

**LANDOWNER COMPACT
COOPERATIVE STEWARDSHIP AGREEMENT
FOR RECREATIONAL ACCESS**

This COOPERATIVE STEWARDSHIP AGREEMENT (Agreement) for Recreational Access is entered into between Santa Margarita Ranch, Inc., an Arizona Corporation (“Landowner”), 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 providing public recreational access through, upon, or across lands owned or legally controlled by Landowner (“Subject Property”), as illustrated on Exhibit A attached hereto.

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

WHEREAS, the Subject Property contains recreational access routes, as illustrated on Exhibit A, necessary for entry to and exit from publicly held lands beyond Subject Property, and no other public entity owns or controls certain access points to those publicly held lands as identified on Exhibit A attached to this Agreement;

WHEREAS, the Parties agree that the goods or services that may be provided by the Department as described in this Agreement will be used by the Landowner 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;

WHEREAS, the Subject Property contains recreational access routes, as illustrated on Exhibit A, necessary for motor vehicle entry to access the Subject Property and lands held in trust for trust beneficiaries by the Arizona State Land Department adjacent to the Subject Property (“State Trust Lands”), and Landowner controls the identified access points through the Subject Property for access to or egress from the State Trust Lands.

NOW, THEREFORE, in consideration of mutual promises and other good and valuable consideration as described herein, the Department and Landowner agree to mutually enter into a Landowner Compact under the terms and conditions set forth in this Agreement with the objective to reduce or eliminate conflicts between Recreational Users (as defined below) and the Landowner on the Subject Property.

I. DEFINITIONS

- A. “Recreational User” means any person seeking access to or egress from the State Trust Lands through the access points on the Subject Property identified on Exhibit A, to hunt, fish, scout, camp, hike, view wildlife, or for any other permitted recreational activity.
- B. “Ranch Rules” mean those conditions the Parties mutually agree upon in writing from time to time and are required of a Recreational User who uses the Subject Property for access to or egress from the State Trust Lands. The initial Ranch Rules are set forth in Exhibit B attached to this Agreement.

II. TERMS AND CONDITIONS

A. The Department shall:

1. Assist Landowner with implementing this Agreement and the Ranch Rules.
2. Provide law enforcement/patrol and wildlife management support for the Subject Property and for Game Management Unit (GMU) 36C in which the Subject Property is located, based on available resources and when deemed appropriate by the Department.
3. When requested by Landowner or its legal representative, provide Landowner with the names of those persons the Department has contacted regarding, or issued a citation to for a violation of, a statute or Ranch Rule occurring on the Subject Property. However, the Department may withhold information that may compromise an ongoing investigation or pending court case.
4. Provide funding to Landowner as follows:
 - (a) The amount of one hundred thousand dollars (\$100,000.00) shall be paid to Landowner within 60 days after the signing of both Parties to this Agreement. Payment shall be in consideration for Landowner entering into this Agreement, and may be used by Landowner at its complete discretion.
 - (b) In addition and when available, provide funding and/or incentives to the Landowner in an amount or amounts determined by the Department which do not exceed the cost/benefit analysis of recreational use of the Subject Property, for conducting cultural resource or endangered species surveys and habitat improvement practices (for example, mesquite grubbing, prescribed burning, etc.) on areas of the Subject Property that will provide a benefit to wildlife through mutually agreed upon projects for restoration of grasslands and wildlife habitat and/or to offset adverse impacts of Recreational Users on the Subject Property and wildlife habitat.

B. Landowner shall:

1. Voluntarily enter into the Department's Landowner Compact with Ranch Rules as defined in Exhibit B.
2. Authorize the Department to act on the Landowner's behalf to notify and notice any person(s) in violation of Ranch Rules or statutes of the loss of privilege to access Department Landowner Compact member properties.
3. Allow hunter/recreational access through the Subject Property as provided in this Agreement, and as illustrated on Exhibit A, commencing on the effective date of this Agreement and remaining in effect for a period of eight (8) years, unless otherwise terminated as provided for in this Agreement.

4. Adhere to applicable state laws that prohibit a person from locking gates accessing State Trust Lands on designated existing roadways or otherwise unlawfully denying the general public access to State Trust Lands.
5. Allow Department personnel unrestricted access to the Subject Property to perform official duties authorized under state law.
6. If Landowner's property rights to any portion of the Subject Property affected by this Agreement are transferred by sale or lease during the term of this Agreement, the terms and conditions of this Agreement shall be transferred with such portion of the Subject Property to the new owner or lessee, unless the Agreement has been terminated.

C. The Department and Landowner shall:

1. Meet at least twice annually; (a) once prior to the scheduled hunts for the purpose of discussing information needs, Ranch Rules, brush management and wildlife habitat restoration issues, assistance with securing funding, and other opportunities and concerns, and (b) again after the scheduled hunts to discuss any issues and opportunities related to the hunts and potential amendments to this Agreement.
2. Work to seek outside funding sources to complete mutually agreed upon habitat and or wildlife enhancement projects. Funding obtained by the Department shall be controlled by the Department for use on such projects. The Department shall be responsible for preparing grant proposals as it shall deem appropriate for such projects, and for the planning and carrying out of such projects, subject to Landowner's prior approval, and the Department shall provide, supervise and compensate all consultants, contractors and other personnel, and shall provide at its sole expense all equipment and supplies, as may be needed to complete such projects. All such projects shall be subject to Landowner's approval, and shall be designed and carried out in a manner so as not to adversely impact Landowner's cattle grazing operations on the Subject Property.

III. MISCELLANEOUS TERMS AND CONDITIONS

- A. The term of the Agreement shall be eight (8) years from the last date of signature to the Agreement unless earlier terminated, replaced or superseded by another agreement. If the Parties agree to renew this Agreement, the Parties shall begin the renewal draft six months prior to the expiration date, unless the Parties mutually agree to a later date. Subsequent term access periods (additional years) shall be added to the expiration date of this Agreement by mutual consent of the Parties, by the issuance of a written modification, signed and dated by all Parties.
- B. Either Party may terminate this Agreement upon thirty (30) days' written notice to the other Party. Should the Agreement be terminated by Landowner prior to its initial expiration date, Landowner shall refund the Department on a prorated basis the


funding provided pursuant to Section II 4(a) above for the remainder of the initial eight-year term of the Agreement.

- C. The Parties may mutually agree in writing to terminate this Agreement at any time. Any Party may unilaterally terminate this Agreement when the other Party is in material non-compliance with the Agreement, provided the Party in non-compliance receives written notice of the non-compliance and fails to correct the non-compliance within thirty (30) days' of the notice. In addition, if Landowner sells any portion of the Subject Property during the term of this Agreement, Landowner shall have the right to terminate this Agreement as to such sold portion of the Subject Property upon thirty (30) days' prior written notice to the Department.
- D. 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:

Al Eiden, Landowner Relations Program Manager
Arizona Game and Fish Department
5000 West Carefree Highway
Phoenix, AZ 85086
623-236-7624
AEiden@azgfd.gov

For the Landowner:

Santa Margarita Ranch, Inc.
c/o Walter Lane,


- E. The Wildlife Manager assigned to GMU 36C shall be the Department representative regarding the operation of this Agreement.
- F. 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.
- G. In accordance with A.R.S. § 35-214, all books, accounts, reports, files, electronic data, and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the State of Arizona for five (5) years after completion of this Agreement. Upon request, each Party shall produce originals of any and all such records.

- H. In accordance with A.R.S. § 41-151.12 (GS 1018), all books, accounts, reports, files, electronic data, and other records of the Parties relating to this Agreement shall be kept by the Parties for six (6) years after completion of this Agreement.
- I. Modification 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 both Parties, prior to any changes being performed. The Parties are not obligated to fund any changes not approved in advance.
- J. All work performed pursuant to this Agreement shall be in compliance with all applicable state and federal laws and regulations.
- K. To the extent required pursuant to A.R.S. § 12-1518, the parties agree to use arbitration to resolve any dispute arising under the Agreement, with each party to bear its own attorneys' fees and costs.
- L. This Agreement is subject to termination pursuant to A.R.S. § 38-511.
- M. This Agreement in no way restricts any Party from participating in similar activities with other public or private agencies, organizations, or individuals.
- N. In carrying out the terms of this Agreement, the Parties agree to comply with State Executive Order 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- O. 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.
- P. 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.
- Q. All payments or other benefits received by Landowner through this Agreement may be subject to federal and state income tax. Any questions regarding the tax status of payments or benefits should be directed to the Landowner'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:

Landowner



Thomas Gilliss
President

11/27/16
DATE

APPROVED:

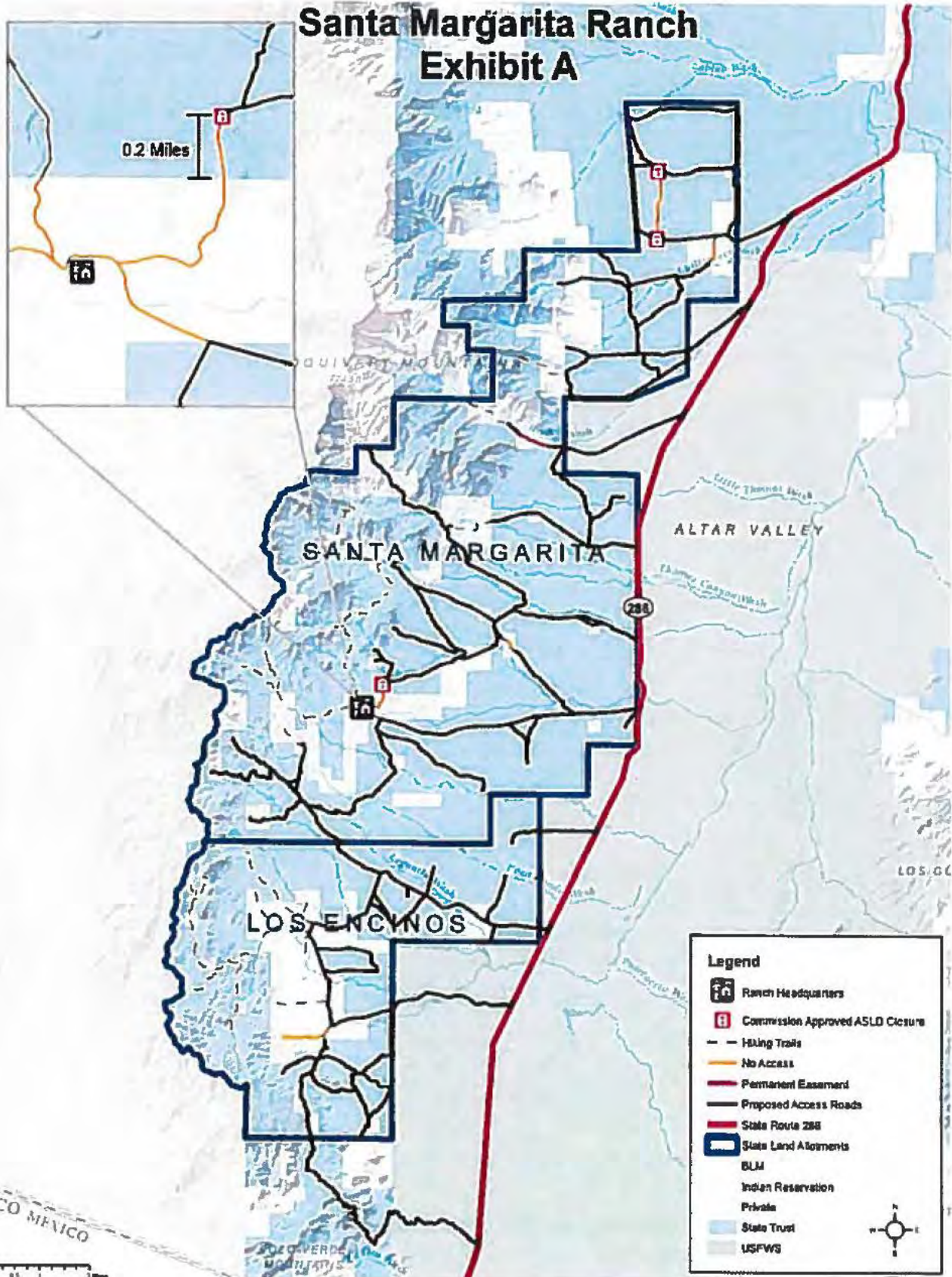
Arizona Game and Fish Department



Jim de Vos
Assistant Director
Wildlife Management Division

10/19/16
DATE

Santa Margarita Ranch Exhibit A



Legend

- Ranch Headquarters
- Commission Approved ASLD Closure
- Hanging Trails
- No Access
- Permanent Easement
- Proposed Access Roads
- State Route 288
- State Land Allotments
- BLM
- Indian Reservation
- Private
- State Trust
- USFWS