

BELLA VISTA RANCH LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 10 day of April, 2014 by and between Finchcor, an Arizona general partnership, whose business and post office address is P.O. Box 935, Sierra Vista, AZ 85636 as lessee (the "Lessee"), and THE NATURE CONSERVANCY, a non-profit corporation organized and existing under the laws of the District of Columbia and having its Arizona Field Office located at 1510 East Fort Lowell Road, Tucson, AZ 85719, as lessor (the "Conservancy") (the "Lease") effective as of April 3, 2014.

RECITALS:

1. The Conservancy is the owner of approximately 2,984 acres of real property, situated in Cochise County, Arizona, known as Bella Vista Ranch, and more particularly described in the attached **Exhibit A** attached hereto and incorporated herein by reference.
2. The Conservancy also owns and maintains certain buildings situated on Bella Vista Ranch, including a trailer home and buildings used in the ranching operations. A listing and description of the buildings are more particularly described in the attached **Exhibit B** attached hereto and incorporated herein by reference and which are sometimes referred herein as the "buildings" and are included as part of the property to be leased (the "Property").
3. The Conservancy is the holder of an Arizona State Land Use Permit (#23-94344) for grazing approximately 4,066 acres in Cochise County, a copy of which is attached hereto as **Exhibits C** and incorporated herein by reference (the "Grazing Permit").
4. The Conservancy, sometimes referred to herein as "Lessor," desires to lease the Property and its buildings to Lessee for the Lessee's cattle grazing operations, and to manage the Property in a manner that is compatible with the Conservancy's conservation activities and other approved activities in furtherance of the Conservancy's mission in Arizona. The Conservancy also desires to engage the services of Lessee to perform certain maintenance activities associated with management of the Property (hereinafter, "Maintenance Duties") and to offset the value of such Maintenance Duties against the rental payments due under this Lease.
5. Lessee desires to lease the Property and to perform the Maintenance Duties under the terms and conditions set forth in the Lease.
6. A copy of the Maintenance Duties together with associated values is attached as **Exhibit D**.

NOW THEREFORE, in consideration of the foregoing and of the covenants and agreements hereinafter set forth, the parties covenant and agree as follows:

LEASE TERMS:

1. Lease. Subject to the terms and conditions set forth herein, the Conservancy hereby leases the Property and its buildings to Lessee for the Lessee's cattle grazing operations, and to manage the Property in a manner that is compatible with the Conservancy's conservation activities and other approved activities in furtherance of the Conservancy's mission in Arizona.
2. Term. The initial term of this Lease shall be deemed to have commenced on April 3, 2014 (the "Commencement Date") and terminate on April 3, 2015, unless terminated early or extended pursuant to the provisions contained in this Lease.
 - a. Term Extension. Lessor may in its sole and absolute discretion agree to extend the Term for successive periods of twelve (12) months each under the terms and conditions of the original Term of this lease by sending written notice to Lessee of Lessor's consent to extending said lease for a new twelve (12) month term not less than ninety (90) days prior to the end of the then applicable Term. The election by Lessor or Lessee to cancel the then-applicable Term shall be exercised by providing

the other with ninety (90) days written notice and upon such expiration of the ninety (90) day notice the Term and this Lease shall expire. Notwithstanding anything to the contrary in the foregoing sentence, in the event Lessor does not consent to extend the Term, then this Lease shall expire by its terms without any action required by either Lessor or Lessee.

b. **Holding Over.** If after the expiration of this Lease, the Lessee remains in possession of the Property and continues to pay rent without a written agreement as to such possession, then subject to the Conservancy's consent, which consent may be withheld for any reason, such tenancy shall be regarded as month-to-month tenancy and terminable upon thirty (30) days written notice to the Lessee by Lessor. Rent under such month-to-month tenancy shall be due and payable within five (5) business days after the end of each month, and shall be calculated based on the terms described in Paragraph 3 below. During the period of any such month-to-month tenancy, Lessee shall be subject to all the terms and conditions of this Lease. Acceptance by Lessor of rent during any such hold-over period shall not constitute a renewal of this Lease; and nothing contained in this Lease shall be deemed to waive the Conservancy's right of re-entry or any other right hereunder or at law or in equity.

3. **Rent.** The following provisions shall apply to the payment of rent for the Property:

- a. **Building Rent.** Lessee agrees to pay rent at the rate of \$250.00 per month for the use of the 12 x 60 foot trailer on the Property as described in **Exhibit B**. The buildings necessary to the operation and management of the ranching operation as identified in **Exhibit B** are included in the Grazing Rent. Building Rent shall be included in the payment of the Grazing Rent and paid on the Payment Dates described below. All Rent shall be paid in lawful money of the United States of America to the Conservancy at 1510 East Fort Lowell Road, Tucson, AZ 85719, Attention: Jody Daline or to the attention of any other individual or to any other location specified by the Conservancy to Lessee. The Parties acknowledge that a lease agreement may be currently in effect for the buildings only and agree that this Lease Agreement shall supersede and replace such prior lease agreement.
- b. **Grazing Rent.** Both parties acknowledge that there is significant and sufficient consideration and value to the Conservancy by reason of the Lessee's active use of the Property for the Lessee's specified agricultural activities. Both parties also acknowledge the significant and sufficient consideration and value to the Lessee by reason of the Lessee's use of the Property for his agricultural purposes. Notwithstanding the foregoing, Lessee agrees to pay the sum of Three Thousand Six Hundred Dollars (\$3,600) as Grazing Rent for the Property during the Term. For lease payment purposes, Animal Units shall be defined as follows: a cow with or without a nursing calf is equivalent to 1.0 Animal Units; a replacement heifer is equivalent to 0.75 Animal Units; a yearling is equivalent to 0.75 Animal Units; and one bull or horse is equivalent to 1.5 Animal Units. An animal unit month ("AUM") shall be defined as 1.0 Animal Unit grazing for 1.0 calendar month. Lessee shall use the Property for the purpose of pasturing livestock that shall not exceed more than 360 AUMs per year. Notwithstanding anything herein to the contrary, Lessee shall be allowed to keep five (5) horses on the Property for the purpose of operating the Property at no charge.
- c. On April 3, 2015 Lessee shall pay to the Conservancy the Building Rent and Grazing Rent (collectively, the "Rental Payment"), as consideration for leasing the Property, in the amount of Six Thousand Six Hundred Dollars (\$6,600); provided, however, that the Rental Payment shall be adjusted in accordance with the reconciliation procedures set forth below.
 - i. **Reconciliation Procedures.** As soon as reasonably practicable, but in no event later than fourteen (14) calendar days after the six-month anniversary of this Lease, which six-month anniversary date is October 3, 2014, and each six months thereafter, Lessee shall deliver to the Conservancy a written report (the "Reconciliation Report") setting forth proposed adjustments (if any) to the Rental Payment based upon Maintenance Duties performed during the immediately preceding 6-month period (the "Reconciled Amount"). As soon as reasonably practicable, but in no event later than five (5) business days after the Conservancy receives the Reconciliation Report, the Conservancy shall deliver to Lessee a written report containing any changes the Conservancy proposes to be made to the Reconciliation Report. If

the Conservancy fails to deliver a report to Lessee containing the Conservancy's proposed changes, the Reconciled Amount as calculated by Lessee shall be deemed to be true and correct and binding on and non-appealable by the Parties.

- ii. **Reconciliation Payment.** On the last day of the Term, the Rental Payment will be reconciled based on the six-month Reconciled Amounts received during the Term. In the event that the total Reconciled Amount exceeds the Rental Payment, no monetary payment shall be due and owing from Lessee to the Conservancy, and the Conservancy is not obligated to make any payment to Lessee of any Reconciled Amount in excess of the Rental Payment. In the event that the total Reconciled Amount is less than the Rental Payment, Lessee shall pay to the Conservancy the difference between such total Reconciled Amount and the Rental Payment on or before the twentieth (20th) calendar after the last day of the Term.

4. Cooperation to Maintain State Lease. Lessee agrees to cooperate with the Conservancy and do all things and perform all tasks required by the State of Arizona, including timely payment of the annual State Land grazing lease fee, to maintain the State Leases in good standing including, but not limited to, compliance with the conditions of State Land Use Permit No. 23-94344 (the "Permit") attached hereto as **Exhibit C** and by this reference incorporated herein,.

5. Taxes. The Conservancy shall remain responsible for paying the real estate taxes on the Leased Property, including the trailer, and the Lessee shall be responsible for any taxes due for the permitted uses of Lessee under this Lease.

6. Condition, Maintenance and Improvements of the Property. Lessee will carefully protect all improvements on the Property and will promptly, at the expiration of this Lease, yield possession of the Property in the same condition as Property now is or may be placed at any time during this Lease, ordinary wear exempted. Lessee shall not be responsible for changes in condition of natural vegetation on the Property related to drought or other unpredictable climatic events, provided that the allowed AUMs are not exceeded. Lessee has examined the Property and its buildings, all furniture, furnishings, appliances and landscaping, if any, and fixtures, including smoke detector(s). Lessee acknowledges that those items are clean and in operative and leasable condition. The Conservancy has made no representations of any nature in connection with the condition of the Property or the buildings, and the Conservancy shall not be liable for any latent or patent defects thereon. The Lessee shall be presumed to have accepted possession of the Property under this Lease on the first day of the Term, and such acceptance of possession by the Lessee shall be conclusive evidence as against the Lessee that the Property was in good and satisfactory condition when possession of the Property was accepted.

- a. The Conservancy shall furnish all materials, based on estimates provided by Lessee and to be delivered to the Property, and Lessee shall furnish the labor for normal maintenance and repair of fences, corrals, water systems and other infrastructure used for containing, directing, and managing cattle or other livestock under this Lease, and Lessee shall keep all said property in good repair, ordinary use and wear accepted. The Conservancy will have the watering system in working condition at the beginning of this Lease and Lessee shall be responsible for ensuring that irrigation and watering systems are maintained in good working condition throughout the Term. In the event that the Lessee, with the advance knowledge and consent of the Conservancy, pays for any reasonable repairs to infrastructure on the Property for which the Conservancy would be responsible for payment under this Lease, the Conservancy agrees to compensate the Lessee for the reasonable cost of such repairs in the equitable fashion of its choosing, whether through direct reimbursement or through a deduction from the rent due under this Lease equal to the cost of the repairs, materials, or equipment. The Conservancy shall remain responsible for constructing any new fences or other infrastructure on the Property that the Conservancy deems necessary, or any new fences or other infrastructure requested by Lessee and approved by the Conservancy. Lessee shall keep the Leased Property in its natural state without any disturbance whatsoever of plant or animal population except to the extent of permitted uses of the Property by the Lessee.
- b. Regarding the building maintenance, Lessee shall properly use, operate, and safeguard the buildings, including, all mechanical, electrical, gas and plumbing fixtures, and keep them clean

and sanitary. Lessee shall immediately notify the Conservancy, in writing (including e-mail), of any problem, malfunction or damage. Lessee shall pay for all repairs or replacements caused by Lessee, or guests or invitees of Lessee, excluding ordinary wear and tear. Lessee shall pay for all damage to the buildings as a result or failure to report a problem in a timely manner. Lessee shall pay for repair of drain blockages or stoppages, unless caused by defective plumbing parts or tree roots invading sewer lines. In the event that the Lessee, with the advance knowledge and consent of the Conservancy, pays for any reasonable repairs to infrastructure on the buildings for which the Conservancy would typically be responsible for payment, the Conservancy agrees to reimburse the Lessee for the reasonable cost of such repairs in the equitable fashion of its choosing, whether through direct reimbursement or through a deduction from the rent due under this Lease equal to the cost of the repairs, materials, or equipment.

- c. Lessee acknowledges that the Property has significant natural, scenic, open space, ecological and scientific values that are of great importance to the Conservancy and the State of Arizona (the "Conservation Values"). Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited on the Property:
 - i. Dumping. The dumping, storage or other disposal of non-compostable refuse, trash, sewer sludge or unsightly or toxic materials or agrichemicals. Lessee is not responsible for trespass dumping.
 - ii. Chemicals. The storage or application of non-household fertilizers, pesticides, biocides, defoliant, herbicides, or other toxic or potentially toxic chemicals. Lessee shall not use insecticides, pesticides, or any other chemicals on the Property unless first approved in writing by the Conservancy, which approval may be withheld at the sole discretion of the Conservancy. Any use of such insecticides, pesticides, or chemicals, if any, shall be in strict compliance with applicable federal, state and local laws and regulations, particularly labeling instructions, governing such use.
 - iii. Commercial Uses. The establishment of any commercial or industrial uses of the Property.

7. Access. The Conservancy shall have the right to restrict access to portions of the Property if, in its sole and absolute discretion, such restrictions are reasonably necessary to protect significant ecological resources in the restricted areas. Any such restrictions shall be made in a manner to reasonably minimize or eliminate any material impacts on Lessee's activities as permitted under the Lease. The Conservancy shall retain all of its own rights of access to the Property. The Nature Conservancy may, from time to time, allow access to contractors for the purpose of research and construction of groundwater recharge facilities on the property. Notification of one week will be provided to the Lessee.

8. Default; Termination. If Lessee defaults or otherwise violates the covenants and agreements set forth herein or otherwise defaults under the terms herein then the Conservancy shall have the right to terminate this Lease. If it so elects, the Conservancy shall give Lessee written notification of its election to terminate the Lease, and Lessee shall have ten (10) calendar days from the date of notification to cure the default or violation, should the parties agree that a cure exists at all. If the violation is not cured or the Conservancy has not granted an extension within those ten (10) calendar days, the Lease shall be considered terminated, in which event, neither party shall have any further rights or obligations hereunder except as otherwise expressly provided. The Conservancy may then remove Lessee, its agents, employees and equipment, at Lessee's sole cost and expense, and may re-lease the Property to another party, without prejudice to the Conservancy's other remedies at law or in equity. In the event that the Lessee is unable to effectively perform under the terms of this Lease due to unforeseen physical or mental incapacitation or death, it is mutually agreed that, upon two weeks written notice to the Conservancy, the Lessee or the Lessee's heirs or executors of the Lessee's estate may terminate this Lease, in which event, neither party shall have any further rights or obligations hereunder except as otherwise expressly provided.

9. Condemnation. The Conservancy and Lessee agree that if the Property shall be taken or condemned for public or quasi-public use or purpose (or purchased in lieu of any such taking or condemnation), this Lease shall terminate on the date on which Lessee is deprived of possession of the Property and neither party shall have any further rights or obligations hereunder except as otherwise expressly provided herein. If a portion of the Property is taken or condemned for public or quasi-public use or purpose (or purchased in lieu of any such taking or

condemnation) and such partial taking or condemnation materially interferes with the Lessee's ability to continue its business on the Property, then the Lessee shall have the right to cancel this Lease by providing the Conservancy with written notice thereof within thirty (30) days after possession thereof is taken by such condemning authority, in which event this Lease shall terminate and neither party shall have any further rights or obligations hereunder except as otherwise expressly provided. If such a partial taking occurs and this Lease is not canceled, this Lease shall cease as to the portion of the Property so taken. In the event of any such taking or condemnation (or purchase in lieu thereof), Lessee shall have no claim against the Conservancy and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation and Lessee hereby assigns to the Conservancy all its right, title and interest in and to any such award or payment.

10. Limitation on Liability: Indemnification. The Conservancy, its affiliates, partners, officers, directors, members, trustees, employees, and agents shall have no liability for and shall not assume any liability or responsibility with respect to the conduct or operation of the business to be conducted on the Property and shall have no liability for any claim of loss of business or interruption of operations or any consequential damages or indirect losses whatsoever. Further, the Conservancy, its affiliates, partners, officers, directors, members, trustees, employees, or agents shall have no liability and shall not assume any liability or responsibility with respect to the conduct or operation of the Lessee's business to be conducted on the Property and shall have no liability for any claim or loss of business or interruption of operations, or any consequential damages for indirect losses whatsoever. Any property or personal effects placed or stored in or about the Property shall be at the sole risk of Lessee, and the Conservancy, its affiliates, employees, and agents shall not be responsible or liable for such property. Lessee shall hold the Conservancy harmless from any and all manner of actions, claims, demands or suits incurred by the Conservancy in connection with Lessee's negligent use of the Property by Lessee, Lessee's guests, invitees, licensees or agents or in connection with this Lease. The Conservancy shall hold the Lessee harmless from any and all manner of actions, claims, demands or suits incurred by the Lessee in connection with the Conservancy's negligent use of the Property by the Conservancy's guests, invitees, licensees or agents or in connection with this Lease. Lessee shall obtain bodily injury and property damage liability insurance in a responsible company in an amount consistent with the custom and usage of the area. Such insurance coverage shall provide for the Conservancy to be a named insured during the term of the Lease only. This Paragraph shall survive the expiration or any termination of this Lease for a period of six (6) months.

11. Lessor's Liability. The Conservancy as Lessor shall not be responsible for any latent defects in, deterioration of, or change in the condition of the Property or for any damage resulting therefrom, whether to person or property. It is agreed that the Conservancy shall not be liable or responsible in any way for any injury to person or damage to or loss or theft of property sustained in or about the Property however the same may be caused. Lessee hereby releases the Conservancy from any liability or responsibility for damage to person or property caused by breakage of glass, or by leaks, breaks or overflow of roof, pipes, drains or plumbing fixtures, or by falling plaster, imperfect wiring or construction. Notwithstanding anything herein to the contrary, Lessee shall look solely to the estate and property of the Conservancy in and to the Property in the event of any claim against the Conservancy, arising out of or in connection with this Lease, the relationship of the Conservancy and Lessee or Lessee's use of the Property. Lessee agrees that the liability of the Conservancy hereunder shall be limited to such estate and property of the Conservancy. No other properties or assets of the Conservancy shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) or for the satisfaction of any other remedy of Lessee arising out of or in connection with this Lease.

12. Minerals Ownership. Lessee acknowledges that the minerals on a portion of the Property are severed and the Conservancy neither owns nor controls the development of such minerals. Lessee further assumes any risk associated with the mineral rights owner's potential development of these minerals and agrees that the Conservancy shall not be liable for any damages to the Property or to Lessee's ability to use the Property that may be associated therewith. Lessee agrees not to consent to any mineral exploration or development on the Property nor to hold itself out as an agent for doing so. Lessee will direct any mineral inquiry to the Conservancy and defer to the Conservancy for all such decisions and authorizations.

13. Utilities. Lessee agrees to pay for all utilities and services. If any utilities are not separately metered, Lessee shall pay Lessee's proportional share, as reasonably determined by the Conservancy.

14. Occupants. The buildings are for the sole use as a personal residence by the following named person(s) only: Mike Finch and immediate family, and no more than two additional persons (Note: Reasonable use of the buildings will include Lessee's hosting overnight guests personally related or known and acceptable to the Lessee).

15. Rules and Regulations. Lessee agrees to comply with all rules and regulations of the Conservancy that are at any time posted on the Property or delivered to Lessee. Lessee shall not and shall ensure that guests and licensees of Lessee shall not disturb, annoy, endanger, or interfere with other Lessees or users of the property or neighbors, or use the Property for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing or transporting illicit drugs or other contraband, or violate any law or ordinance, or commit a waste or nuisance on or about the Property.

16. Keys. Lessee acknowledges receipt of keys to the Property. Lessee acknowledges that locks to the Property have not been re-keyed. If Lessee re-keys existing locks or opening devices, Lessee shall immediately deliver copies of all keys to the Conservancy. Lessee shall pay all costs and charges related to loss of any keys or opening devices. Lessee may not remove locks, even if installed by Lessee. Three sets of keys will be provided to the Lessor to access the property and allow access to contractors and researchers with prior notice to Lessee.

17. Entry. Lessee shall make all buildings and facilities that fall under the jurisdiction of this Lease available to the Conservancy or representatives of the Conservancy for the purposes of entering to make necessary or agreed repairs, decorations, alterations, or improvements, or to supply necessary or agreed services, or to show the Property to prospective or actual purchasers, prospective lessees, mortgagees, lenders, appraisers, or contractors. The Conservancy and Lessee agree that twenty four (24) hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, the Conservancy or representatives of the Conservancy may enter the Property at any time without prior notice.

18. Surrender. Upon expiration or earlier termination of this Lease, Lessee shall: (a) give the Conservancy all copies of all keys or opening devices to the Property, including any common areas; (b) vacate the Property and surrender it to the Conservancy empty of all persons and livestock; (c) vacate any/all buildings and/or storage spaces; (d) deliver the Property to the Conservancy in the same condition as referenced in Paragraph 7; and (e) give written notice to the Conservancy of Lessee's forwarding address.

19. Personal Property. If Lessee shall not remove all of Lessee's furniture, personal property or other effects from the Property at the expiration or earlier termination of this Lease, the Conservancy may, at its option, remove all or part of such personalty in any manner that the Conservancy shall choose and store or dispose of the same without liability to Lessee for loss thereof. Lessee shall be liable to the Conservancy for all expenses incurred in such removal, storage and disposal and shall pay the same to the Conservancy upon demand. Upon the expiration or earlier termination of this Lease, wherein Lessee shall be liable in any amount to the Conservancy, the Conservancy shall have a lien upon such personalty and the Conservancy may, at its option, without notice to Lessee and without obligation to account therefore, sell or otherwise dispose of such personalty and Lessee shall pay the Conservancy for all expenses (including attorney's fees) incurred in connection with the disposition of such personalty upon demand.

20. Damage to Property. If, by no fault of Lessee, the Property is totally or partially damaged or destroyed by fire, earthquake, flood, severe drought, accident or other casualty, that render the Property uninhabitable or untenable, either the Conservancy or Lessee may terminate this Lease by giving the other written notice within ten (10) days of the date of damage. Rent shall be abated as of the date of damage. The abated amount shall be calculated based on the terms described in Paragraph 3. If this Lease is not terminated, the Conservancy shall promptly repair the damage, and rent shall be reduced based on the extent to which the damage interferes with Lessee's reasonable use of the Property. If damage occurs as a result of an act of Lessee or Lessee's guests, only the Conservancy shall have the right of termination, and no reduction in rent shall be made.

21. Governing Law, Litigation and Attorneys' Fees. This Lease and the interpretation and enforcement thereof shall be governed by and construed according to the laws of the State of Arizona. The venue for any action in connection with this Lease shall be Cochise County, Arizona. In any action or proceeding arising out of this Lease,

the prevailing party between the Conservancy and Lessee shall be entitled to reasonable attorneys' fees and costs. Both parties hereto hereby waive the right to jury trial in connection with any dispute concerning this Lease.

22. Notices. Notice from one party to the other shall be deemed to have been properly given if mailed by first class or certified mail, postage prepaid, to the other party at the respective addresses which appear in this Lease or to the attention of any other individual or to any other location specified by the Conservancy in writing to Lessee or by Lessee to the Conservancy.

23. Severability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstances is held invalid, the remainder of the Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

24. Assignment. Lessee will neither sublet the Property nor any part thereof, nor transfer or assign this Lease, without obtaining advance written consent of the Conservancy in each case, which consent may be withheld in the Conservancy's sole discretion. Lessee shall not permit any transfer, by operation of law, of the interest in the Property acquired through this Lease. The Conservancy retains the right to transfer the Property leased hereunder and shall have the option to assign this Lease to the transferee. The Conservancy's consent to any one assignment, transfer, or sublease, shall not be construed as consent to any subsequent assignment, transfer or sublease, and does not release Lessee of Lessee's obligation under this Lease. The Conservancy retains and holds all executive rights with respect to use of the surface estate for mineral development and Lessee shall not engage in any discussion of mineral development on the property but instead shall direct all inquiries to the Conservancy.

25. Waiver. The waiver of one breach of any term, condition, covenant, obligation or agreement of this Lease shall not be considered to be a waiver of that or any other term, condition, covenant, obligation or agreement or of any subsequent breach thereof.

26. Amendment. If circumstances arise under which an amendment to or modification of the Lease would be appropriate, Lessee and the Conservancy may jointly amend the Lease provided such amendment is in writing duly executed by both parties.

27. Entire Lease. All prior agreements between the Conservancy and Lessee related to the Property contemplated herein are incorporated in this Lease, which constitutes the entire contract. It is intended as a final expression of the parties' agreement and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this Lease constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this Lease. Any provision of this Lease that is held to be invalid shall not affect the validity or enforceability of any other provision in this Lease.

28. Signs. Lessee authorizes the Conservancy to place "For Sale" and/or "For Lease" signs on the Property.

29. Lead Paint (Check if Applicable). The buildings were constructed prior to 1978. In accordance with federal law, The Conservancy gives, and Lessee acknowledges receipt of, the disclosures on the attached form and of a federally approved lead pamphlet.

30. Insurance. Lessee's personal property and vehicles are not insured by the Conservancy against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Lessee is to carry its own insurance (renter's insurance) to protect Lessee from any such loss.

31. Estoppel Certificate. Lessee shall execute and return any tenancy statement (estoppel certificate) delivered to Lessee by the Conservancy or its agent within three (3) days after the receipt by Lessee. Failure to comply with this requirement shall be deemed Lessee's acknowledgment that the tenancy statement is true and correct and may be relied upon by a lender or purchaser.

32. Joint and Individual Obligations. If there is more than one Lessee, each one shall be individually and completely responsible for the performance of all obligations of Lessee under this Lease, jointly with every other Lessee, and individually whether or not in possession.

33. Agricultural Classification. Lessee represents to Lessor that Lessee shall use the Property in a manner consistent with the terms and conditions of this Lease at all times during the Term necessary for the Lessor to qualify for agricultural classification status under the applicable Cochise County requirements. Lessee represents and warrants to Lessor that as of the Commencement Date and throughout the Term of the Lease, Lessee shall comply with the requirements for the State of Arizona and Cochise County, Arizona to maintain the Property in agricultural status for purposes of assessment for property taxes. Lessee acknowledges and agrees that the representations, warranties and requirements of this **Paragraph 33** are material conditions to Lessor consenting to and entering into this Lease and that the failure to comply with the same shall be a material breach of this Lease.

34. No Partnership or Agency Relationship. Nothing contained within this Lease shall be deemed to make Lessor and Lessee partners or joint venturers in the ranching and grazing operation of Lessee or to create a relationship of principal and agent between them, nor shall either Lessor or Lessee hold themselves out as partners, joint venturers, or agents of the other contrary to the terms of this Lease by advertising or otherwise. Neither party shall be bound by any representation, act or omission whatsoever of the other contrary to the provisions of this Lease.

35. Headings. The headings appearing at the beginning of each paragraph of this Lease are intended only for convenience of reference and are not to be considered in construing this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above mentioned.

THE NATURE CONSERVANCY,
a District of Columbia non-profit corporation

By _____

Its _____

LESSEE

Exhibit A
Property Description

All that real property located in the County of Cochise, State of Arizona, more particularly described as follows:

A parcel of land situated in Sections 15, 20, 21, 22, 27, 28, 29 and 30, Township 21 South, Range 21 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona, more particularly described as follows:

The east half of the east half, the northwest quarter of the northeast quarter, the northeast quarter of the northwest quarter, and the west half of the northwest quarter of said Section 15;

The south half of said Section 20;

All of said Section 21;

The east half of the northeast quarter and the south half of said Section 22;

The north half, the north half of the southeast quarter, the southwest quarter of the southeast quarter, and the southwest quarter of said Section 27;

The north half of the northwest quarter and the east half of said Section 28;

The north half of the north half of said Section 29;

The north half of the north half of said Section 30;

Excepting therefrom any portion lying within the following described property:

A strip of land 100.00 feet in width located in Sections 22, 27, 28 and 29, Township 21 South, Range 21 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona, the center line being more particularly described as follows:

Beginning at the southeast corner of the northeast quarter of Section 31, Township 21 South, Range 21 East, Gila and Salt River Base and Meridian, Cochise County, Arizona;

Thence North 00°05'33" West a distance of 804.21 feet to a point on the center line of the existing Charleston Road;

Thence North 60°57'46" East a distance of 2,137.30 feet along said center line to an angle point;

Thence North 60°56'55" East a distance of 1,643.06 feet along said center line to an angle point;

Thence North 60°54'27" East a distance of 2,235.68 feet along said center line to an angle point;

Thence North 60°57'23" East a distance of 3,337.89 feet along said center line to an angle point;

Thence North 61°03'02" East a distance of 2,282.04 feet along said center line to the beginning of a curve concave to the northwest having a radius of 1,448.18 feet;

Thence northeasterly a distance of 676.68 feet along said curve through a central angle of 26°46'36" to a point of tangency;

Thence North 34°16'26" East a distance of 868.80 feet along said center line to an angle point;

Thence North 34°11'52" East a distance of 1,856.12 feet along said center line to the beginning of a curve

concave to the southeast having a radius of 2,201.32 feet;

Thence northeasterly a distance of 477.48 feet along said curve through a central angle of $12^{\circ}25'51''$ to a point of tangency;

Thence North $46^{\circ}37'43''$ East a distance of 2,556.50 feet along said center line to an angle point;

Thence North $46^{\circ}40'14''$ East a distance of 2,063.51 feet along said center line to a point on the east section line of said Section 22 that bears North $00^{\circ}00'52''$ East a distance of 4,752.11 feet from the southeast corner of said Section 22, said point also being the end of description.

The above described parcel contains 129,995,510 square feet or 2,984.2863 acres, more or less.

Subject to all covenants, rights of way and easements of record.

Exhibit B
Buildings

1970 Nuway Mobile Home VIN 6661297852651

Exhibit C
State Land Use Permit No. 23-94344

Exhibit D – Maintenance Duties

The following maintenance activities are the responsibility of the Lessee. The rate applied to each task will be deducted from the total Rent rate on the payment due date.

1. Road grading at \$125 per hour
2. All other maintenance duties at \$15 per hour
 - A. Water line maintenance
 - B. Well maintenance
 - C. Fence maintenance
 - D. Trespass dumping clean up
 - E. Structure maintenance