

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

AGRICULTURAL LEASE

LEASE NO. GR-1460-0000

THIS LEASE, DATED **OCTOBER 01, 2021**, IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

1	WAPITI RANCH, LLC.
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HEREINAFTER CALLED "LESSEE(S)," WHOSE ADDRESS OF RECORD IS:

**2303 MOORE DR.
ROSWELL, NM, 88201**

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:

1. LEASE.

SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR LEASES TO LESSEE THE 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, 2021** AND SHALL EXPIRE AT MIDNIGHT **SEPTEMBER 30, 2026**.

3. RENT.

THE ANNUAL RENT 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 OF EACH LEASE YEAR. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED FOR EACH SUCCESSIVE YEAR AS FOLLOWS: ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY RULE 8 (19.8.11). IN NO EVENT SHALL THE APPLICATION OF THE EVI INCREASE OR DECREASE THE ANNUAL RENT 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 FOR THE FIRST LEASE YEAR SHALL BE AS SET OUT IN EXHIBIT A ATTACHED HERETO.

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 B, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE CARE AND PROTECTION OF THE LEASED PREMISES. THIS LEASE DOES NOT AUTHORIZE LESSEE TO APPROPRIATE WATER FROM THE LEASED PREMISES FOR COMMERCIAL SALES. WATER WELLS SHALL BE UTILIZED ONLY FOR OPERATIONS AND ACTIVITIES ON THE LEASED PREMISES CONSISTENT WITH THE PURPOSES FOR WHICH THE LEASE IS GRANTED. FOR ANY WELL OR SURFACE

WATER DIVERSION POINT LOCATED ON STATE TRUST LANDS, IF LESSEE MAKES ANY FILING WITH THE NEW MEXICO OFFICE OF THE STATE ENGINEER (OSE) SEEKING TO CHANGE A POINT OF DIVERSION, PLACE OF USE, OR PURPOSE OF USE, OR TO TRANSFER ANY WATER RIGHTS OFF OR ONTO THE LEASED PREMISES, LESSEE SHALL CONTEMPORANEOUSLY SEND A COPY OF THAT FILING TO LESSOR. LESSEE SHALL INDICATE ON ANY SUCH FILING WITH OSE THAT THE WELL OR SURFACE WATER POINT OF DIVERSION IS LOCATED ON LANDS MANAGED BY LESSOR.

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 SATISFYING SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE OR AS OTHERWISE MAY BE REQUIRED BY LESSOR. 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 ASSIGNMENT.

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 RENTAL 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 APPLICABLE STATE LAND OFFICE RULES, OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE, SHALL AT THE OPTION OF LESSOR BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER THE 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 BY LAW AND RULE.

11. RESERVATIONS.

- A. IN ACCORDANCE WITH SECTION 19-7-28 NMSA 1978, 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.

- B. LESSOR FURTHER RESERVES THE RIGHT TO ISSUE PERMITS AND GRANT RIGHTS-OF-WAY AND EASEMENTS OVER, UPON OR ACROSS THE LANDS LEASED HEREIN FOR PUBLIC HIGHWAYS, RAILROADS, TRAMWAYS, TELEGRAPH, TELEPHONE AND POWER LINES, IRRIGATION WORKS, MINING, LOGGING, AND OTHER PURPOSES, INCLUDING BUT NOT LIMITED TO HUNTING, FISHING AND RECREATIONAL USES. LESSEE HEREBY COVENANTS AND AGREES NOT TO UNREASONABLY INTERFERE WITH PERSONS EXERCISING A RIGHT OF ACCESS OR USE GRANTED BY THE LESSOR IN ACCORDANCE WITH THE RIGHTS RESERVED IN THIS PARAGRAPH 11.
- C. 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. IF LESSEE IS OTHER THAN AN INDIVIDUAL PERSON OR PERSONS, LESSEE MUST BE AUTHORIZED TO TRANSACT BUSINESS IN NEW MEXICO, AND MUST PROVIDE PROOF OF SUCH AUTHORIZATION TO LESSOR (SUCH AS A CERTIFICATE OF GOOD STANDING, CERTIFICATE OF AUTHORITY, OR FOREIGN LIMITED LIABILITY COMPANY REGISTRATION FROM THE NEW MEXICO SECRETARY OF STATE).

13. ACCESS TO LEASED PREMISES.

LESSEE SHALL NOT IMPEDE LESSOR'S (AND ITS EMPLOYEES' AND CONTRACTORS') ENTRY TO THE LEASED PREMISES FOR ADMINISTRATIVE PURPOSES, WHICH INCLUDE BUT ARE NOT LIMITED TO LAND MAINTENANCE, RESOURCE EVALUATIONS, AND INVESTIGATIONS OF TRESPASS, SPILLS, FIRE, AND OTHER CONDITIONS ON THE LEASED PREMISES. TO THE EXTENT ACCESS TO THE LEASED PREMISES REQUIRES CROSSING LESSEE'S ADJACENT FEE LANDS, LESSEE SHALL PROVIDE LESSOR (AND ITS EMPLOYEES AND CONTRACTORS) WITH SUCH ACCESS UPON REASONABLE NOTICE (WHICH SHALL BE AT LEAST FORTY-EIGHT (48) HOURS PRIOR NOTICE, EXCEPT FOR EMERGENCIES).

14. 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 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.

15. AMENDMENT.

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

16. 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.

17. 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.

18. APPLICABLE LAW.

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

19. 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.

20. CARRYING CAPACITY REEVALUATION.

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.

21. NOTIFICATIONS.

LESSEE SHALL WITHIN 45 DAYS OF RECEIPT NOTIFY LESSOR OF ANY AND ALL PAYMENTS IT RECEIVES FROM ANY PERSON OR ENTITY IN WHOLE OR IN PART FOR DAMAGE OR ACCESS TO THE LANDS LEASED HEREIN OR DAMAGE TO IMPROVEMENTS LOCATED ON THE LANDS LEASED HEREIN, INCLUDING THE DATE THE PAYMENT WAS RECEIVED, THE TOTAL AMOUNT OF THE PAYMENT, THE NAME OF THE PARTY MAKING THE PAYMENT AND THE PROPERTY DAMAGE OR ACCESS THAT IS THE BASIS FOR THE PAYMENT. LESSEE FURTHER SHALL WITHIN 30 DAYS NOTIFY LESSOR OF ANY KNOWN ILLEGAL DUMPING, FIRE, OR SPILLS OF OIL OR PRODUCED WATER AFFECTING THE LEASED TRUST LAND. LESSEE SHALL MAKE THE NOTIFICATIONS REQUIRED BY THIS PARAGRAPH 21 USING FORMS PRESCRIBED BY LESSOR. 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 LESSOR AS SOON AS PRACTICABLE. THIS NOTICE REQUIREMENT DOES NOT APPLY TO LITIGATION INVOLVING ONLY THE LESSEE'S PERSONAL OR REAL PROPERTY.

22. RENEWABLE ENERGY.

IN ADDITION TO THE RESERVATIONS STATED IN PARAGRAPH 11 ("RESERVATIONS"), LESSOR RESERVES THE RIGHT TO EXECUTE LEASES FOR RENEWABLE ENERGY PROJECTS ON THE LAND HEREBY LEASED, LESSEE CONSENTS TO ANY SUCH LEASE AND AGREES TO COOPERATE IN ANY SUCH LEASE, AND LESSEE'S FAILURE TO DO SO SHALL CONSTITUTE A VIOLATION PER PARAGRAPH 9 ("DEFAULT AND CANCELLATION").

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

John Burson
LESSEE SIGNATURE Managing Member

(575) 626-6023
TELEPHONE

LESSEE SIGNATURE

()
TELEPHONE

NAME OF PERSON CERTIFYING ON BEHALF OF LESSEE
(IF LESSEE IS OTHER THAN AN INDIVIDUAL OR INDIVIDUALS)

john.burson@wapitiranch.com
EMAIL ADDRESS

Stephanie Garcia-Rodriguez
LESSOR - COMMISSIONER OF PUBLIC LANDS

ACKNOWLEDGMENTS
NATURAL PERSON(S)

STATE OF _____)

COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 20____,

BY _____
(NAME OF LESSEE ACKNOWLEDGED)

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC SIGNATURE

PARTNERSHIP

STATE OF _____)

COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 20____,

BY _____
(NAME OF LESSEE ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF _____, A PARTNERSHIP.

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC SIGNATURE

CORPORATION OR OTHER ENTITY (LLC, ETC.)

STATE OF New Mexico)

COUNTY OF Chaves)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 21 DAY OF June, 2021.

BY John Burson Managing Member
(NAME OF OFFICER) (TITLE OF OFFICER)
Wapiti Ranch, LLC A LLC [CORPORATION, LLC, ETC.], ON
(ENTITY NAME)

BEHALF OF SAID CORPORATION

MY COMMISSION EXPIRES: 3.3.25

NOTARY PUBLIC SIGNATURE



OFFICIAL SEAL

Tamara Hill

NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 3.3.25

EXHIBIT A

LEASE NO: GR-1460-0000

TwN	Rng	Sect	Unit	Acreage Type	Acreage	Rate	Calc. Amt	*Carry Capacity
11S	16E	16	ALL	Grazing	640.0000	\$0.0000	\$931.9219	16
11S	16E	32	ALL	Grazing	640.0000	\$0.0000	\$931.9219	16
Total					1280.00		\$1,863.8438	

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

Sub Totals	Acreage	Amount
Grazing	1280.0000	\$1,863.8438
Total	1280.00	\$1,863.84

Comments
RENEWAL LEASE