

**LANDOWNER RELATIONS PROGRAM
COOPERATIVE STEWARDSHIP AGREEMENT
FOR HABITAT IMPROVEMENT**

THIS COOPERATIVE STEWARDSHIP AGREEMENT for habitat improvement is entered into between Santa Margarita Ranch, Inc. represented by Walter Lane ("Cooperator") and the State of Arizona through the Arizona Game and Fish Commission ("Commission") and its administrative agency the Arizona Game and Fish Department ("Department") (collectively "Parties" and singularly "Party") for the purpose of executing a Cooperative Habitat Improvement Project on lands owned or controlled by the Cooperator ("Subject Property"), as illustrated in the attached Exhibit A, incorporated herein by reference.

WHEREAS, the Commission is authorized to enter into this Agreement pursuant to A.R.S. § 17-231(B) (7);

WHEREAS, said Subject Property provides mutual benefits to the Cooperator and wildlife, and it is the mutual desire of the Department and Cooperator to cooperate for the common benefit of wildlife and the public interests of the people of Arizona;

WHEREAS, the Parties agree that the goods or services provided by the Department will be used by the Cooperator for a public purpose as described herein, and that the benefit derived to the public as the result of such goods or services will equal or exceed the value of the goods or services;

NOW THEREFORE, in consideration of the mutual promises and other good and valuable consideration contained herein, the Department and the Cooperator agree to implement the following described Habitat Improvement Project on the Subject Property:

Project Description:

Grassland habitats have been a priority for the Department since 2006 when the first version of the State Wildlife Action Plan (SWAP) identified grassland habitat as a priority due to the decline in several grassland-dependent wildlife species, such as pronghorn antelope, scaled quail, black tailed prairie dogs, western burrowing owls, Ferruginous hawks, and another 96 grassland obligate species. Both fragmentation of grassland habitat and degradation of grassland habitat due to invading woody vegetation have been identified as causes for declines in grassland-dependent wildlife species.

The Cooperator, in coordination with the Department, will implement the Habitat Improvement Project, South Legunitas: Santa Margarita Ranch Phase IV. The strategy of this project is for the Department to provide reimbursement to the Cooperator for grubbing 200 acres of encroaching mesquite. As stated above, this project will enhance grassland obligate species habitat, and extend the current range of suitable antelope habitat in the Altar Valley, as the current pronghorn population in the Altar Valley is low. This project will enhance the pronghorn antelope habitat by allowing them to see potential threats better and more open space to run faster, thus evading predators more efficiently. In the Management Focus Area (MFA) Plan for these units, the need for grassland restoration for the benefit of pronghorn antelope is listed as a Priority 1 Issue. This project will also benefit the deer population in the area by providing them more forage in areas that have been grubbed. M20-0331070354.

A. The Arizona Game and Fish Department shall:

1. Work with the Cooperator to complete the project per the Project Description for the purpose of wildlife habitat improvement.
2. Reimburse the Cooperator in an amount not-to-exceed, twenty-five thousand dollars (\$25,000.00) for reimbursement of materials and labor to perform the habitat improvements described in the Project Description. All labor using heavy equipment is included in the aforementioned price.
3. Payment shall be made upon receipt of itemized invoice(s) from the Cooperator to the Department.
4. Annually monitor and evaluate Project effectiveness and wildlife use during the term of this Agreement.

B. The Cooperator shall:

1. Complete the Project described in the project description in the project area depicted in Exhibit A. Be responsible for all labor, equipment, and material costs over and above those supplied by the Department (\$25,000.00) through this Agreement.
2. Submit itemized invoices to the Department for reimbursement of costs incurred, including any delivery, to complete the Project to complete the project prior to June 15th 2021.
3. Should the property rights to the Subject Property be transferred to another Party during the term of this Agreement, the terms and conditions of this Agreement shall be transferred with the property to such other Party.
4. Ensure the South Legunitas: Santa Margarita Ranch Phase IV is within cultural compliance and provide cultural compliance documentation from the Arizona State Land Department before commencing work.

C. The Department and the Cooperator mutually agree:

1. That unless otherwise terminated as provided herein, this Agreement shall extend for a period of five (5) years from the date of last signature on this Agreement. Project progress will be monitored and a final assessment of the project's effectiveness will be completed jointly by the Parties.
2. Nothing in this Agreement shall be construed as obligating the Department in any contract or other obligation for the future payment of money in excess of appropriation authorized by law.
3. Either Party may terminate this Agreement upon sixty (60) days written notice to the other Party. Upon termination, all work performed pursuant to this Agreement shall

cease and Cooperator shall not incur any new obligations for the terminated portion of the Agreement and shall cancel as many outstanding obligations as possible. The Department shall allow full credit to the Cooperator for the Cooperator's share of the non-cancelable obligations properly incurred by the Cooperator up to the effective date of the termination. Any remaining unobligated funding provided by the Department shall be returned to the Department within sixty (60) days after the effective date of termination.

4. Notices: All written notices concerning this Agreement shall be delivered in person or sent by certified mail, return receipt requested, to the Parties as follows:

For the Commission:

Arizona Game and Fish Department
ATTN: Mr. Don Larsen
5000 W. Carefree Highway
Phoenix, Arizona 85086
Phone: (623) 236-7624
Email: DLarsen@azgfd.gov

For the Cooperator:

Santa Margarita Ranch, Inc.
% Walter Lane



5. Modifications within the scope of this Agreement shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by all Parties, prior to any changes being performed. The Parties are not obligated to fund any changes not approved in advance.
6. Every obligation of the Parties under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds for the continuance of this Agreement are not allocated or are not available, this Agreement shall terminate automatically on the date of expiration of funding. In the event of such termination, the Parties shall incur no further obligation or liability under this Agreement other than for payment of services rendered prior to the expiration of funding.
7. All work performed pursuant to this Agreement shall be in compliance with all applicable state and federal laws and regulations.
8. This Agreement in no way restricts either Party from participating in similar activities with other public or private agencies, organizations, or individuals.
9. This Agreement constitutes the entire Agreement between the Parties pertaining to the subject matter herein and accurately sets forth the rights, duties, and obligations of each Party. All prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. The provisions of this Agreement may be abrogated, modified, rescinded, or amended in whole or in part only by mutual written consent executed by the Parties.
10. In the event that any provision of this Agreement or portion thereof is held invalid, illegal, or unenforceable, such provision or portion thereof shall be severed from this

Agreement and shall have no effect on the remaining provisions of this Agreement, which shall remain in full force and effect.

11. This Agreement is subject to termination pursuant to A.R.S. § 38-511.
12. All payments received by the Cooperator through this Agreement may be subject to federal and local income tax. Any questions regarding the tax status of payments should be directed to the Cooperator's personal tax consultant.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last signature date below, and each person signing this Agreement warrants that he/she has the capacity and authority to execute this Agreement and consummate the transactions contemplated herein.

APPROVED:

By:  Date 12-16-20
Walter Lane, Manager
Santa Margarita Ranch, Inc.

APPROVED:

Arizona Game and Fish Department

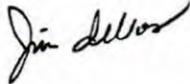
By:  Date 12/2/20
Jim deVos, Assistant Director
Wildlife Management Division

Exhibit A
Project map(s)

