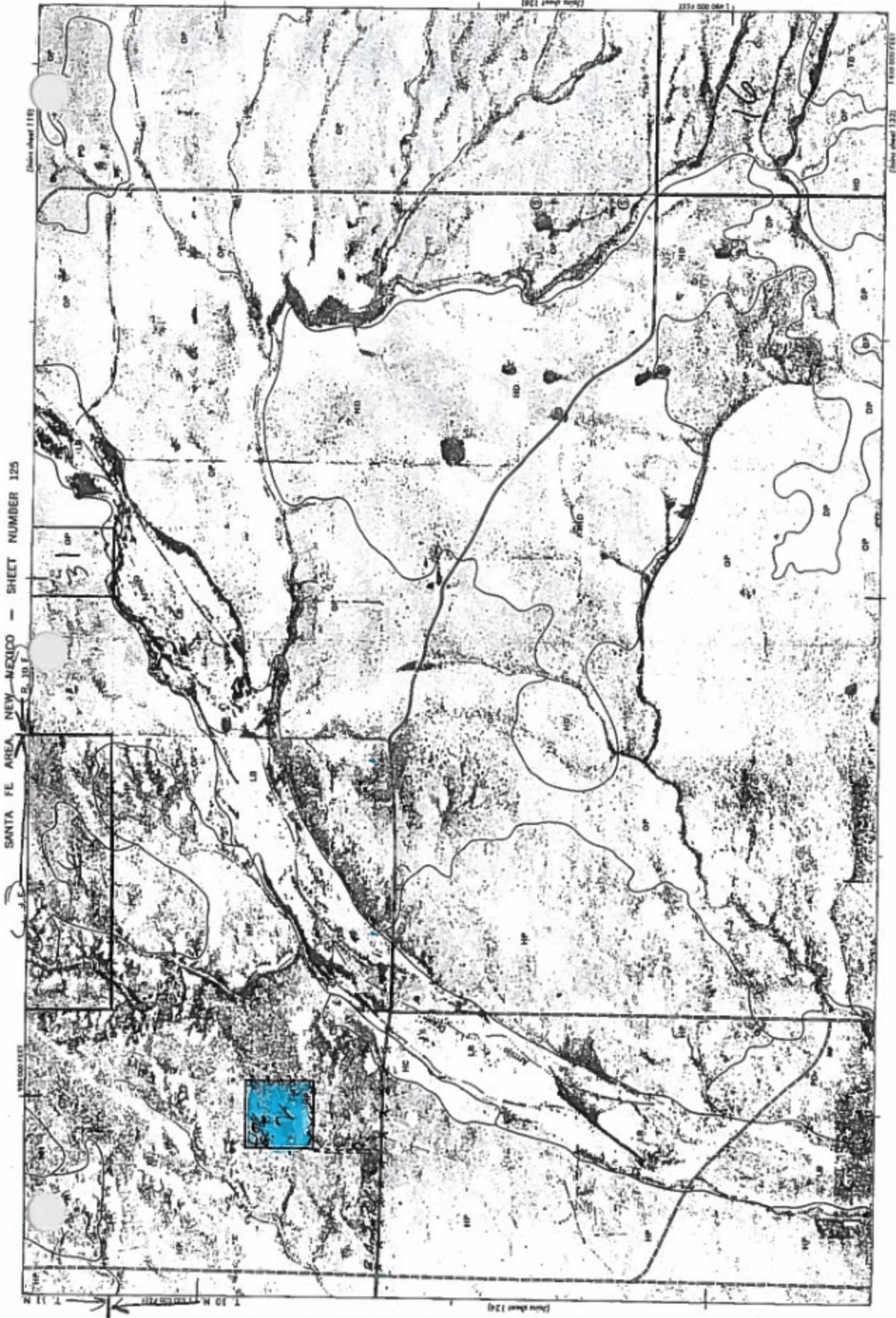


Projections from 1983 (NAD 83) used in this map. The map was prepared by the U.S. Army Corps of Engineers, District of Columbia, and the U.S. Army Corps of Engineers, District of Columbia. The map was prepared by the U.S. Army Corps of Engineers, District of Columbia, and the U.S. Army Corps of Engineers, District of Columbia.

SDNY\_GM\_00173543

EFTA\_00195198

EFTA01305443

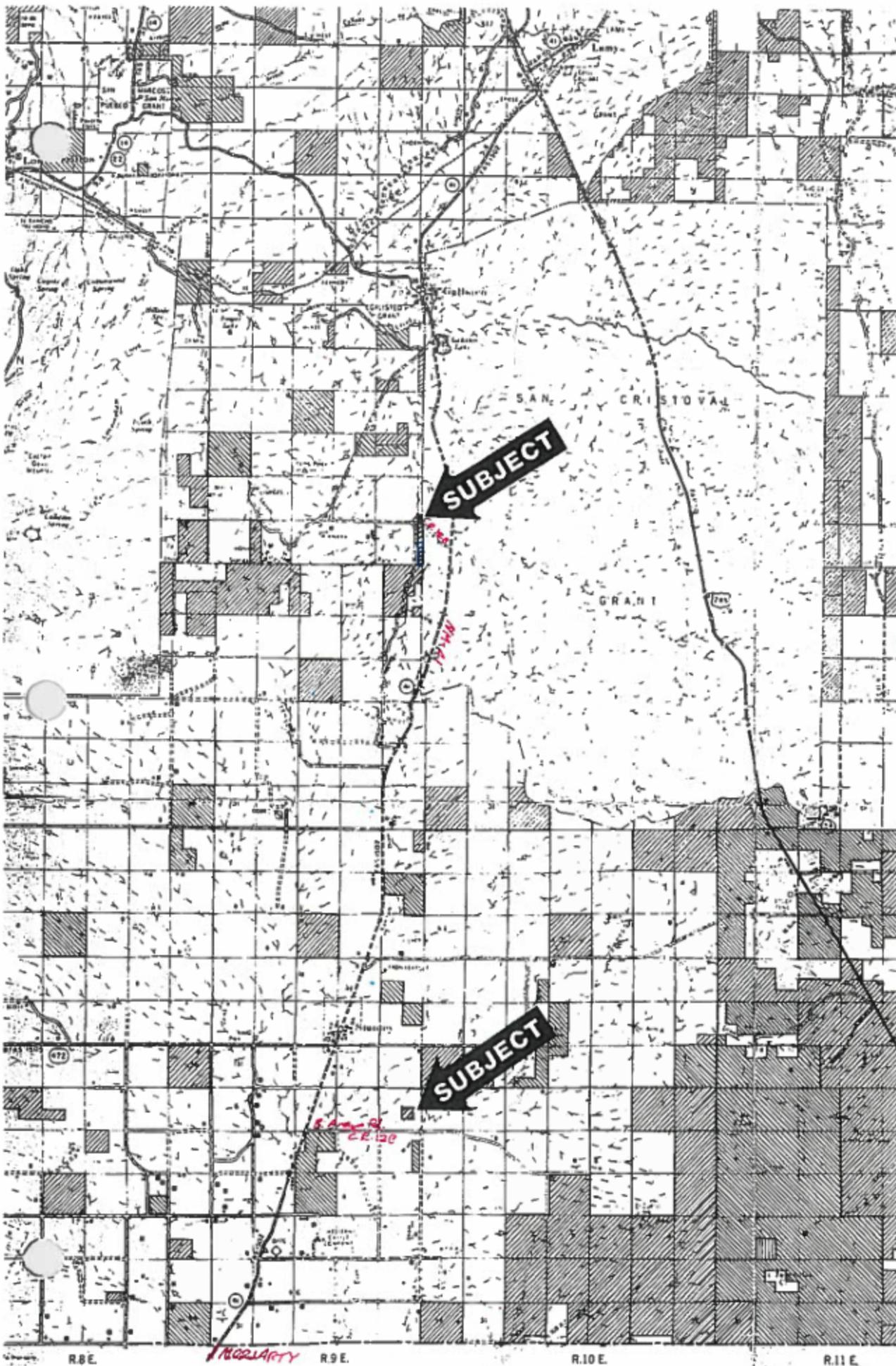


This map is one of a set compiled in 1973 as part of a study by the United States Department of Agriculture, San Antonio Office, Texas Branch, for United States, Government of the State of New Mexico, and the State of New Mexico. The map is based on the New Mexico State Plane Coordinate System, North Zone, NAD 83, and the State of New Mexico, North Zone, NAD 83. The map is based on the New Mexico State Plane Coordinate System, North Zone, NAD 83, and the State of New Mexico, North Zone, NAD 83.

SDNY\_GM\_00173544

EFTA\_00195199

EFTA01305444



R.8E

*MORLARY*

R.9E

R.10E

R.11E

O R A N G E C O U N T Y

SDNY\_GM\_00173545

EFTA\_00195200

EFTA01305445



1/6/06  
end day

LEI-V  
1550

GRANT NO.	DATE	DESCRIPTION	AMOUNT	DATE	DESCRIPTION	AMOUNT	DATE	DESCRIPTION	AMOUNT	DATE	DESCRIPTION	AMOUNT
GR-2088	10/3	F.C.		5-25-06	General							
"	7/3	P.C.		6-23-06	Sublease							
"	9/11	P.C.		5-23-06	Field report							
GR-2088	10/2	P.C.		11-14-06	General							
"	10/3	P.C.		11-14-06	Sublease							
"	9/11	P.C.		11-14-06	Field report							

MAPS NEED TO BE SCANNED

1/6/06  
end day

- 1. Contract
- 2. Sublease
- 3. Improvement
- 4. Assignment
- 5. Memo to File
- 6. Address Change
- 7. Sublease
- 8. Notice
- 9. Field Rpt
- 10. General, Congress

Commercial  
20. New Lease  
21. Sublease

Rights of Ways  
40. New Lease

Oil & Gas  
60. Communication

Minerals  
70. New Lease

Royalty  
90. Return C1

CHECKED IN  
PULLED OK  
CHANGED TO SCANNING

SDNY\_GM\_00173547

EFTA\_00195202

EFTA01305447

SDNY\_GM\_00173548

EFTA\_00195203

EFTA01305448

**AGRICULTURAL LEASE – GR2122  
COMPLETE LEASE FILE CONTENTS**





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 Santa Fe, 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: Pinot Ortiz x Steve Chavez  
[Redacted]

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
39	Mother Cows	Angus Cross		
3	Bulls	Angus		

S-01 (Revised 10/2015)

(1 of 2) 2016 SEP 21 PM 2:14 APPLICATION FEE \$100.00



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

FEES 97 0 23-SEP-16 08:50 4 NWSLG 001-00004 312:47  
 FEES 96 0 23-SEP-16 08:57 4 NWSLG 001-00004 100:00  
 FEES 94 0 23-SEP-16 08:55 4 NWSLG 001-00004 100:00

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

ALL COTA LEASES  
 Renewal Agreement  
 10-10-2011  
 PER AGENT [Signature]  
 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.



SDNY\_GM\_00173554

EFTA\_00195209

EFTA01305454

**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. 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.



JUL-251

November 4, 2016

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.

JUL-251

3



November 4, 2016

SDNY\_GM\_00173556

EFTA\_00195211

EFTA01305456

**APPENDIX A: PHOTOS**



**Pic 1. GR-2122**



JUL-251

November 4, 2016



Pic 2. GR-2122

JUL-251

5



November 4, 2016

SDNY\_GM\_00173558

EFTA\_00195213

EFTA01305458

JUL-251

November 4, 2016



Pic 3. GR-2122

JUL-251

6



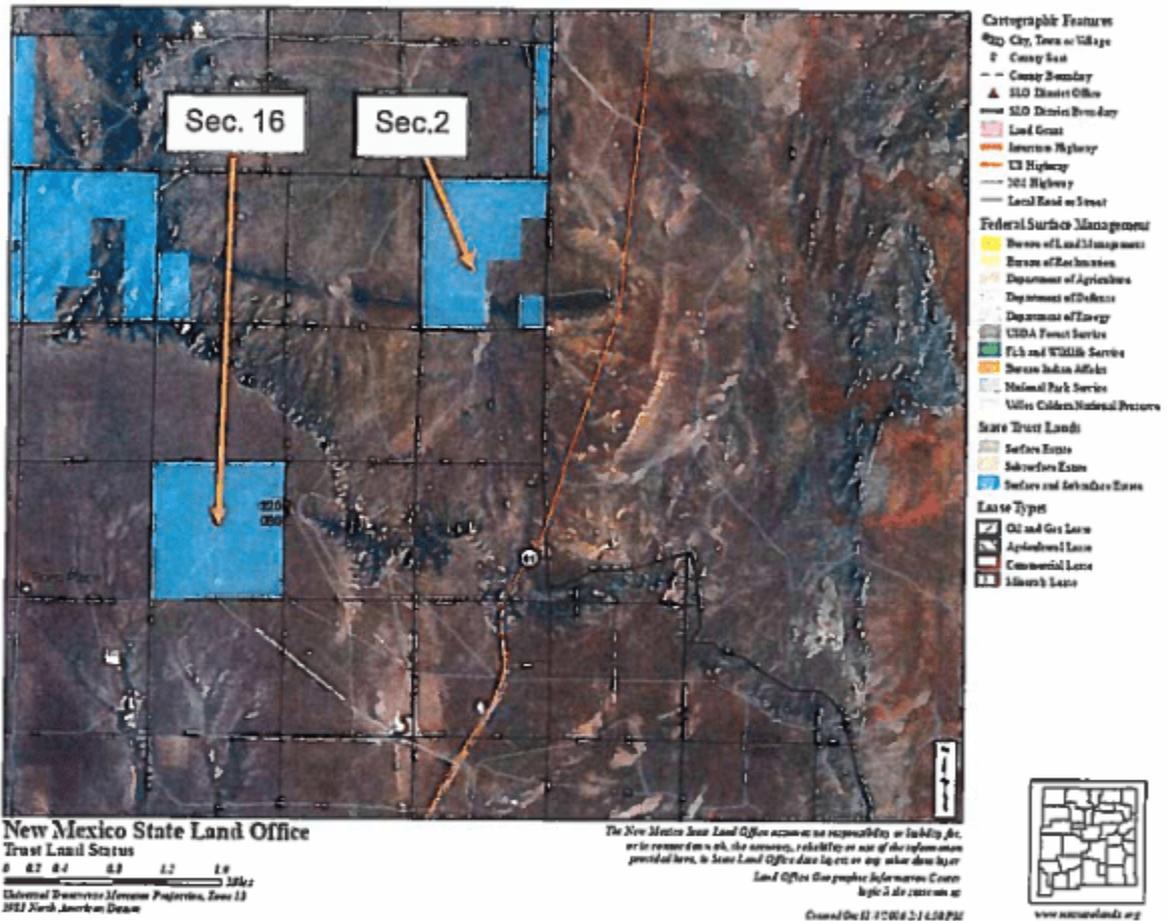
November 4, 2016

SDNY\_GM\_00173559

EFTA\_00195214

EFTA01305459

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 [REDACTED].

Sincerely,

Aubrey Dunn  
Commissioner of Public Lands  
AD/ds

Encl.



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.

FEES  
32 0 01-AUG-16 09:15 4 NMS 1-00003 50.00

2016 JUL 20 11 20



LAND SUSPENSE 3 NMSLO 001-00003  
31 0 01-AUG-16 09:15 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 JUN 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 \_\_\_\_\_

\_\_\_\_\_  
TELEPHONE

\_\_\_\_\_  
EMAIL

*[Signature]*  
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 YORK )  
~~STATE OF NEW MEXICO~~ )  
COUNTY OF NEW YORK )

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

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

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

MY COMMISSION EXPIRES: 10/14/18

*[Signature]*  
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

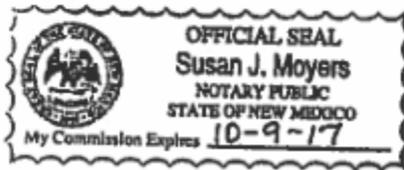
LESSEE: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED 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. Cudde, 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. Cudde  
ADDRESS PO Box 1976  
CITY/STATE Manirity, 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

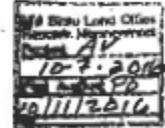
SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARR CAP
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$1,562.36	

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





# RECORDS / TION FORM

LEASE # **GR-2122**

Grazing Division										Records			Imaging Department	
Request Date	Change Requested By	Code #	Pages	Post	Scan	MF	Arc	Comments	Received By	Change Status	Date	Scan Date	Initials	Approved Date
6-11-14	JULIAN G.	7	3		✓			(SAVED) 6/11/14	SC	P.S.	10/15/16			
10-3-16	JULIAN G.	9	10		✓			(SAVED) 10/3/16						
11-15-16	Danny S.	3	8		X			left side green clip white clip	SC	Scanned	11/15/16	10-12-16	JAF	
" "	" "	9	8		X									
" "	" "	10	1		X									

- 1. Contract
- 2. Memo to file
- 3. Improvements
- 4. Assignment
- 5. Notes to file
- 6. Change of Address
- 7. Sublease
- 8. Notice
- 9. Field Report
- 10. General Corresp.
- 11. Bid



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  
(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  
[Redacted]

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
39	Mother Cows	Angus Cross		
3	Bulls	Angus		

S-01 (Revised 10/2015)

(1 of 2) 2016 SEP 21 PM 2:14 APPLICATION FEE \$100.00



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

FEES 97 4 NMSLO 001-00004 08:50 312:47

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

ALL DATA LISTED  
 HEREIN IS CORRECT  
 DATE 10-10-11  
 PER 10-10-11

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.



SDNY\_GM\_00173574

EFTA\_00195229

EFTA01305474

**LEGAL LAND DESCRIPTION**

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

N.M.P.M. Section	Quarter/Quarter	Township	Range	County
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 continue sound management on the subject tract.



JUL-251

November 4, 2016

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.

JUL-251

3



November 4, 2016

SDNY\_GM\_00173576

EFTA\_00195231

EFTA01305476

**APPENDIX A: PHOTOS**



Pic 1. GR-2122



JUL-251

November 4, 2016



Pic 2. GR-2122

JUL-251

5



November 4, 2016

SDNY\_GM\_00173578

EFTA\_00195233

EFTA01305478

JUL-251

November 4, 2016



Pic 3. GR-2122

JUL-251

6



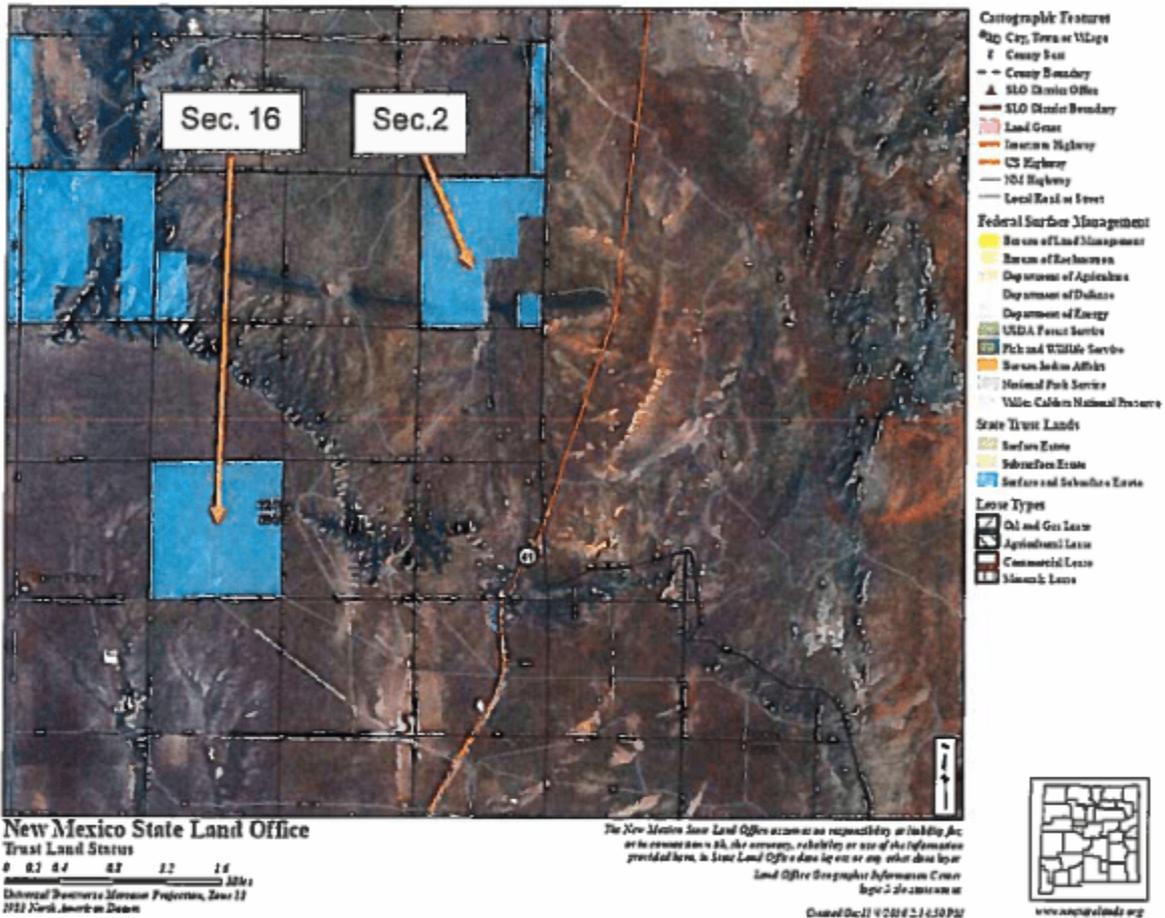
November 4, 2016

SDNY\_GM\_00173579

EFTA\_00195234

EFTA01305479

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 [REDACTED].

Sincerely,

Aubrey Dunn  
Commissioner of Public Lands  
AD/ds

Encl.



SDNY\_GM\_00173581

EFTA\_00195236

EFTA01305481

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

I/We, Cypress, Inc. of  
(mailing address) 487010 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
See Attached Exhibit A				1,158.97

2014 MAR 15 PM 1:14

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: State Chavez / Ernest Ortiz



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, 20 11, and to expire on September 30, 20 16, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: Cattle Grazing

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

NO.	LIVESTOCK		PERIOD OF USE	
	KIND	CLASS	FROM	TO
39	Mother Cows	Angus Cross	10/1/11	9/30/16
2	Bulls	Angus		

S-01 (Revised 01/2001)



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

Name: [Redacted]  
Address: [Redacted]  
Home Telephone No. [Redacted] Business Telephone No. [Redacted]

2014 MAY 15 PM 1:14

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

I, Cypress, Inc, 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: CYPRESS, INC  
Darren Indyke, Vice President  
Lessee

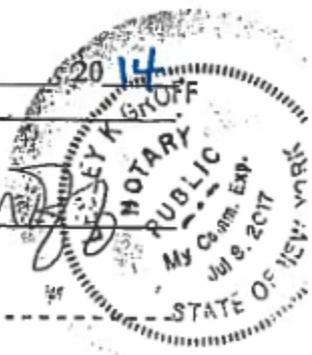
Signed: \_\_\_\_\_  
Lessee

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of May  
by Darren Indyke

{Name of Person's Signature being acknowledged}

MY COMMISSION EXPIRES: JULY 8, 2017  
Notary Public - State of New York  
NO. 01GR6285700  
Qualified in New York County  
My Commission Expires Jul 8, 2017

Jessie K. Groff  
Notary Public



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

APPROVED THIS 10 day of June, 20 14

Ray Powell  
COMMISSIONER OF PUBLIC LANDS



S-01 (Revised 01/2001)



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:			

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 MAY 15 PM 1 14



NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 5-16-14 FIELD DIVISION CONTROL NO. JUL-110

REQUESTING DIVISION: Surface/Grazing BY: Danny Sandora

LEASE NUMBER: GR-2122 TYPE OF REQUEST: New Sublease

NAME OF LESSEE/APPLICANT: Cypress Inc.

ADDRESS: 49 Zorro Ranch Rd, Stanley, NM 87056

DESIGNATED CONTACT: [REDACTED] PHONE: [REDACTED]

ADDRESS: Same as above

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	02	12N	09E	Santa Fe Co
	16	12N	09E	" " "

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

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 6-4-14

DISTRICT RESOURCE MANAGER RECOMMENDATION:

Approve SUBLEASES OF ZORRO RANCH TO  
MR. COLAVIZ & MR. OSTIZ  
RANGE FEA/GOOD.

APPROVE RECOMMENDATION: (FIELD DIVISION) [Signature] (REQUESTING DIVISION) JVM 6-10-14

DO NOT APPROVE RECOMMENDATION: (Please state reasons)

ACTION TAKEN BY REQUESTING DIVISION: Sublease approved as per DRMs  
recommendation. (2011-2016) em

DATE RETURNED TO DISTRICT RESOURCE MANAGER:



G-89 Revised: 11/1/99



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

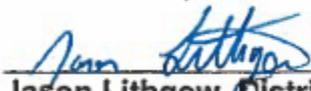
*State of New Mexico*  
*Commissioner of Public Lands*

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

June 03, 2014

JUL-110, JUL-111

**TO:** Donald Martinez, Director Surface Resources  
**ATTN:** Danny Sandoval, Management Analyst  
**THRU:** Bill Pearson, Assistant Director Field Operations  
**FROM:**   
Jason Lithgow, District Resource Manager  
Santa Fe District Office  
**SUBJECT:** *New Sublease: GR-2122, GR-2088*  
*Cypress Inc.*

Date Received: May 20, 2014

**SYNOPSIS**

This report is to address the new sublease for GR-2122 and GR-2088. The sublease will encompass three sections totaling 1,243.83 acres. The subject trust land lies within the greater 11,000 Acre+ Zorro Ranch. At the time of the field visit an ocular estimate of the land was fair to good. There are no known reasons to not approve this sublease.

**LEGAL LAND DESCRIPTION**

A tract of land containing 1,243.83 acres, more or less, and allocated by forties as follows:

N.M.P.M.

Section	Quarter/Quarter	Township	Range	County
02	Lot 1, 2,3,4,7	12N	09E	Santa Fe
02	SW/4NE/4, S2NW4, SW4	12N	09E	Santa Fe
16	All	12N	09E	Santa Fe
36	Lot 1,2,3,4	13N	09E	Santa Fe



**LOCATION**

A 310 Old Santa Fe Trail  
Santa Fe, NM 87501

- 1. Head south on Old Santa Fe Trail toward E De Vargas St 0.5 mi
- 2. Continue onto Old Pecos Trail 1.6 ml
- 3. Turn left onto NM-466 S/Old Pecos Trail 1.4 mi
- 4. Take the Interstate 25 N ramp to Las Vegas/US 285 S/Clines Corners 0.3 mi
- 5. Merge onto I-25 N/US-285 S 6.2 mi
- 6. Take exit 290 for US-285 S toward Clines Corners 0.2 mi
- 7. Keep right at the fork and merge onto US-285 S 6.7 mi
- 8. Turn right onto NM-41 S 16.8 mi
- 9. Turn right onto Zorro Ranch Rd 75 ft

The Zorro Ranch Rd is the access point to the State Trust Land. There is no public access to the subject tracts.

**SITE/PHYSICAL DESCRIPTION**

This site is rural rangeland. The leased site occupies 1,243.83 acres. Adjoining lands are used for livestock grazing, and wildlife habitat. Vegetation consists of short and mid native grasses, forbs, and shrubs and pinyon-juniper mixed forest.

**HIGHEST AND BEST USE**

The highest and best use of this land is livestock grazing and wildlife habitat. No other trends exist at this time.

**ENVIRONMENTAL CONCERNS/CULTURAL SITES**

No environmental concerns where observed at this time. Please note that this area has a very high concentration of artifacts, including Pueblo Blanco. If any improvements are made a thorough archeological review would be necessary.



**REMARKS**

On May 27, 2014 I met with a Mr. Gordon, who represents Cypress Inc., and conducted a site visit of the subject tract. At the time of the inspection the range was in better than fair condition. It was very apparent that the greater Zorro ranch took great care in managing the landscape. The Zorro ranch has been actively treating choya on both trust and deeded lands. They blade and pile the choya during the dormant period in winter, and burn the piles when they dry.

The new sub-lessees will be Steve Chavez and Ernest Ortiz. I recommend approval of the sublease.



**Appendix A: Photos**



**Photo 1- Overlooking Pueblo Blanco. Section 16.**





**Photo 2-** Representation of the range. Section 02.





Photo 3: East of Pueblo Blanco. Section 16.





**Photo 4:** Some choya encroachment. The ranch has been actively conducting choya removal during the winter months. This pasture was slated for treatment next winter. Section 2.

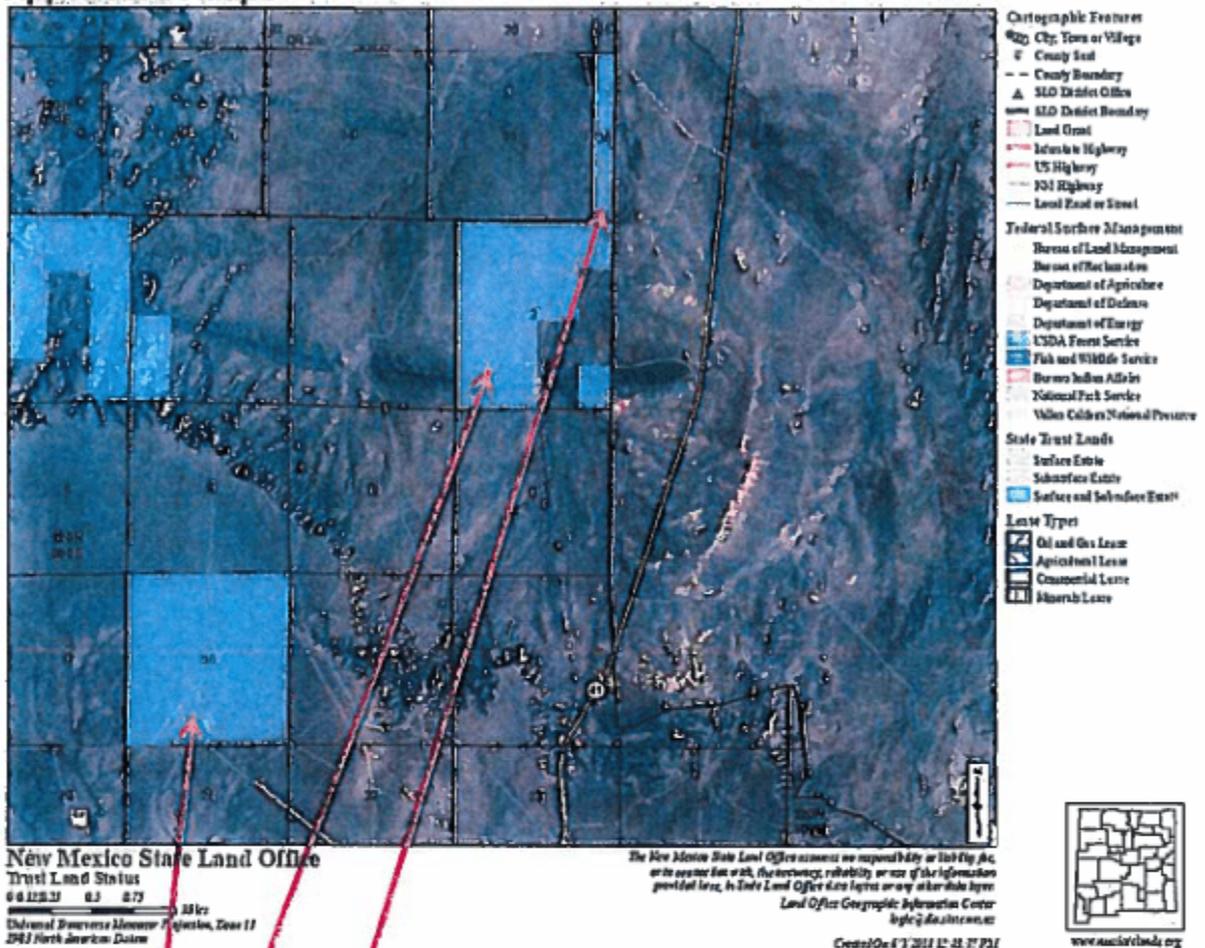




**Photo 5: Section 36.**



### Appendix B: Maps



Sections: 16 and 2 and 36. All the land around the sections is privately owned by the Zorro Ranch.



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

June 11, 2014

Cypress Inc.  
49 Zorro Ranch Road  
Stanley, NM 87056

**Re: State Agricultural Lease No. GR-2088 & GR2122  
(Sublease No. GR-2088-0001 & GR2122-001)**

Dear Lessee(s):

Please find enclosed a copy of your approved sublease applications. Your sublease commenced on October 1, 2013 and will expire on September 30, 2016.

**If you have any questions, please feel free to contact me at the address above or at [REDACTED].**

Sincerely,

Julian Ortiz  
Surface Resources Division  
NM State Land Office  
encl.



SDNY\_GM\_00173595

EFTA\_00195250

EFTA01305495

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

May 16, 2014

Cypress Inc.  
49 Zorro Ranch Rd  
Stanley, NM 87056

**RE: STATE AGRICULTURAL LEASE NO. GR-2088-0001 &  
GR-2122-0001**

Dear Lessee(s):

This office has received your applications to Sublease State Trust Lands.

This office will send a District Resource Manager to inspect your leased lands on site and 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 [REDACTED].**

Sincerely,



Danny Sandoval  
Surface Resources Division  
NM State Land Office



**CYPRESS, INC**

**49 Zorro Ranch Road**

**Stanley, NM 87056**

**Telephone: [REDACTED]**

2014 MAY 15 PM 1 14

May 7<sup>th</sup>, 2014

New Mexico State Land Office  
PO Box 1148  
Santa Fe  
NM 87504

Attention: Ms Lucille Martinez

Dear Ms Martinez,

We would like to confirm that Cypress, Inc has a new mailing address. If all correspondence could please be forwarded to the following

49 Zorro Ranch Road  
Stanley, NM 87056

If you have any questions or concerns in reference to this could you please call [REDACTED]

Thank you for you assistance with this matter

Sincereley,



[REDACTED]



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

I/We, Cupless, Tee, of  
(mailing address) 1A 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
See Attached Exhibit A				1,158.97

2014 MAY 15 PM 1:14

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: Steve Chavez / Ernest Ortiz  
PO Box 1054, Moriarty, NM 87035 / 198 County Rd B 108 S Estancia NM 87016

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, 20 11, and to expire on September  
30, 20 16, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: Cattle Grazing

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

NO.	LIVESTOCK		PERIOD OF USE	
	KIND	CLASS	FROM	TO
39	Mother Cows	Angus Cross	10/1/11	9/30/16
2	Bulls	Angus		

S-01 (Revised 01/2001)



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

Name: Kalen L Gordon

Address: 49 20110 Ranch Rd. Stanley, NM 87056

Home Telephone No. 505 933 3401 Business Telephone No. 505 933 3401

2014 MAY 15 PM 1:14

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

I, Cypress, Inc, 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.**

CYPRESS, INC

Signed: [Signature] Darren Indyke, Vice President  
Lessee

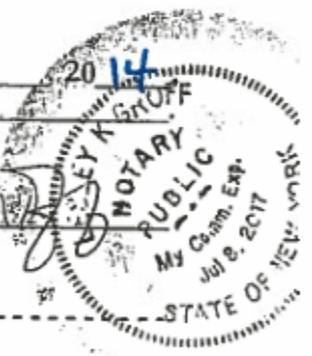
Signed: \_\_\_\_\_  
Lessee

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of May  
by Darren Indyke

{Name of Person's Signature being acknowledged}

MY COMMISSION EXPIRES: JULY 8, 2017  
Notary Public - State of New York  
NO. 01GR6285700  
Qualified in New York County  
My Commission Expires Jul 8, 2017

[Signature]  
Notary Public



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

APPROVED THIS 10 day of June, 20 14

[Signature]  
COMMISSIONER OF PUBLIC LANDS



S-01 (Revised 01/2001)



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:			

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

2014 SEP 15 PM 1 14



NEW MEXICO STATE LAND OFFICE  
OFFICIAL REQUEST FOR CHANGE OF ADDRESS

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

Dear Sir:

I am the holder of (Oil and Gas) (Mineral) (Other) \_\_\_\_\_ Lease No. GR-2088  
SR-2122  
(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.

Cypress Inc.  
(Company Name)

Signature (Please sign as name appears on lease)  
49 Zorro Ranch Road  
(Street Address or Box Number)  
Stanley, NM 87056  
(City, State and Zip Code)

Per: Karen L. Gordon  
5/15/14 km

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

0-67 04/01/94





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

June 6, 2012

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

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

Dear Mr. Gordon:

Please find enclosed a copy of your approved sublease applications. Your sublease commenced on October 1, 2011 and will expire on September 30, 2016.

**If you have any questions, please feel free to contact me at the address above or at [REDACTED].**

Sincerely,

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office  
encl.

SLO SCAN

JUN 07 2012

SDNY\_GM\_00173602

EFTA\_00195257

EFTA01305502



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

March 2, 2012

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

Re: State Agricultural Lease No.'s GR-2088-01 & GR -2122-01

Dear Mr. Gordon:

This office has received your applications to Sublease State Trust Lands.

This office will send a District Resource Manager to inspect your leased lands on site and 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 [REDACTED].**

Sincerely,

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

encl:

SLO SCAN

JUN 07 2012

SDNY\_GM\_00173603

EFTA\_00195258

EFTA01305503

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

I/We, Cypress, Inc., of  
(mailing address) 9100 Havensight, Port of Sale, Suite 15/16, St. Thomas, VI 00802, 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
See attached Exhibit A				1,158.97

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: Joe M. Chavez and Steve Chavez  
PO Box 1054, Moriarty, NM 87035

**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, 2011**, and to expire on **September 30, 2016**, (Sublease cannot be given beyond expiration date of lease.)

Give reasons this land is being subleased: cattle grazing

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

NO.	LIVESTOCK KIND	CLASS	PERIOD OF USE	
			FROM	TO
12	cattle	cattle	10/1/2011	9/30/2016

2012 FEB 29 AM 10:14

S-01 (Revised 01/2001)

SLO SCAN

LAND SUSPENSE 3 NHSLD 001-00003  
69 0 29-FEB-12 11:44 150.30

SDNY\_GM\_00173604

EFTA\_00195259

EFTA01305504

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

Name: Brice Gordon

Address: 49 Zorro Ranch Rd, Stanley, NM 87056

Home Telephone No. [REDACTED] Business Telephone No. [REDACTED]

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

I, Cypress, Inc., 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: *Darren Indyke*  
Lessee

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

SUBSCRIBED AND SWORN to before me this 16 day of February, 2012,  
by Darren Indyke as Vice President of Cypress, Inc.

{name of Agricultural Lessee}

MY COMMISSION EXPIRES: 2/25/14

*John B. Friedman*  
*Jean B. Farned*  
Notary Public  
14

I, *Ray Powell*, COMMISSIONER OF PUBLIC LANDS, do hereby grant the lessee(s) listed above permission to sublease the above described land.

APPROVED THIS *5<sup>th</sup>* day of *June*, 20*12*

*Ray Powell*  
COMMISSIONER OF PUBLIC LANDS  
NEW MEXICO  
2012 FEB 29 01:15 PM

S-01 (Revised 01/2001)

SLO SCAN  
JUN 17 2012

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

10-19-2011  
 10-20-11

2012 FEB 23 PM 10 24

2011 JUL 27 4 04 PM  
 SLO SCAN

SLO SCAN  
 2011 OCT 20 2 51 PM

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

ADP-303

DATE TO FIELD DIVISION: 3-2-12 FIELD DIVISION CONTROL NO. \_\_\_\_\_

REQUESTING DIVISION: Surface BY: Leroy A. Ulibarri

LEASE NUMBER: GR-2122-01 TYPE OF REQUEST: Sublease New

NAME OF LESSEE/APPLICANT: Cypress, Inc.

ADDRESS: 48 Zorro Ranch Rd. Stanley, NM 87066

DESIGNATED CONTACT: Brice Gordon PHONE: XXXXXXXXXX

ADDRESS: \_\_\_\_\_

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
	02&16	12N	09E	S. F.

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

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 6-1-12

DISTRICT RESOURCE MANAGER RECOMMENDATION: Approve application to sublease  
1,158.97 acres per attached report. Range condition good to  
excellent per transect estimate.

APPROVE RECOMMENDATION: FIELD DIVISION) (REQUESTING DIVISION

*[Signature]* 6-1-12

DO NOT APPROVE RECOMMENDATION: (Please state reasons) \_\_\_\_\_

2012 MAY 25 AM 7:51

ACTION TAKEN BY REQUESTING DIVISION: Approve Sublease Appl. per DMR  
Recommendation. 6/24/12 JLU. Initial pd.

DATE RETURNED TO DISTRICT RESOURCE MANAGER: \_\_\_\_\_

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

Brice Gordon (mailing address) VI 00802  
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

[Signature]  
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 Jaffrey Epstein, Trustee of the Zorro Trust utu March 1, 1993, as amended  
(print name(s) of person(s) acknowledged)

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

[Signature]  
Notary Public

FEE - \$50.00  
6-37 (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

FEES 4 NMSLO 001-00003  
54 0 01-FEB-12 09:15 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)

~~Transferor~~ **Transferee:** Cypress, Inc., a Virgin Islands Corporation

~~Purchaser~~ **Purchaser:**  
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: \_\_\_\_\_  
Notary Public, State of New York  
No. 01BE4853924  
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 3<sup>rd</sup> DAY OF

February, 2012

Ray Powell / own  
COMMISSIONER OF PUBLIC LANDS

2012 JUN 31 PM 3 17

SLO SCAN

MAR 12 2012



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: *AP*  
Andrew Price, District Resource Manager  
Albuquerque District Office

SUBJECT: GR—2122-01  
*Cypress Inc.*  
*Brice Gordon*  
[REDACTED]

**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

SDNY\_GM\_00173610

EFTA\_00195265

EFTA01305510

**LEGAL LAND DESCRIPTION**

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

N.M.P.M.				
<u>Section</u>	<u>Quarter/Quarter</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
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.

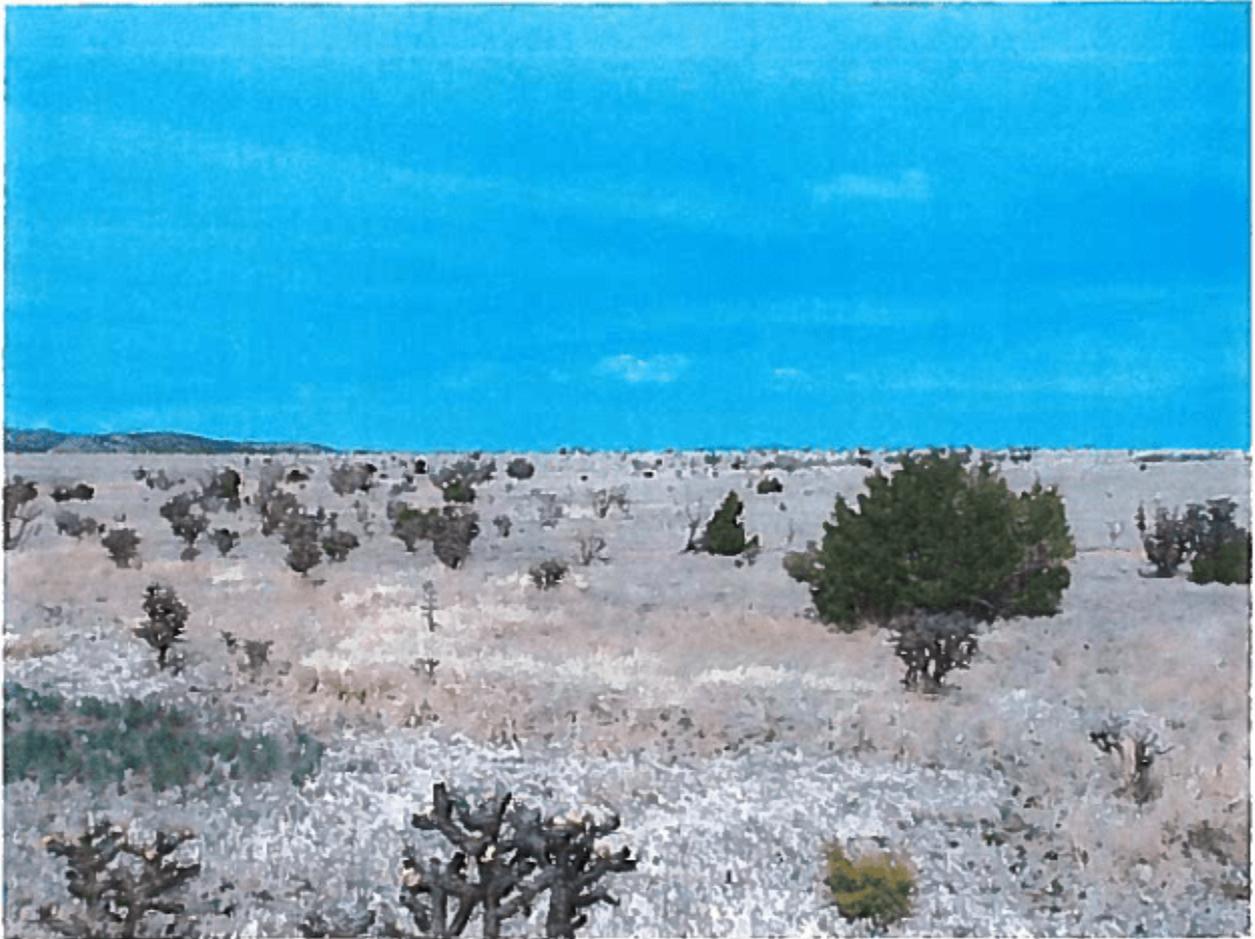
**REMARKS:**

**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**

ADP-303

5/22/2012



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

ADP-303

GLO SCAN  
JUN 07 2012

5

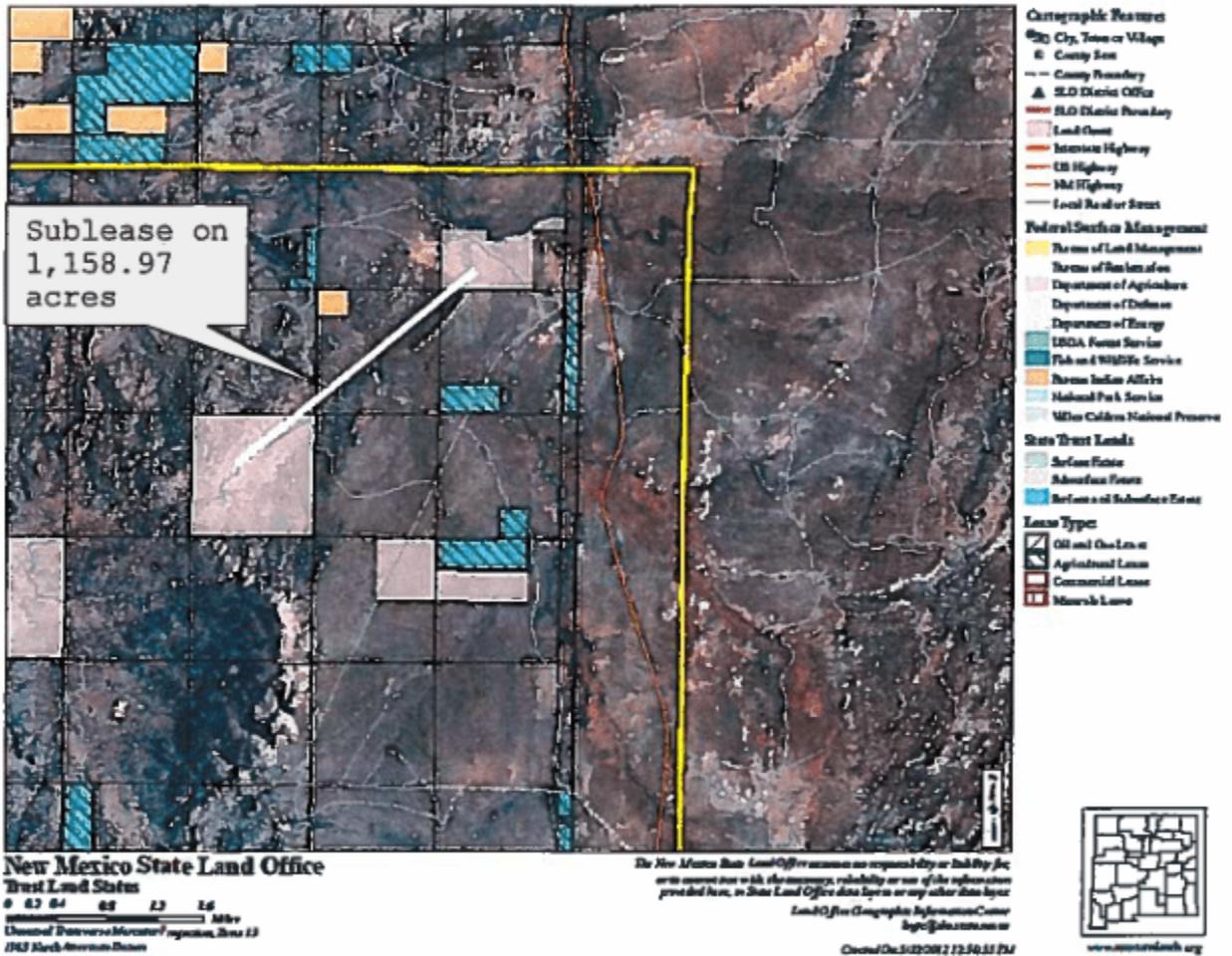
5/22/2012

SDNY\_GM\_00173614

EFTA\_00195269

EFTA01305514

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>	<ul style="list-style-type: none"> <li>9. Field Report</li> <li>10. General Corresp.</li> <li>11. Bid</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Checked-In</li> <li><input checked="" type="checkbox"/> Change Status</li> <li><input checked="" type="checkbox"/> Posting</li> <li><input type="checkbox"/> P. Audit</li> <li><input checked="" type="checkbox"/> Pulled</li> </ul> <p>Name: <u>Daniel</u> <u>11/3/11</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 [REDACTED]

Sincerely,

Fernando Roybal  
Agricultural Lease Analyst

Enclosure

xc: Sutin, Thayer & Brown

SLO SCAN

MAR 12 2012

SDNY\_GM\_00173617

EFTA\_00195272

EFTA01305517

**SUTIN THAYER & BROWNE**  
A PROFESSIONAL CORPORATION  
LAWYERS

IRWIN S. MOISE (1908-1984)  
LEWIS R. SUTIN (1909-1992)  
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 GOTTJEB  
SUSAN M. HAPKA  
ROBERT G. HEYMAN  
TRACY L. HOFMANN  
CHRISTOPHER A. HOLLAND  
GBENOGA N. IDAH  
HENRY A. KELLY  
KERRY KIRWAN  
PETER S. KIERST  
RACHEL S. KING  
TWILA B. LARSON  
DEREK V. LARSON  
STEVEN 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 SEBEL  
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:

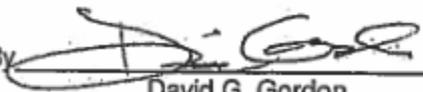
We enclose duplicate originals of the following documents for filing in the New Mexico State Land Office:

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 [REDACTED] 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

SDNY\_GM\_00173618

EFTA\_00195273

EFTA01305518

NM State Land Office  
Records Management  
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

Brice Gordon (mailing address) VI 00802  
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  
LM

[Signature]  
\_\_\_\_\_  
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: \_\_\_\_\_

[Signature]  
Notary Public

FEE: - \$30.00  
S-37 (revised 200)

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

21 JUN 31 PM 3 17

SLO SCAN  
MAR 12 2012

FEES 4 NHSLO 001-00003  
54 01-FEB-12 09:15 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)

~~TRANSFEREE~~ Transferee: ~~PURCHASER~~  
Cypress, Inc., a Virgin Islands Corporation

~~TRANSFEREE~~ Transferee: ~~PURCHASER~~  
County of New York  
State of New York

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

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

My commission expires: \_\_\_\_\_  
HARRY A. BELVER  
Notary Public, State of New York  
No. 018E4853924  
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 3<sup>RD</sup> DAY OF

February, 2012

Ray Powell /awm  
COMMISSIONER OF PUBLIC LANDS

2012 JAN 31 PM 3 17

SLO SCAN

MAR 12 2012

EXHIBIT A

LEASE NO: GR2122

SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	C/
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



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

July 29, 2011

Zorro Trust  
C/O [REDACTED]  
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 [REDACTED], or write to us at the above address.

Sincerely,

Danny Sandoval  
Surface Resources Division  
NM State Land Office

SLO SCAN

OCT 7 2011

SDNY\_GM\_00173622

EFTA\_00195277

EFTA01305522

Zorro Trust  
49 Zorro Ranch Road  
Stanley, NM 87056

2011 AUG 29 AM 7 50

Ph: [REDACTED]  
Fax: [REDACTED]  
E m: [REDACTED]

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 [REDACTED]

Sincerely,

[REDACTED]

*Cancelled sublease as request above. J.H. 8/30/11*

*Spoke with [REDACTED], she requested we cancel sublease GR-2088-01. Cancelled 10/11/11 J.H.*

SLO SCAN

OCT 20 2011

SDNY\_GM\_00173623

EFTA\_00195278

EFTA01305523

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 [REDACTED]  
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

NO 5 11 22 701 100

SLO SCAN

OCT 20 2011

FEES	4 NMSLO 001-00004	LAND SUSPENSE	3 NMSLO 001-00004
173	0 28-JUL-11 09:53	50.00	172 0 28-JUL-11 09:53 751.51

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 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-

SLO SCAN

DEC 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 JUN 22 701 1002

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061 28 401

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.

NOV 18 22 10P 132

SLO SCAN

NOV 18 2011

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

LESSEE SIGNATURE

LESSEE SIGNATURE

310,513,9855

TELEPHONE

TELEPHONE

Bruce M Gordon & Tally Epstein Trustee, Zorro Trust

Ray Powell  
LESSOR-COMMISSIONER OF PUBLIC LANDS



ACKNOWLEDGMENTS  
NATURAL PERSON(S)

Terr US Virgin Islands  
STATE OF NEW MEXICO

COUNTY OF St Thomas / St John

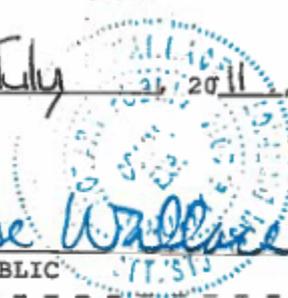
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 25th DAY OF July, 2011

BY Bruce Gordon & Tally 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 \_\_\_\_\_ (NAME OF OFFICER), \_\_\_\_\_ (TITLE OF OFFICER) OF

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

MY COMMISSION EXPIRES:

\_\_\_\_\_

NOTARY PUBLIC

2011 JUL 27 PM 4:10

SLO SCAN  
JUL 29 2011

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

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

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

APPRAISEMENT

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

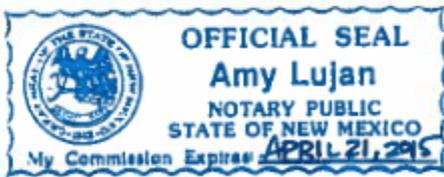
I, FRANK M. BOND, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GR 2132 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 400.00 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



NO. 4 08 22 700 192  
SLO SCAN  
1001 P 2 11

EXHIBIT A

LEASE NO: GR2122

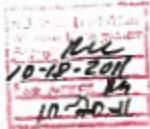
SUBDIVISION					SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CAR CAP
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
ALL	-	-	-	-	16 12N 09E	640.00	G	-	12
TOTAL ACREAGE:					1,158.97	TOTAL RENTAL:		\$751.51	

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



40 5 22 700 113  
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 09/28/11

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.

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MISCELLANEOUS INSTRUMENT:

FILE NO: 11373

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

---

SLO SCAN

11/10/11



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 [REDACTED]  
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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2007 JUL 21 PM 3:00  
STATE LAND OFFICE

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CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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 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

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 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: \_\_\_\_\_

Harry I. Beller  
NOTARY PUBLIC

HARRY I. BELLER  
Notary Public, State of New York  
No. 018E4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2010

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2006 JUL 21 PM 3:28  
STATE LAND OFFICE

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF CROZING 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.

RECEIVED  
STATE LAND  
JUL 21 2006

I, Don King, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. GRAND AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 22.00 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 Don King  
ADDRESS Bldg 103  
CITY/STATE Alamogordo 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 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:		\$1,087.72	

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

2-15-02  
 2-14-02

MISCELLANEOUS INSTRUMENT:

FILE NO: 8793

POWER OF ATTORNEY GIVEN TO JOHN J. KELLY.

AFFIDAVIT: JEFFEREY E. EPSTEIN FOR ZORRO TRUST.

SDNY\_GM\_00173639

EFTA\_00195294

EFTA01305539

**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 CR 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)	12/2002	16	12 North	09 East
-Allotted Description-				

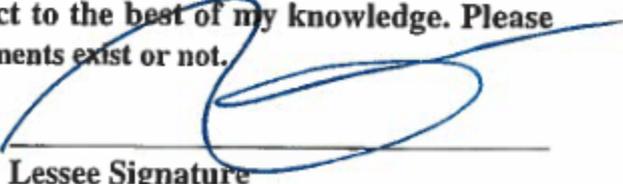
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Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)

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

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

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

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

Date: 6-30-06







5010001-1

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 PM 7:50  
STATE LAND OFFICE  
SANTA FE, NM

S-01 (Revised 01/2001)

FEES 4 NMSLO 001-00003  
42 0 28-AUG-06 09:47 217.54

SDNY\_GM\_00173644

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EXHIBIT A

LEASE NO: GR2122

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U S E	PRICE PER UNIT	CARRY CAP *
.OT7	-	-	-	02 12N 09E	33.29	G	-	.12
.OT1	-	-	-	02 12N 09E	43.12	G	-	12
.OT2	-	-	-	02 12N 09E	54.14	G	-	12
.OT3	-	-	-	02 12N 09E	54.18	G	-	12
.OT4	-	-	-	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:		9949.28	

RENEWAL LEASE

*\*based on previous rental.*

LEGEND: USE TYPE CODES

CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,  
 IRRIGATED CROPLAND, H= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),  
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND(BID) 4= CRP(BID) 5= RSIP(BID),  
 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)  
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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	Milhol Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus		

S-01 (Revised 01/2001)

RECEIVED  
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Land Suspense 3 NMSLO 0001

SLOSCAN 5/23/2006

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SDNY\_GM\_00173646

EFTA\_00195301

EFTA01305546

GR-2122

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, Jeffrey 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. 01 BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 2012

I, Patrick H Lyaws, 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

01 (Revised 01/2001)



50100010-1

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)  
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Please Note: Exhibit A - attached here to				

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

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49 Zorro Ranch Road, Stanley, NM 87056

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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		PERIOD OF USE	
	KIND	CLASS	FROM	TO
35	Mother Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus Cross		

S-01 (Revised 01/2001)

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EXHIBIT A

LEASE NO: GR2122

	SUBDIVISION		SEC-TWN-RNG	ACREAGE	U	PRICE	CARRY
						PER	CAP *
						UNIT	
.OT7	-	-	-	-	02 12N 09E	33.29 G	.12
.OT1	-	-	-	-	02 12N 09E	43.12 G	.12
.OT2	-	-	-	-	02 12N 09E	54.14 G	.12
.OT3	-	-	-	-	02 12N 09E	54.18 G	.12
.OT4	-	-	-	-	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

- 1= CONSERVATION RESERVE PROGRAM LAND,      D= DRYLAND FARMING,      G= GRAZING,
- 2= IRRIGATED CROPLAND,      M= MOBILE HOME ON LAND, R= RSIP LAND,      1= GRAZING (BID),
- 3= 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				

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Please give name of sublessee and mailing address: Eddy L. Burns  
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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	Mothol Cows	Angus Cross		
12	Yearly Heifers	Angus Cross		
2	Bulls	Angus		

S-01 (Revised 01/2001)

RECEIVED  
FEB 06 01:41:75

Land Suspense 3 NMSLO 0016

SLOSCAN 5/23/2006

94 0 06--FEB--06 01:41:75.72

GR-2122

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, Jeffrey 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. 03BE4853924  
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

01 (Revised 01/2001)

1 / 3 # 18000521211 9002 5/25/2006 4/12/06 WED 21:17

SDNY\_GM\_00173652

EFTA\_00195307

EFTA01305552



TRICK 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 [REDACTED].

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

SDNY\_GM\_00173653

EFTA\_00195308

EFTA01305553



TRICK 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

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**(Sublease No. GR-2122-0001)**

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Sincerely,

Leroy A. Ulibarri  
Surface Resources Division  
NM State Land Office

encl.

**-State Land Office Beneficiaries -**

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SLUSCAN 5/23/2006

SDNY\_GM\_00173654

EFTA\_00195309

EFTA01305554



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 [REDACTED] if you have any questions or need further assistance.

Sincerely,

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

SDNY\_GM\_00173655

EFTA\_00195310

EFTA01305555



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

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**

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Please feel free to contact me at the address above or at [REDACTED] if you have any questions or need further assistance.

Sincerely,

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

SDNY\_GM\_00173656

EFTA\_00195311

EFTA01305556

**ZORRO RANCH**

49 ZORRO RANCH ROAD  
STANLEY, NM 87056

TELEPHONE: [REDACTED]

FAX: [REDACTED]

E MAIL: [REDACTED]

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



[REDACTED]  
Ranch Manager

SL0SCAN 5/23/2006

SDNY\_GM\_00173657

EFTA\_00195312

EFTA01305557

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



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

A handwritten signature in cursive script, appearing to read 'J. E. Epstein', written over a redacted area.

  
Ranch Manager

GL0SCAN 5/23/2006

SDNY\_GM\_00173658

EFTA\_00195313

EFTA01305558



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

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 [REDACTED] or Jerry King, Assistant Commissioner at [REDACTED].

Sincerely,

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

Mary DuBose  
Surface Resources Division  
Encl: as stated

*"WORKING FOR EDUCATION"*

SDNY\_GM\_00173659

EFTA\_00195314

EFTA01305559



ATRICK 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

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457 Madison Avenue  
New York, NY 10022

Attn: Jeffrey E. Epstein

Re: State Agricultural Lease GR-2122

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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 [REDACTED] or Jerry King, Assistant Commissioner at [REDACTED].

Sincerely,

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

Mary DuBose  
Surface Resources Division  
Encl: as stated

**"WORKING FOR EDUCATION"**

SDNY\_GM\_00173660

EFTA\_00195315

EFTA01305560

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 (██████████). 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 PM 8 06  
STATE LAND OFFICE  
SANTA FE, N.M.





RICK H. LYONS  
COMMISSIONER

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

3100 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 [REDACTED].

Sincerely,

Lucille V. Martinez  
Surface Resources Division  
NM State Land Office

"WORKING FOR EDUCATION"

SDNY\_GM\_00173663

EFTA\_00195318

EFTA01305563



RICK H. LYONS  
COMMISSIONER

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

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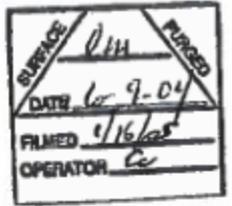
Lucille V. Martinez  
Surface Resources Division  
NM State Land Office

**"WORKING FOR EDUCATION"**

SDNY\_GM\_00173664

EFTA\_00195319

EFTA01305564



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. [Redacted]

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 approx. (metric) 10' from the gravel pad. Value \$

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 approx. (metric) 10' from the gravel pad. 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: [Signature] 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

STATE LAND OFFICE SANTA FE, N.M. Patrick H. Lyons / [Signature] COMMISSIONER OF PUBLIC LANDS

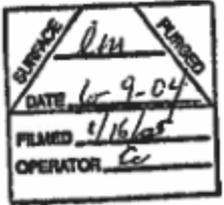
S-09 (Revised 1/2001)

APPLICATION FEE \$30.00

RECEIVED 2004 MAR 29 PM 8 08

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

FEEs 20 0 29-MAR-04 08:43 4 NMSLO 001-00004 30.00



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. [Redacted]

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 \$

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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: [Signature] LESSEE [Signature] 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 [Signature] COMMISSIONER OF PUBLIC LANDS

S-09 (Revised 1/2001) APPLICATION FEE \$30.00

Approval granted at 25% of value. und. 6-8-04 RECEIVED 2004 MAR 29 PM 8:08 FEES 20 0 29-MAR-04 08:43 4 NMSLD 001-00004 30.00

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

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

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

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

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

Form 104—(Four on Township)

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 S E	PRICE PER UNIT	CARRY CAP *
LOT1	LOT2	LOT3	LOT4	LOT7	02 12N 09E	238.97	G	-	12
SW4NB4	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

EXHIBIT A

LEASE NO: GR2122

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SW4NE4	S2NW4	SW4	-	-	02 12N 09E	280.00	G	-	12
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## 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 (MTG-335) 3-2-2007
2	Field Report submitted by Marcus J Garcia (MTG-1087) 4-22-07
3	Field Report submitted by Marcus J Garcia (MTG-1175) 3-30-2006
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NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

Rec'd 4/8/04  
[Signature]

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: Improvements  
NAME OF LESSEE/APPLICANT: Zorro Trust - C/O Jeffrey E. Epstein  
ADDRESS: 457 Madison Ave., New York, NY 10022  
DESIGNATED CONTACT: Brice Gordon PHONE: [Redacted]  
ADDRESS: 49 Zorro Ranch Rd, Stanley, NM 87056

LEGAL DESCRIPTION: SECTION 02 TWP 12N RANGE 09E COUNTY Santa Fe

REMARKS: Please see attached legal description.  
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  
CMJ 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: \_\_\_\_\_

G-89 Revised: 11/1/99



PATRICK H. LYONS  
COMMISSIONER

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

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**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

MARCH 2, 2004

-2-

MJG-SA-305

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

FLOSCAR 6/9/2008

SDNY\_GM\_00173677

EFTA\_00195332

EFTA01305577



PATRICK H. LYONS  
COMMISSIONER

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**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 TRUST LAND  
WITHIN THE RANCH UNIT.

*JN 3-9-04*  
*[Handwritten signature]*

**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.

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31000CAN 3/19/2004  
"WORKING FOR EDUCATION"

SDNY\_GM\_00173678

EFTA\_00195333

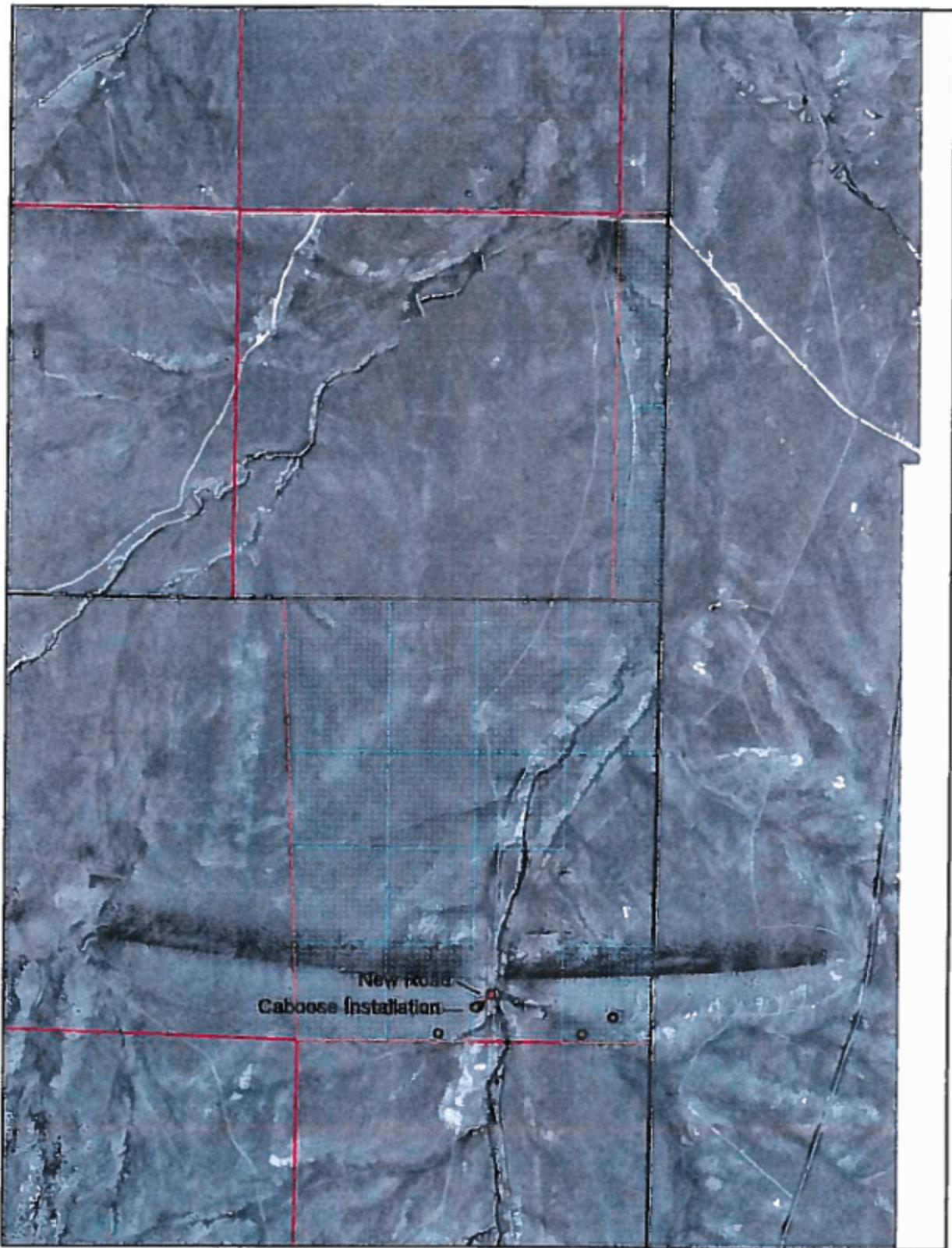
EFTA01305578

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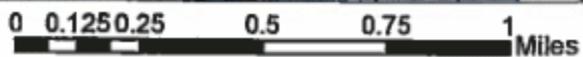
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MJG

Attachments



Scale: 1:24,000



**Creston Caboose Installation -- Possible Encroachment on Trust Land**

- GPS Location -- Photo Point
- State Trust Boundary

Creston Area, Trust Ownership, GPS Locations

CLOSCAN 3/17/2004

SDNY\_GM\_00173680

EFTA\_00195335

EFTA01305580

DIGITAL IMAGES – MJG-SA-305

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

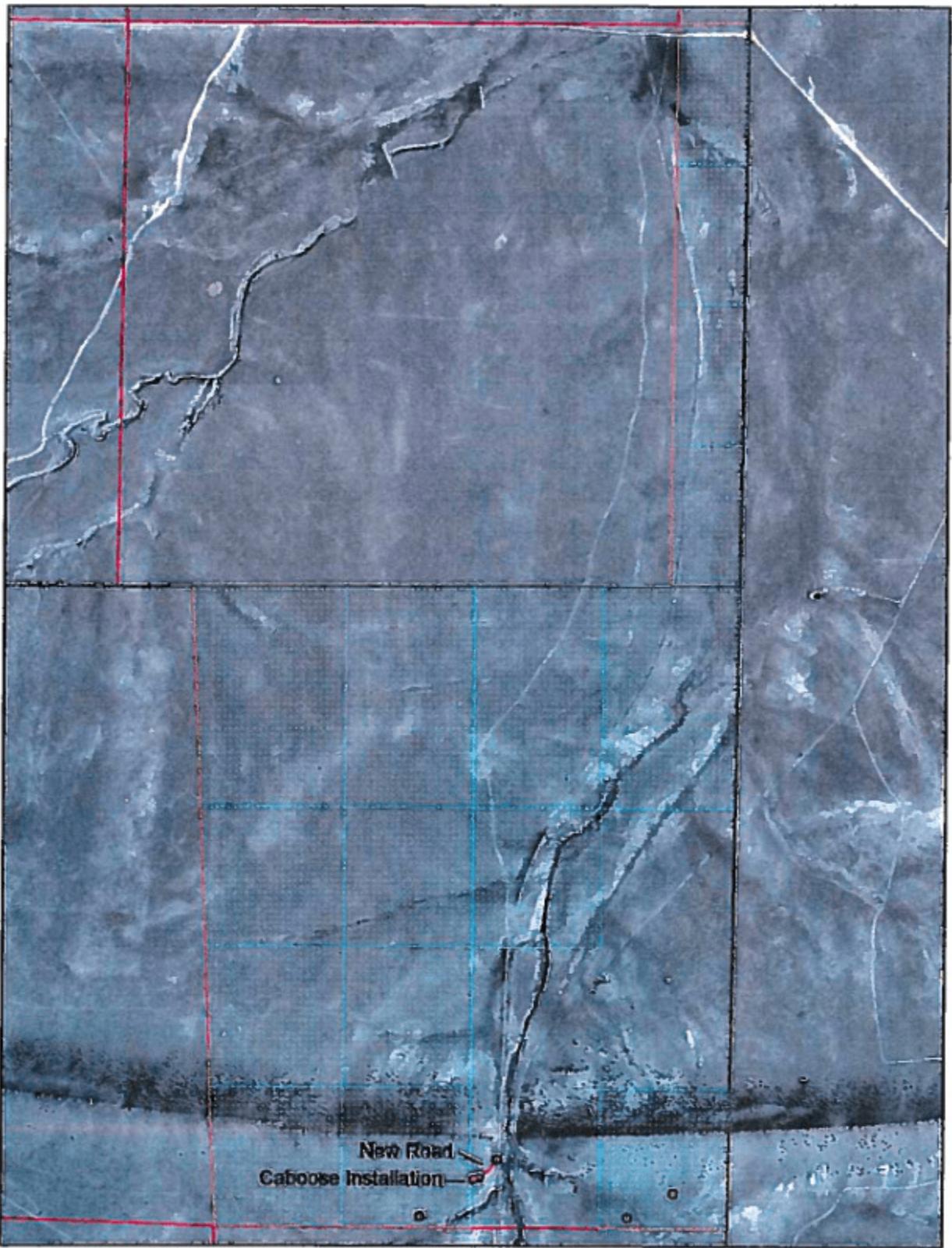


3L05CAM 3/17/2004

SDNY\_GM\_00173681

EFTA\_00195336

EFTA01305581



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

ALOSCAN 3/17/2006

SDNY\_GM\_00173682

EFTA\_00195337

EFTA01305582

DO 2113  
2/30  
28

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

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

REQUESTING DIVISION: Surface BY: LeRoy A. Ulibarri

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

NAME OF LESSEE/APPLICANT: Zorro Trust

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

DESIGNATED CONTACT: Brice M. Gordon PHONE: [REDACTED]

ADDRESS: \_\_\_\_\_

LEGAL DESCRIPTION:	SECTION	TWP	RANGE	COUNTY
See attached legal description				

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 (MSG-1174) & GR-2122 (MSG-1175) Range, conditions  
are finite good.

APPROVE RECOMMENDATION: Btd FIELD DIVISION: 3/4/06 (REQUESTING DIVISION: Cmd 4-10-06)

DO NOT APPROVE RECOMMENDATION: (Please state reasons) \_\_\_\_\_

ACTION TAKEN BY REQUESTING DIVISION: Approve sublease. Rd

Approved 9-13-06 J.H.

DATE RETURNED TO DISTRICT RESOURCE MANAGER: \_\_\_\_\_

7-89 Revised: 11/1/99

SLOSCAN 5/23/2006



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
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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 • 110000 Public Lands • Water Resources • Western New Mexico University

SDNY\_GM\_00173684

EFTA\_00195339

EFTA01305584

Generally, the condition of section 16 is fair and Sections 2 and 36 are in good 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, 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*

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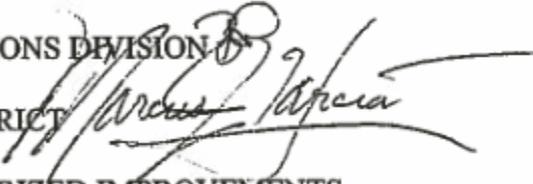
APRIL 10, 2006

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

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**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 S $\frac{1}{2}$ S $\frac{1}{2}$ . 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

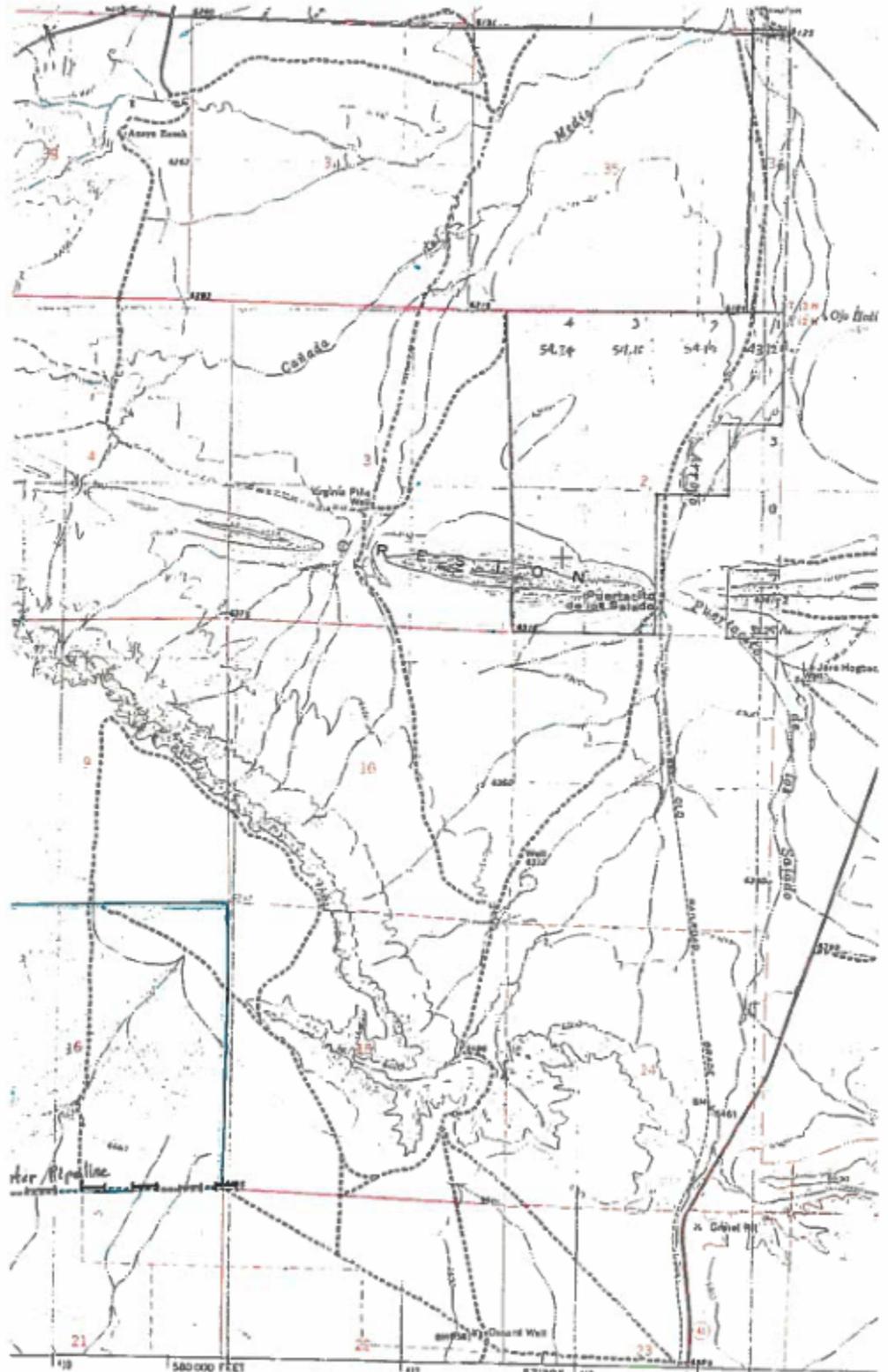
Looking northwest from the extreme southeast corner of Section 16.



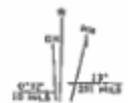
Looking north from the extreme southwest corner of Section 16.



*5LO SCAN 5/23/2006*



published by the Geological Survey  
 SC&GS  
 metric methods from serial  
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 927 North American datum  
 on New Mexico coordinate system



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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-1172  
(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 [Redacted]  
\_\_\_\_\_  
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 [Redacted] 5-7-06  
J.H.

This form to be filed with the original lease instrument in the State Land Office.  
0-67 04/01/94

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This is a Patch I type separator sheet.



Form Type = "AgLeaseContract"  
CODE128 type barcode



Form Type = "AgLeaseContract"  
CODE128 type barcode

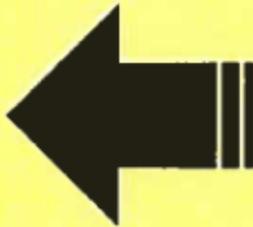


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C O N T R A C T



**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, 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

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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 PRECEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

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

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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

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

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

STATE OF New York )  
COUNTY OF New York )

~~CORPORATION~~ Trust

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.

COMMISSION EXPIRES:

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

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

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

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

APPRAISEMENT

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

I, Christaine Maxwell, DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. 62222 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 [Signature]

ADDRESS 457 Madison Ave

CITY/STATE New York, NY

SUBSCRIBED AND SWORN TO BEFORE ME THIS 30<sup>th</sup> DAY OF July 2001.

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, 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

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



SCCELLANEIOUS INSTRUMENT:

LE NO: 8793

WER OF ATTORNEY GIVEN TO JOHN J. KELLY.

FIDAVIT: JEFFEREY E. EPSTEIN FOR ZORRO TRUST.

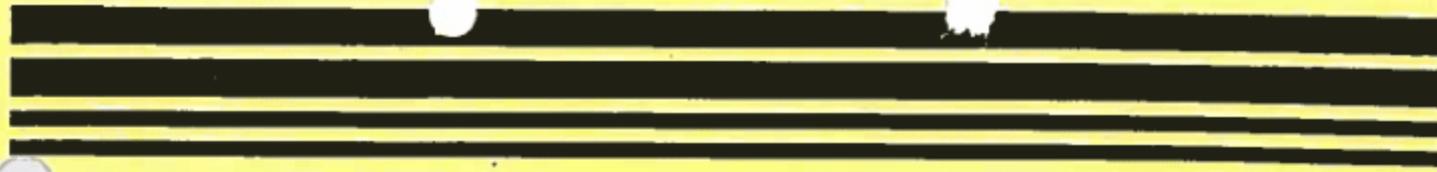
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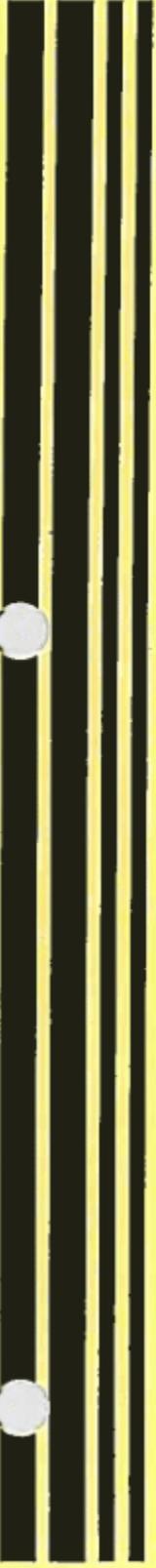




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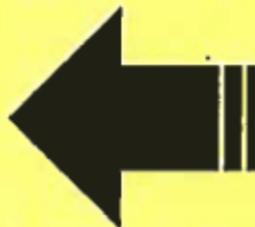


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Landscape Feed

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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

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\$50.00F

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EFTA\_00195357

EFTA01305602

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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

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

12. COMPLIANCE WITH LAWS.

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

13. HOLD HARMLESS.

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

14. AMENDMENT.

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

15. WAIVER.

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

16. DELINQUENT RENTAL.

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

17. APPLICABLE LAW.

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

18. SUCCESSORS IN INTEREST.

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

19. CARRYING CAPACITY REEVALUATION.

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

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

Zorro Trust by  
LESSEE Jeffrey Epstein, Trustee

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

HARRY I. BELLER  
Notary Public, State of New York  
No. 01BE4853924  
Qualified in Rockland County  
Commission Expires Feb. 17, 20\_\_

Harry I Beller  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

CORPORATION

STATE OF NEW MEXICO )  
COUNTY OF )

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

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

(CORPORATION NAME) A CORPORATION, ON BEHALF 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.

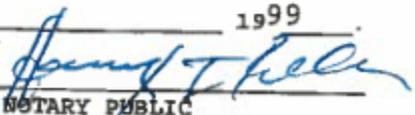
SIGNED

  
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



EXHIBIT A

CASE NO: GR2122

SUBDIVISION				SEC-TWN-RNG	ACREAGE	U	PRICE	CC
							PER	AA
							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 G0999990000

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



LEGEND: USE TYPE CODES

CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= RANGELAND,  
1= 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

SDNY\_GM\_00173709

EFTA\_00195364

EFTA01305609

AGRICULTURAL LEASE (EXPIRED AND  
ARCHIVED) – GM2791  
COMPLETE LEASE FILE CONTENTS

ADK 6-8-2000  
**EXPIRED**  
9-30-99  
**EXPIRED**  
URS- 8-16-2000

1 9 7 2 M G  
AGRI  
GM2791AGR

SDNY\_GM\_00173711

EFTA\_00195366

EFTA01305611

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. GM2791

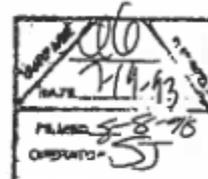
THIS LEASE, DATED FEBRUARY 22, 1993, IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

ZORRO TRUST

JEFFREY E. EPSTEIN - TRUSTEE

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

457 MADISON AVENUE  
NEW YORK NY 10022-0000



LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

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

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON FEBRUARY 22, 1993 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 1994.

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 STATE LAND OFFICE RULE 8.022(B). 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.

*Handwritten initials: CME*

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

NOV 1983	06
DATE	7-14-83
PLUMB	
ORGANIZATION	S

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.

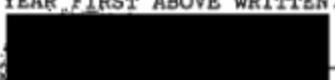
THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.

DATE	06
TIME	7:19:43
FILE NO.	
OPERATOR	SJ



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

ZORRO TRUST, *John J. Kelly attorney in fact*  
LESSEE *for Jeffrey E. Epstein, Trustee*



LESSEE

COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

STATE OF NEW MEXICO )  
COUNTY OF Bernalillo )

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 15th DAY OF March, 1993.

BY *John J. Kelly attorney in fact for Jeffrey E. Epstein, Trustee*  
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES:

September 14, 1994

*Norma J. Krauer*  
NOTARY PUBLIC

PARTNERSHIP

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

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

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

CORPORATION

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

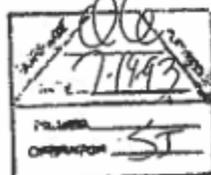
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_.

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC



*CMK*

EXHIBIT A

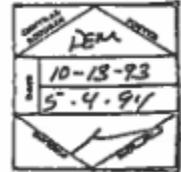
GM2791

SUBDIVISION

LOTS 1,2,3,4,7,SW4NE4,S2NW4,SW4  
ALL

SEC -TWN- -RNG-	ACREAGE	AUTHORIZED USE	PRICE CC PER AA UNIT RP	1ST YEAR CHARGE
02 12.0N 09.0E	518.97	GRAZING	12	383.75
16 12.0N 09.0E	640.00	GRAZING	12	473.24
TOTAL ACRES: 1,158.97		TOTAL CHARGE:		\$856.99

PARTIAL RELINQUISHMENT OF GM-2583



RECEIVED

'93 MAR 16 AM 10 28

STATE LAND OFFICE  
SANTA FE, N.M.

LEASE NO: GM-2791

MISCELLANEOUS INSTRUMENT PAGE

UNDER COLLATERAL ASSIGNMENT

TO:

DATE FILED: NO.

DATE RELEASED:

UNDER COLLATERAL ASSIGNMENT

TO:

DATE FILED NO.

DATE RELEASED:

UNDER COLLATERAL ASSIGNMENT

TO:

DATE FILED: NO.

DATE RELEASED:

UNDER COLLATERAL ASSIGNMENT

TO:

DATE FILED: NO.

DATE RELEASED:

MISCELLANEOUS INSTRUMENT: Power-of-Attorney, John J. Kelly; Affidavit, Jeffrey E. Epstein, Trustee for Zorro Trust.  
FILE NO: #8793

MISCELLANEOUS INSTRUMENT:  
FILE NO:

MISCELLANEOUS INSTRUMENT:  
FILE NO:

MISCELLANEOUS INSTRUMENT:  
FILE NO:

COMMENTS:  
\_\_\_\_\_  
\_\_\_\_\_

00  
DATE: 12/19/93  
FILED: 53  
COURT: SDNY



LESSEE NAME ID  
11760 53212 ZORRO TRUST  
BILLING ADDRESS: 457 MADISON AVENUE  
NEW YORK NY 10022-0000  
JEFFREY E. EPSTEIN - TRUSTEE

INTX BILL DATE EST CONTACT ERROR INDICATOR  
Y I

LEASE SEQ NR TYPE  
GM2791 000 RENEWAL  
-----CONSOLIDATED FROM-----

LEASE SEQ SEC TMN RNG SUBDIVISION(S) ACREAGE TYPE PPU-- CC CHARGE INST  
GM2791 001 02 12.0N 09.0E LOTS 1,2,3,4,7,5M4NE4,52NW4,5M4 518.97 GRAZING 12 383.75 01 <WARNING>  
GM2791 002 16 12.0N 09.0E ALL 640.00 GRAZING 12 473.24 01  
LEASE TOTALS 1,158.97 \$856.99

TYPE: --RANGELAND--  
ACREAGE: 1,158.97  
CHARGES: \$856.99  
-----DISTRIBUTION SUMMARY-----  
--LEADER--  
INST X  
01 <<ERROR>>  
TOT <<ERROR>>  
--IRRIGATED--  
ACREAGE \$0.00  
--ASSOCIATED--  
ACREAGE \$0.00  
--IMPROVEMENT--  
ACREAGE \$0.00

-----DISTRIBUTION SUMMARY-----  
--LEADER--  
INST X  
01 1.000  
TOT 1.000  
--ACREAGE--  
ACREAGE 1,158.97  
CHARGES \$856.99

Hinkle Law Firm  
500 Marquette NW  
Suite 800  
Alb.  
87102

(New York)

attn:  
Norma  
~~Kerane~~  
Keraner

(Norma Keraner)

Epstein -

Jenny -  
Please be sure to request  
certified copy of the Trust Agreement  
and they will also need to  
file a P-of-Atty. Send the  
leases to: Hinkle Law Firm  
attn: Norma Keraner  
suite 800 - 500 Marquette NW  
Albuquerque, nm 87102

of 53) [Validat<sup>n</sup> Cut-off date - 10-31-91]

GM-1777 -

G-S-2072

~~199.50~~ 91-92

210.24 | -92-93

~~409.74~~



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

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

March 11, 1993

Hinkle Law Firm (for Zorro Trust)  
C/O Norma Keranen  
500 Marquette NW, Suite 800  
Albuquerque, New Mexico 87102

RE: GRAZING LEASE NO. GM-2791

Dear Lessee(s):

Enclosed for your execution is a copy of the above mentioned grazing lease for 1,158.97 acres due to a partial relinquishment of GM-2583. The lease needs to be executed on the enclosed signature pages before a Notary Public. Please be sure and sign your name(s) as it/they read on the face page of the lease. BOTH COPIES of the signed and notarized lease MUST BE RETURNED TO THIS OFFICE FOR THE COMMISSIONER'S APPROVAL. Once the lease is approved, a copy will be returned to you for your records.

Please be advised that we need an original or certified copy of a Trust Agreement or Affidavit for Jeffrey E. Epstein, Trustee for Zorro Trust. Please submit a \$10.00 fee to record the document in our office.

If you have any questions regarding this matter, you can contact me at [REDACTED].

Sincerely,

Jenny Valdez  
Surface Division  
New Mexico State Land Office



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

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

MEMORANDUM

March 11, 1993

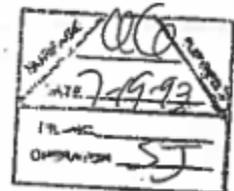
TO: Grazing Lease No. GM-2583  
FROM: Surface Division/JV *ju*  
SUBJECT: Partial Relinquishment from GM-2583 to GM-2791

This lease contains 21,334.74 acres but a partial relinquishment was approved by the Commissioner on February 22, 1993 in favor of Zorro Trust for 1,158.97 acres. The land description being relinquished is as follows:

GT-2791 - Zorro Trust

<u>SUBDIVISION</u>	<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>	<u>ACRES</u>
Lots 1,2,3,4,7,SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ ,SW $\frac{1}{4}$	02	12 North	9 East	518.97
All	16	12 North	9 East	640.00
				<u>1,158.97</u>

The acreage remaining on this lease is 20,175.77. Attached is a copy of an adjusted Exhibit A. A worksheet will be prepared to amend the ledger maintenance file.





Final billing sent to same  
address but in name of  
Q. E. Epstein Company  
CME  
10/26/93

# AGRICULTURE LESSEE ORIENTATION

Lease No. GM-2791

Field Assign. No. MJG-606

1.  General discussion of State Land Office and its mission. (pamphlet)

2.  General discussion of agricultural lease terms and conditions. (Copy of Lease)

- a. Term left.
- b. Fluctuations in annual rental (EVI).
- c. Permitted use.
- d. Multiple use concept.
- e. Improvements.
- f. Subleasing.
- g. Renewal process.
- h. Reservations.
- i. One percent interest on unpaid balances.
- j. Carrying capacity reevaluations.

3.  General discussion of Range Stewardship Incentive Program.

4.  General discussion of Rule 8. (Copy of Rule)

5.  Transfer/Assignment of lease to new lessee.

- a. Withdrawals.  $8.00^4$
- b. Conversion to cultivated land.
- c. Filing fees.

6.  Letter from Commissioner to lessees.

7.  Hunter access.

I certify that the Land Use Specialist has given me the documents required and has instructed me on the terms and conditions of my lease.

Lessee

Land Use Specialist (LUS)

Date

4/21/93.

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW
500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

LEWIS C. COX
PAUL W. EATON
EDWARD E. COFFIELD
WIRWOLD L. HENSLEY JR.
EDUARD D. SHAMOR
ERIC S. SHAPIRO
E. D. MARTIN
PAUL J. KELLY, JR.
ROBERT P. THOMAS, JR.
MARSHALL G. MARTIN
OWEN H. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY

KAREN H. RICHARDSON
FRED W. SCHNEIDMANN
JAMES W. HUDSON
JEFFREY S. BARRER
MADDOCKELL GORDON
REBECCA HINDS-JOHNSON
WILLIAM R. JOHNSON
STANLEY R. KOSTOVSKY, JR.
H. R. THOMAS
KARA L. WELLS
BETTY H. LITTLE
RUTH S. HUBBARD
ELLEN S. CASEY
S. BARRY FAISHER
MARGARET CARTER LUDOWS
STEPHEN H. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLIFFICE
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LAUDRY
JOHN R. HULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTRIGHT
LISA K. SMITH
JAMES KEITH SCHUSTER
ROBERT H. BETHEA
BRADLEY W. HOWARD
CHARLES A. SUTTON
NORHAM D. ENART
DARRIN T. GRACE
MOLLY MERTOSH

CLARENCE E. HINKLE (800) 488-8888
W. E. BONDURANT, JR. (505) 792-9722
ROY C. SHOODBASS, JR. (505) 794-9887
Dr. CRIBBS
D. W. CALHOUN
MACK EARLEY
JOE W. WOOD
HOWARD S. MORRIS
WASHINGTON, D.C.
SPRIGAL, CHAPMAN
ALAN J. STATHAM

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-0510
FAX (505) 623-9332
2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MOLAND, TEXAS 79702
(915) 663-4696
FAX (915) 663-6518
1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 378-9569
FAX (806) 378-9761
218 MONTEZUMA
POST OFFICE BOX 2008
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8823

March 15, 1993

\*NOT LICENSED IN NEW MEXICO

Ms. Jenny Valdez
Surface Division
NM State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148



Edith

RE: Grazing Lease No. GM-2791

Dear Ms. Valdez:

Enclosed are two original leases, numbered GM-2791, signed by John Kelly as Attorney-in-Fact for Jeffrey Epstein, Trustee for the Zorro Trust, along with two original Affidavits signed by Mr. Epstein and a certified copy of the Power of Attorney between Mr. Epstein and John Kelly. I am also enclosing a check for \$10.00. Please have the leases signed and approved and return a copy to me, or our runner if possible, at your earliest convenience.

Thank you. Should you have any questions, please do not hesitate to call me at [redacted]

Sincerely yours,
HINKLE, COX, EATON,
COFFIELD & HENSLEY

Norma J. Keranen
Norma J. Keranen
Paralegal

Enclosures

RECEIVED

'93 MAR 16 AM 10 28

STATE LAND OFFICE  
SANTA FE, N.M.

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

800 MARQUETTE N.W., SUITE 800

POST OFFICE BOX 2043

ALBUQUERQUE, NEW MEXICO 87103

(505) 768-1500

FAX (505) 768-1529

CLARONCE E. HENLE 890-8888  
W. C. BONDURANT, JR. 893-8928  
ROY C. SHOODHASS, JR. 894-8828

BY COUNSEL  
D. H. CALDWELL  
MACK EASLEY  
JOE W. HARRIS  
RICHARD S. MORRIS

WASHINGTON, D.C.  
SPECIAL COUNSEL  
ALAN J. BENTHAM

700 UNITED BANK PLAZA  
POST OFFICE BOX 10  
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FAX (505) 822-8332

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6 DESTA DRIVE  
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MIDLAND, TEXAS 79702  
(915) 883-4881  
FAX (915) 882-8518

1700 TEAM BANK BUILDING  
POST OFFICE BOX 9238  
AMARILLO, TEXAS 79108  
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FAX (806) 378-9781

218 MONTEZUMA  
POST OFFICE BOX 2088  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

LEWIS C. COE  
PAUL W. EATON  
EDWARD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
EDUARD B. SHANOR  
ERIC G. LANPHERE  
C. D. MARTIN  
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DREW H. LOPEZ  
DOUGLAS L. LINDSFORD  
JOHN J. KELLY  
NICHOLAS J. WOODRUS  
T. CALDER CEZELL, JR.  
WILLIAM B. SURFORD  
RICHARD E. OLSON  
RICHARD R. WILFONG  
THOMAS J. HERBICE  
JAMES S. WOODSLEY  
NANCY S. GUSACK  
JEFFREY L. FORNACIARI  
JEFFREY D. HEWITT  
JAMES BRUCE  
JERRY F. MACKELFORD  
JEFFREY W. HELLBERG  
ALBERT L. PITTS  
THOMAS W. HMASAD  
JOHN E. CHAMBERLIN  
SHRY S. COMPTON  
MICHAEL A. GROSS  
THOMAS D. HANES, JR.  
GREGORY J. HUBERT  
DAVID F. HARRIS  
MARK C. DOW

FRED W. SCHWENKHANH  
JAMES H. HUDSON  
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MARGARET CARTER LIDDING

S. BARRY PASKER  
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BRADLEY W. HORNARD  
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NORMAN D. EWART  
GARREN T. BRUCE  
WOLLY HORTON  
NANCIA B. LINCOLN  
SCOTT A. SHUART  
DARRYL L. BROOKS  
CHRISTINE E. LALE  
PHIL D. SHON  
DARLA H. SILVA

\*NOT LICENSED IN NEW MEXICO

November 3, 1993

COMMISSIONER OF PUBLIC LANDS  
P. O. Box 1148  
Santa Fé, New Mexico 87504-1148

ATTENTION: Jenny Valdez  
Surface Division

Re: Zorro Trust, Lease No. GM 2791

Dear Ms. Valdez:

Enclosed please find Hinkle, Cox check number 2502 in the amount of \$872.22 for the annual rental payment due on the above-referenced lease. I understand the lease term covered by this payment runs from October 1, 1993 to September 30, 1994. A copy of the rental notice is attached for your reference.

Our client, Jeffrey Epstein, the Trustee of Zorro Trust, advises me that your notices are being delayed in reaching him. The address on your records is correct, but Mr. Epstein asks that you add his name as Trustee of Zorro Trust to the address to insure that it is properly delivered. The complete address should now be:

Jeffrey E. Epstein, Trustee  
Zorro Trust  
457 Madison Avenue  
New York, NY 10022

0094 11/08/93 A 11:17

\$ 872.22 + LO 400

RECEIVED

'93 NOV 8 AM 10 08

STATE LIQUOR OFFICE  
SANTA FE, N.M.

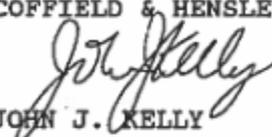
HINKLE, COX, EATON, COFFIELD & HENSLEY

Page 2  
November 3, 1993

Please contact me if you have questions.

Sincerely yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY



JOHN J. KELLY

JJK:ch  
Enclosure

cc: Gie Marinese

RECEIVED  
'93 NOV 8 AM 10 08  
STATE LAND OFFICE  
SANTA FE, N.M.



RAY B. POWELL  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

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

November 10, 1993

Zorro Trust c/o Jeffrey E. Epstein - Trustee  
457 Madison Avenue  
New York, NY 10022

RE: State Grazing Lease GM-2791

Dear Lessee(s):

A review of our files indicates that the annual rental on your grazing lease which was due October 1, 1993, remains unpaid at this time.

An interest fee of 1% per month will be assessed for each month the payment remains outstanding. Therefore, if you return your payment in November, you will need to submit \$880.86 which includes a 2% interest fee. If you return your payment in December, you will need to submit \$889.50 which includes a 3% interest fee.

If your payment including interest has been submitted, please disregard this letter.

If you do not intend to continue to lease, please notify me accordingly. If you have any questions regarding this matter, please feel free to contact me at 827-5731.

Sincerely,

*Mary DuBose*

Mary DuBose  
Surface Resources Division  
N.M. State Land Office

*Attnia-*  
*Please add to address*  
*c/o Jeffrey E. Epstein*  
*JHE*  
*umd*  
*10/26/93*  
*Done*  
*10-26-93*  
*DB*



# NEW MEXICO STATE LAND OFFICE

## APPLICATION FOR PERMISSION TO MAKE IMPROVEMENTS

I, JEFFREY E. EPSTEIN of <sup>d</sup>(address) ZORRO RANCH P.O. BOX 567, STANLEY, NM 87056

herewith make application for the written consent of the Commissioner of Public Lands to make improvements on the lands in Lease No. GM 2589, described as follows:

Gm-2791

SUBDIVISION \_\_\_\_\_ SEC. 16 TWP. 12N RGE. 9E ACRES 640

*\*Cancelled.*

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

Great Plains Program (SCS) ( ) - ASCS ( ) - OTHER ( ) - NONE ( )

Barns, stables and corrals \_\_\_\_\_ Value \$ N/A

Well (give depth and description) \_\_\_\_\_ Value \$ N/A

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

Windmill \_\_\_\_\_ Value \$ N/A

Other improvements Grass strip runway for private plane.

TOTAL VALUE OF IMPROVEMENTS \$ 6,000.00

Amount to be defrayed by federal cost-share program, if any . . . . . Value \$ 0.00

Total economic cost expended by LESSEE . . . . . Value \$ 6,000.00

Estimated time of completion: JULY 1, 1994

LESSEE Jeffrey E. Epstein

LESSEE

I, \_\_\_\_\_, Commissioner of Public Lands; hereby give my consent to the above lessee(s) to make improvements as listed above, conditioned upon the completion of construction and installation of such improvements on or before \_\_\_\_\_, 19\_\_\_\_, and further conditioned upon receipt of copy of federal cost-share agreement (when applicable) and evidence of actual costs.

APPROVAL DATE

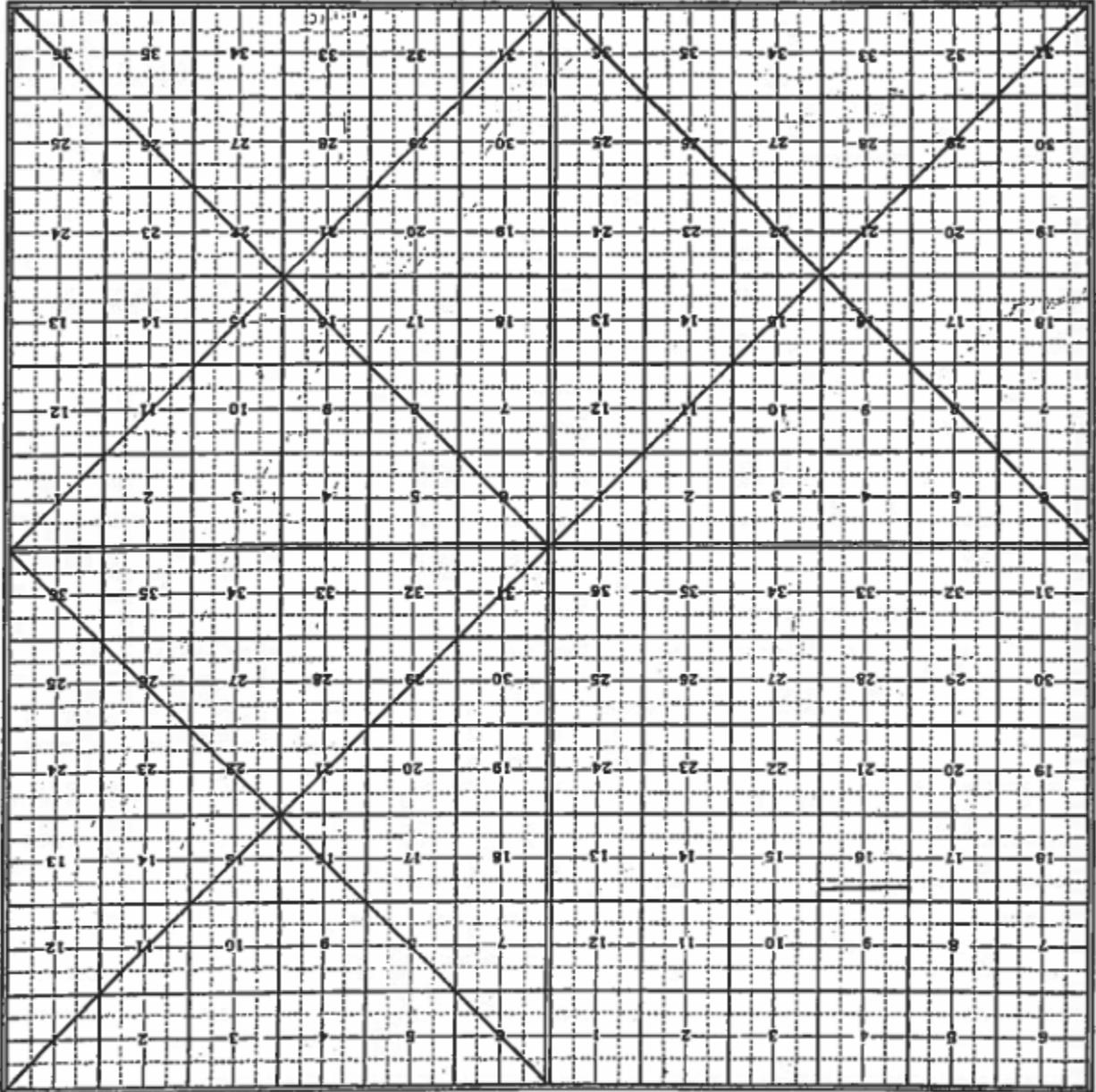
*\* CANCELLED*  
5128194 AS per  
MAY 12, 1994  
JEFFREY E. EPSTEIN  
COMMISSIONER OF PUBLIC LANDS

(On plat on reverse side indicate approximate location of proposed improvements.)

000 SLO 4-25-94#111

\$30.00 APPLICATION FEE \$30.00

RECEIVED  
APR 25 AM 9 40  
STATE OFFICE



SANTA FE County,

Township 12N Range 9E

Township N/A Range N/A

Township N/A Range N/A

Form 104—(Four on Township)

Rec'd 5/11/94  
MAY

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 5/6/94 FIELD DIVISION CONTROL NO. MG-684  
REQUESTING DIVISION Surface BY: Darlene Maestas  
LEASE NUMBER: GM-2791 TYPE OF REQUEST: Improvement  
NAME OF LESSEE/APPLICANT: Zorro Trust  
ADDRESS c/o Jeffrey E. Epstein, 457 Madison Ave. New York, NY 10022  
DESIGNATED CONTACT Same  
ADDRESS Same PHONE NO. [REDACTED]

LEGAL DESCRIPTION SECTION: 16 TWP. 12N RGE. 9E COUNTY: Santa Fe.

3/11 Contact phone call. Left message of office. 3/11. Hannah Pritchard @ Zorro Ranch said airstrip will be moved to private land. Asked for letter to be sent to SLO to that effect.

REMARKS: Please check for any active subleases.  
Can these improvements be placed on private land.  
Please inspect and make your recommendations

Ranch Address: P.O. Box 567  
Stanley, NM 87056

DATE RETURNED TO REQUESTING DIVISION/BUREAU: 5/23/94  
LAND USE SPECIALIST RECOMMENDATION: Per lease request, withdraw application

RECOMMENDATION APPROVAL: FIELD DIVISION | REQUESTING DIVISION  
XN 5-23-94 |

DO NOT APPROVE RECOMMENDATION: (PLEASE STATE REASONS)

ACTION TAKEN BY REQUESTING DIVISION: Cancelled as per May 12, 1994  
letter from Jeffrey E. Epstein (5/23/94 DM)  
DATE RETURNED TO LAND USE SPECIALIST:



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

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

(505) 827-5760  
FAX (505) 827-5766

MAY 18, 1994

MJG-684

TO: RAY POWELL, M.S., D.V.M.,  
COMMISSIONER OF PUBLIC LANDS

FROM: MARCUS J. GARCIA  
LAND USE SPECIALIST *Marcus J. Garcia*

SUBJECT: GM-2791. APPLICATION FOR IMPROVEMENTS. ZORRO  
TRUST. ASSIGNMENT RECEIVED MAY 11, 1994.

REMARKS

As per the attached correspondence, the lessee requests that the subject application for improvements be withdrawn, and so it is recommended.

LEGAL DESCRIPTION

Within section 16 of township 12 north, range 9 east, N.M.P.M., Santa Fe County, New Mexico.

MJG

Z

# Zorro Ranch

P.O. Box 567  
Stanley, New Mexico 87056

Fax: [REDACTED]

## FAX TRANSMISSION COVER SHEET

Date: May 18, 1994

To: **Marcus Garcia**  
**New Mexico State Land Office**

Fax: [REDACTED]

Subject:

Sender: **Shannon Pritchard**

**YOU SHOULD RECEIVE 2 PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL [REDACTED]**

THIS facsimile is intended only for the use of the individual to which it is addressed and may contain information that is privileged, confidential or otherwise exempt from disclosure under applicable laws. If you have received this communication in error, please notify us immediately by telephone, to arrange for its return. Thank you.

# ZORRO RANCH

---

May 12, 1994

Mr. Marcus Garcia  
New Mexico State Land Office  
Field Division  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

RE: ZORRO RANCH

Dear Mr. Garcia,

This letter is to inform you and your office that Zorro Ranch is no longer pursuing the permitting process for the construction of a grass landing strip on New Mexico state land. Please stop all permitting action on this file.

Thank you,

*Matt Grippi*  
Matt Grippi

cc: Jeffrey Epstein ✓

---

P.O. Box 567, Stanley, New Mexico 87056 ★ [REDACTED] ★ (505) 832-2676 Fax  
TOTAL P. 02

NEW MEXICO STATE LAND OFFICE  
REQUEST FOR FIELD ASSIGNMENT

DATE TO FIELD DIVISION: 5/6/94 FIELD DIVISION CONTROL NO. \_\_\_\_\_  
REQUESTING DIVISION Surface BY: Darlene Maestas  
LEASE NUMBER: GM-2791 TYPE OF REQUEST: Improvement  
NAME OF LESSEE/APPLICANT: Zorro Trust  
ADDRESS c/o Jeffrey E. Epstein, 457 Madison Ave. New York, NY 10022  
DESIGNATED CONTACT Same  
ADDRESS Same PHONE NO. [REDACTED]

LEGAL DESCRIPTION SECTION: 16 TWP. 12N RGE. 9E COUNTY: Santa Fe.

REMARKS: Please check for any active subleases.  
Can these improvements be placed on private land  
Please inspect and make your recommendations

Ranch Address: P.O. Box 567  
Stanley, NM 87056

DATE RETURNED TO REQUESTING DIVISION/BUREAU: \_\_\_\_\_  
LAND USE SPECIALIST RECOMMENDATION: \_\_\_\_\_

RECOMMENDATION APPROVAL: FIELD DIVISION \_\_\_\_\_ | REQUESTING DIVISION \_\_\_\_\_

DO NOT APPROVE RECOMMENDATION: (PLEASE STATE REASONS) \_\_\_\_\_

ACTION TAKEN BY REQUESTING DIVISION: \_\_\_\_\_

DATE RETURNED TO LAND USE SPECIALIST: \_\_\_\_\_

G-89 REVISED 1/91

State of New Mexico



RAY B. POWELL  
COMMISSIONER

Commissioner of Public Lands

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

Zorro Ranch  
P.O. Box 567  
Stanley, NM 87056

457 Madison Ave.  
New York, NY 10022

Reference Agricultural Lease No. GM-2791  
Improvement Application

Attn: Jeffrey E. Epstein

Date May 23, 1994

SUBJECT: THE ATTACHED DOCUMENT IS FOR YOUR COMPLIANCE WITH THE REQUIREMENTS  
INDICATED WITH CHECK MARKS.

1.  Please sign enclosed copy(ies) on referenced Lease(s) before a Notary Public and return in order to complete the Lease(s).
2.  Enclosed referenced assignment(s) transferred by \_\_\_\_\_ and approved by Commissioner on \_\_\_\_\_.
3.  Assignment(s) will not be accepted due to:  Erasures in description,  Strikeover(s) in description,  Executed on improper forms,  Incomplete description,  Acknowledgement is incomplete. Please re-issue a new assignment.
4.  Please furnish this office with \$500.00 Single Damage Bond or \$2,500.00 Blanket Damage Bond, as required by Statute so Lease can be approved.
5.  Lands applied for are under Purchase Contract. You must obtain written consent from \_\_\_\_\_. Your application will be held in abeyance awaiting this consent.
6.  Approved copy(ies) of your \_\_\_\_\_ (is/are) enclosed for your files.
7.  Other: As per your letter dated May 12, 1994, the improvement application has been cancelled. If you have any questions regarding this matter, please contact me at \_\_\_\_\_.

Sincerely,

*Darlene Maestas*

Darlene Maestas, Grazing Section  
Surface Resources Division

G-76 (February 15, 1984)

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. GN2791

THIS LEASE, DATED OCTOBER 1, 1994, 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 10022-0000

NEW MEXICO STATE LAND OFFICE  
RECEIVED BY  
COMMISSIONER  
9-21-99  
9-30-99 SA.  
**EXPIRED**  
**EXPIRED**

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 1, 1994 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 1999.

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 STATE LAND OFFICE RULE 8.022(B). 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 SLO 7/14/94#134

\$916.31F4

000 SLO 7/14/94#135

\$50.00F4

MD

RECEIVED  
04 JUL 14 PM 12 04  
ST. LOUIS OFFICE  
SANTA FE, N. M.

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

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

6. IMPROVEMENTS.

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

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

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

8. COLLATERAL ASSIGNMENTS.

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

9. DEFAULT AND CANCELLATION.

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

10. RENEWAL.

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

11. RESERVATIONS.

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

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POLICE  
SANTA FE, N. M.

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.

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SANTA FE, N. M.

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

LESSEE  
JEFFREY EPSTEIN TRUSTEE

TELEPHONE

LESSEE

TELEPHONE

COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS  
NATURAL PERSON(S)

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

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

PARTNERSHIP

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

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

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

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

MY COMMISSION EXPIRES:

NOTARY PUBLIC

~~CORPORATION~~  
TRUST

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

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 5 DAY OF July, 1994,

BY Jeffrey Epstein (NAME OF OFFICER) \_\_\_\_\_ (TITLE OF OFFICER) OF

Driv Trust A TRUST CORPORATION, ON BEHALF  
(CORPORATION NAME)  
OF SAID CORPORATION.  
TRUST

MY COMMISSION EXPIRES:

HARRY L. BELLER  
Notary Public, State of New York  
No. 24-4853924  
Qualified in Kings County  
Commission Expires Feb. 17, 19\_\_\_\_



*md*

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01 JUL 14 PM 12 04  
ICE  
SANTA FE, N.M.

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 OF LAND(S) CONTAINED IN LEASE NO. CA 2791 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

[Signature]  
ADDRESS 457 MADISON AVE, NY NY 10022

CITY/STATE NEW YORK NY

SUBSCRIBED AND SWORN TO BEFORE ME THIS 20 DAY OF July 19 98.

MY COMMISSION EXPIRES:

[Signature]  
NOTARY PUBLIC

HARRY I. BELLER  
Notary Public, State of New York  
No. 24-4853924  
Qualified in Kings County  
Commission Expires Feb. 17, 1999



*MB*

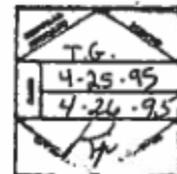
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27 JUL 27 AM 8 16  
OFFICE  
SANTA FE, N.M.

EXHIBIT A

GM2791

SUBDIVISION	SEC	-TWN-	-RNG-	ACREAGE	AUTHORIZED USE	PRICE CC R	1ST
						PER AA S	YEAR
						UNIT RP P	CHARGE
LOTS 1,2,3,4,7,SW4NE4,S2NW4,SW4	02	12.0N	09.0E	518.97	GRAZING	12	410.31
ALL	16	12.0N	09.0E	640.00	GRAZING	12	506.00
TOTAL ACRES:				1,158.97	TOTAL CHARGE:		\$916.31

RENEWAL LEASE



RECEIVED  
'04 JUN 14 Fri 12 04  
SANTA FE, N.M.



State of New Mexico



Commissioner of Public Lands

RAY B. POWELL  
COMMISSIONER

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

Zorro Trust  
c/o Jeffrey E. Epstein  
457 Madison Ave.  
New York, NY 10022

Reference Agricultural Lease No. GM-2791

Date July 15, 1994

SUBJECT: THE ATTACHED DOCUMENT IS FOR YOUR COMPLIANCE WITH THE REQUIREMENTS INDICATED WITH CHECK MARKS.

1.  Please sign enclosed copy(ies) on referenced Lease(s) before a Notary Public and return in order to complete the Lease(s).
2.  Enclosed referenced assignment(s) transferred by \_\_\_\_\_ and approved by Commissioner on \_\_\_\_\_.
3.  Assignment(s) will not be accepted due to:  Erasures in description,  Strikeover(s) in description,  Executed on improper forms,  Incomplete description,  Acknowledgement is incomplete. Please re-issue a new assignment.
4.  Please furnish this office with \$500.00 Single Damage Bond or \$2,500.00 Blanket Damage Bond, as required by Statute so Lease can be approved.
5.  Lands applied for are under Purchase Contract. You must obtain written consent from \_\_\_\_\_. Your application will be held in abeyance awaiting this consent.
6.  Approved copy(ies) of your \_\_\_\_\_ (is/are) enclosed for your files.
7.  Other: Be advised that your renewal package was received incomplete. The enclosed "Appraisement" form needs to be completed, please follow the instructions (#5) highlighted on the next page, and return to this office as soon as possible. If you have any questions regarding this matter, please contact me at \_\_\_\_\_.

Sincerely,

Darlenc Maestas, Grazing Section

Post-It® Fax Note	7671	Date	18 JUL 1994	# of pages	1
To	PEG LUDWIG	From	FIONA GUTHRIE		
Co./Dept.		Co.	J. FERSTEN & CO		
Phone #		Phone			
Fax #		Fax #			

G-76 (February 15, 1984)

SDNY\_GM\_00173757

EFTA\_00195412

EFTA01305657

LEASE NO: GM-2791

MISCELLANEOUS INSTRUMENT PAGE

UNDER COLLATERAL ASSIGNMENT

TO: \_\_\_\_\_

DATE FILED: \_\_\_\_\_ NO. \_\_\_\_\_

DATE RELEASED: \_\_\_\_\_

UNDER COLLATERAL ASSIGNMENT

TO: \_\_\_\_\_

DATE FILED \_\_\_\_\_ NO. \_\_\_\_\_

DATE RELEASED: \_\_\_\_\_

UNDER COLLATERAL ASSIGNMENT

TO: \_\_\_\_\_

DATE FILED: \_\_\_\_\_ NO. \_\_\_\_\_

DATE RELEASED: \_\_\_\_\_

UNDER COLLATERAL ASSIGNMENT

TO: \_\_\_\_\_

DATE FILED: \_\_\_\_\_ NO. \_\_\_\_\_

DATE RELEASED: \_\_\_\_\_

MISCELLANEOUS INSTRUMENT: Power-of-Attorney, John J. Kelly; Affidavit, Jeffrey E. Epstein, Trustee for Zorro Trust.

FILE NO: #8793

MISCELLANEOUS INSTRUMENT: \_\_\_\_\_

FILE NO: \_\_\_\_\_

MISCELLANEOUS INSTRUMENT: \_\_\_\_\_

FILE NO: \_\_\_\_\_

MISCELLANEOUS INSTRUMENT: \_\_\_\_\_

FILE NO: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

00  
7-9-93  
FILED 8-8-93  
53

Darlene,  
Jeffrey E. Epstein

enclose both copies of the  
appraisal. Please call me  
212-750-9895 if you require  
anything else.

Many thanks,  
Flora Gutman

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SANTA FE, N.M.

STATE OF NEW MEXICO  
COMMISSIONER OF PUBLIC LANDS  
Ray Powell, M.S., D.V.M.

GM 2791

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

April 26, 1999

Dear Lessee(s):

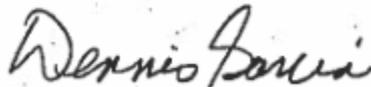
Please be aware that the above referenced Agricultural Lease is due to expire on September 30, 1999. The renewal contracts will be sent to you on July 1, 1999 for your execution. Therefore, now is the time to notify our office of any address changes or other corrections needed prior to the renewal of your Agricultural Lease. The name(s) listed above are the name(s) as they are given on your contract. Each individual listed above will be required to sign the contract unless a proper Power-of-Attorney is filed with this office.

Please take a few minutes to review your Agricultural Lease with regards to the lease ownership, address, or description of acreage. Any information you can provide us with now relative to any changes or corrections needed to your lease will assist us in preparing your renewal contract. If any changes of ownership are needed; it is recommended that you contact Jenny Valdez as soon as possible at the address below or by calling [REDACTED] in order to receive the necessary forms for the lease transaction.

Please be aware that processing any lease transfer between the dates of June 1, 1999 and September 1, 1999 may jeopardize the opportunity to match any rental offer submitted by a competing applicant.

If you have any questions regarding your lease renewal or need further assistance, please contact Fernando Roybal at [REDACTED].

Sincerely,

  
Dennis Garcia, Director  
Surface Resources Division

N.M. State Land Office, P. O. Box 1148, Santa Fe, NM 87504-1148

# RECEIPT

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS  
P.O. BOX 1148 • SANTA FE, NEW MEXICO • 87504

LEASE OR CONTRACT NO.	ACCOUNT NO.	SOURCE	DATE PAID	DUE DATE	PENALTY	INTEREST	AMOUNT PAID	BALANCE
GM2791		GRAZING & AGRI	11/08/93	10/21/93	00	854	87222	

COMMENTS: STATEMENT OF RECEIPT

BATCH NO. 5      DATE PROCESSED 11/08/93

PAID BY

ZORRO TRUST



THANK YOU

TO BE FILED IN LESSEES FOLDER      COMMISSIONER OF PUBLIC LANDS

# RECEIPT

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS  
P.O. BOX 1148 • SANTA FE, NEW MEXICO • 87504

LEASE OR CONTRACT NO.	ACCOUNT NO.	SOURCE	DATE PAID	DUE DATE	PENALTY	INTEREST	AMOUNT PAID	BALANCE
GM2791		GRAZING & AGRIC	071494	100194	00	00	91631	

COMMENTS: STATEMENT OF RECEIPT

BATCH NO. J      DATE PROCESSED 07/14/94

PAID BY

ZORRO TRUST



THANK YOU

TO BE FILED IN LESSEES FOLDER      COMMISSIONER OF PUBLIC LANDS

SDNY\_GM\_00173764

EFTA\_00195419

EFTA01305664

MISCELLANEOUS INSTRUMENTS  
(PAST POWER-OF-ATTORNEY X2)

SDNY\_GM\_00173765

EFTA\_00195420

EFTA01305665

#8793

LIMITED POWER OF ATTORNEY

903409

Done at New York City, New York, on the 3<sup>rd</sup> day of March, 1993.

I, Jeffrey E. Epstein, trustee of the Zorro Trust, a New York trust, hereby appoint John J. Kelly as attorney-in-fact and agent to act on my behalf, to do and perform all acts and things necessary to be done, including to execute and deliver on my behalf all statements, memoranda, instruments of conveyance, and other documents of every sort that, in his judgment, are or may be required to be executed by me as trustee, with the same force and effect as I might or could do if personally present, with full power of substitution and revocation, pursuant to that certain one Purchase Agreement dated February 25, 1993, between Zorro Trust, as purchaser, and King Brothers Ranch, a New Mexico general partnership, King Land & Cattle Company, a New Mexico general partnership, and Pine Canyon Ranch, Inc., a New Mexico corporation, as seller, in connection with the closing of the purchase by Zorro Trust of certain real property and appurtenant fixtures and personal property located in Santa Fe County, New Mexico, on or about March 4-8, 1993.

This Power of Attorney is limited to matters pertaining to the transaction described herein and shall terminate 30 days following the execution, delivery, and filing of record of the deeds from seller to purchaser in the real property records of Santa Fe County, New Mexico.

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO )  
I hereby certify that this instrument was filed  
for record on the 3 day of March A.D.  
19 93 at 3:11 o'clock p.m.  
and was duly recorded in book 903  
page 409 of the records of Santa Fe County.  
Witness my Hand and Seal of Office  
Jona G. Armijo  
County Clerk, Santa Fe County, N.M.

JSS 806171

*[Signature]*

Jeffrey E. Epstein, trustee of the  
a New York trust



*[Signature]*  
Deputy

STATE OF NEW YORK )  
COUNTY OF KINGS )

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of March, 1993, by Jeffrey E. Epstein, trustee of Zorro Trust, a New York trust.

*[Signature]*

Notary Public

My commission expires:

HARRY I. BELLER  
Notary Public, State of New York  
No. 24-253924  
Qualified in Kings County 94  
Commission Expires Feb. 17, 1994

Epstein/closandoc.poe



CERTIFIED A TRUE AND CORRECT COPY  
*Limited Power Attorney*  
RECORDED ON 3-8 19 93  
IN BOOK 903 PAGE 409

JONA G. ARMIJO  
SANTA FE COUNTY CLERK  
By *[Signature]* Deputy



**AFFIDAVIT**

STATE OF New Mexico )  
 ) ss.  
COUNTY OF Bernalillo )

I, Jeffrey E. Epstein, state as follows:

1. I am the Trustee for the Zorro Trust, a New York Trust, whose address is 457 Madison Avenue, New York, NY 10022.

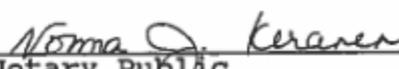
2. I have executed a Limited Power of Attorney appointing John J. Kelly as attorney-in-fact and agent to act on my behalf in connection with the closing of the purchase by Zorro Trust of certain real property and appurtenant fixtures and personal property, including all state and federal leases, of said property located in Santa Fe County, New Mexico.

3. By this Affidavit, I further authorize John J. Kelly to execute any documents necessary in connection with State Agricultural Lease No. GM2791.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Jeffrey E. Epstein, Trustee  
Zorro Trust, a New York Trust

The foregoing Affidavit was acknowledged before me this 12th day of March, 1993 by Jeffrey E. Epstein, Trustee of Zorro Trust, a New York Trust.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
September 14, 1994

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AFFIDAVIT

STATE OF New Mexico )  
 ) ss.  
COUNTY OF Bernalillo )

I, Jeffrey E. Epstein, state as follows:

1. I am the Trustee for the Zorro Trust, a New York Trust, whose address is 457 Madison Avenue, New York, NY 10022.

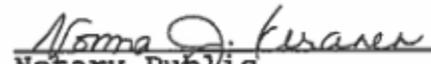
2. I have executed a Limited Power of Attorney appointing John J. Kelly as attorney-in-fact and agent to act on my behalf in connection with the closing of the purchase by Zorro Trust of certain real property and appurtenant fixtures and personal property, including all state and federal leases, of said property located in Santa Fe County, New Mexico.

3. By this Affidavit, I further authorize John J. Kelly to execute any documents necessary in connection with State Agricultural Lease No. GM2791.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Jeffrey E. Epstein, Trustee  
Zorro Trust, a New York Trust

The foregoing Affidavit was acknowledged before me this 12th day of March, 1993 by Jeffrey E. Epstein, Trustee of Zorro Trust, a New York Trust.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
September 14, 1994

