

**COOPERATIVE STEWARDSHIP AGREEMENT
FOR RECREATIONAL ACCESS**

This COOPERATIVE STEWARDSHIP AGREEMENT (Agreement) for recreational access is entered into between Jack Telles (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, said Subject Property contains recreational access routes, as illustrated on Exhibit A, necessary for entry purposes to publicly held lands beyond Subject Property, and no other public entity owns or controls the necessary access points to those publicly held lands;

WHEREAS, the Parties agree that the goods or services provided by the Department will be used by the Landowner for wildlife habitat enhancement in addition to 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 mutual promises and other goods and valuable consideration contained herein, the Department and Landowner agree to implement this Agreement to reduce or alleviate recreationists/landowner conflicts on the Subject Property under the following terms and conditions:

A. The Arizona Game and Fish Department shall:

1. Provide funding in an amount, not to exceed, Twenty Thousand dollars (\$20,000) for materials and/or labor needed for ranch operations benefiting wildlife habitat.
2. The payment for the materials and/or labor to complete the desired improvements will be in one installment of \$20,000 and will be provided after signature of this Agreement.

B. The Landowner shall:

1. Allow recreational users access to the Subject Property as illustrated in Exhibit A commencing on the effective date of this Agreement and remaining effective for five (5) years unless otherwise terminated as provided for in this Agreement.
2. 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 Subject Property to such other Party unless the Agreement has been terminated or expired.

C. The Department and Landowner mutually agree:

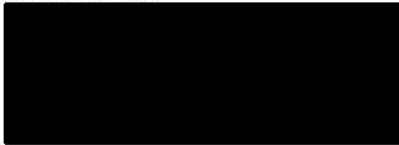
1. To cooperate with each other and to ensure all Parties successfully and satisfactorily fulfill their agreed-upon commitments as set forth in this Agreement.
2. Either Party may terminate this Agreement upon thirty (30) days' written notice to the other Party. Upon termination, all work performed pursuant to this Agreement shall cease.
3. All written notices concerning this Agreement shall be delivered in person or sent by certified mail, return receipt requested, to the Parties as follows:

a. For the Commission:

Andy Clark, Landowner Relations Program Coordinator
Arizona Game and Fish Department
5000 West Carefree Highway
Phoenix, Arizona 85086
623-236-7503
AClark@azgfd.gov

b. For the Landowner:

Telles Enterprises
Jack Telles



4. This Agreement shall be effective as of the last signature and shall expire in five (5) years from the effective date. The Parties shall monitor the progress of the projects performed hereunder and jointly complete a final assessment of the projects' effectiveness within sixty (60) days of the expiration of this Agreement.
5. That the access improvements placed on the Landowner's property by the Department pursuant to Paragraph A above shall become the property of the Landowner two (2) years after the date of the last signature below.
6. The Department's Region II Landowner Relations Program Specialist shall be the local Department representative regarding the operation of this Agreement.
7. 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.
8. 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.
 9. 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, Party shall produce original of any and all such records.
 10. All work performed pursuant to this Agreement shall be in compliance with all applicable state and federal laws and regulations.
 11. 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.
 12. In accordance with A.R.S. § 12-1518, the parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes.
 13. This Agreement is subject to termination pursuant to A.R.S § 38-511.
 14. This Agreement in no way restricts either Party from participating in similar activities with other public or private agencies, organizations, or individuals.
 15. 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.
 16. 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.
 17. The Parties agree to comply with Executive Order 2005-30, "Ensuring Compliance with Federal Immigration Laws by State Employers and Contractors," the provisions of which are hereby incorporated by reference.
 18. In accordance with A.R.S. § 41-4401, Landowner warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214, Subsection A.
 19. In accordance with A.R.S. § 35-391 and A.R.S. § 35-393, Landowner certifies that the Landowner does not have scrutinized business operations in Sudan or Iran.

All payments received by the Landowner 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 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:

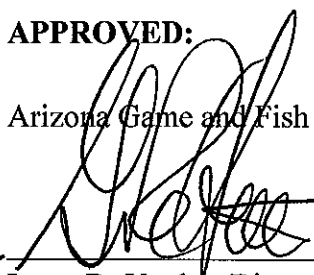
Jack Telles



8-19-2011
Date

APPROVED:

Arizona Game and Fish Commission


for _____ Deputy
Larry D. Voyles, Director Director
Arizona Game and Fish Department

18 AUG 11
Date

Exhibit A.

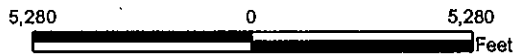
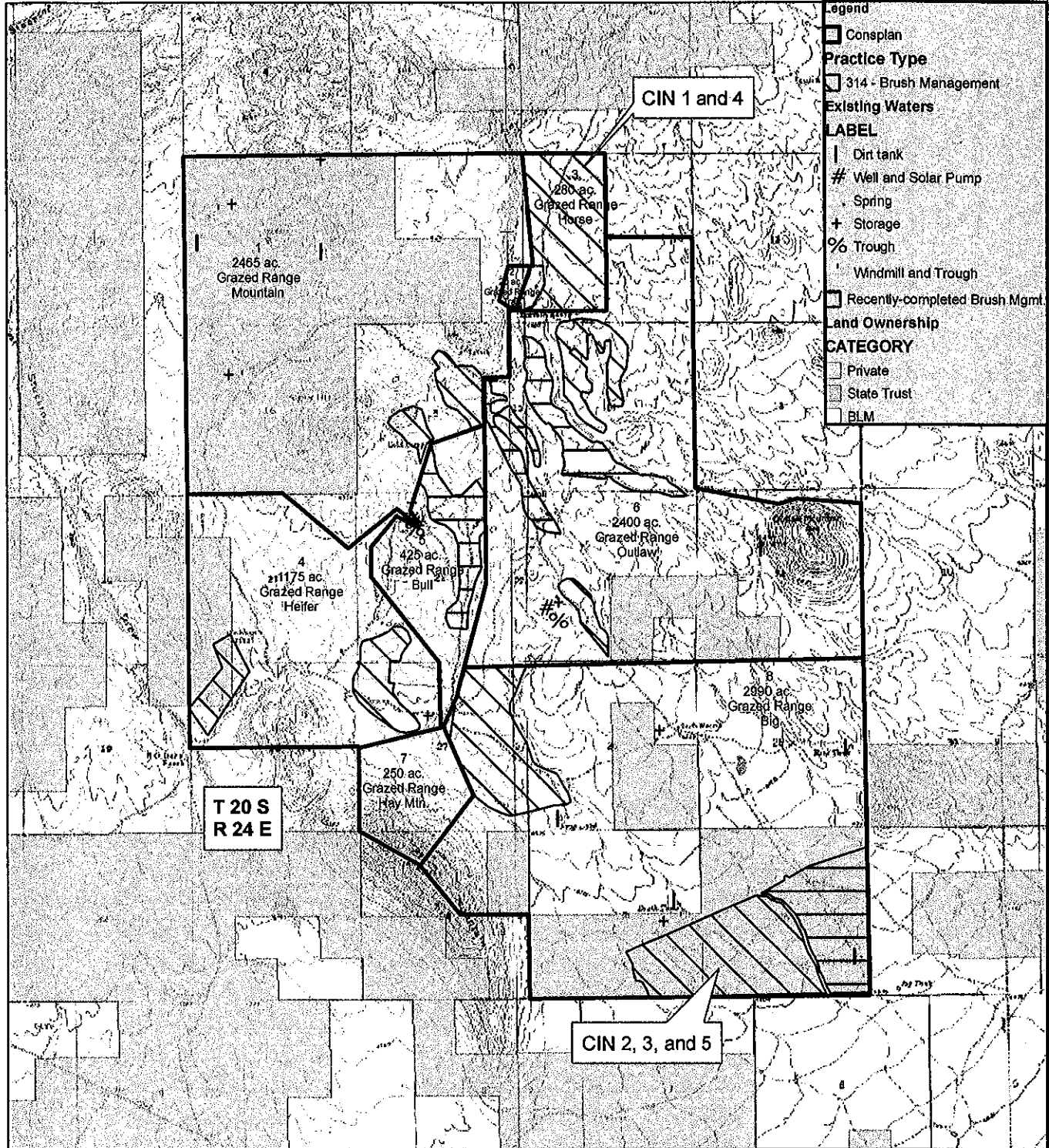
Customer(s): TELLES ENTERPRISES INC
 District: Whitewater Draw NRCD

Field Office: DOUGLAS SERVICE CENTER
 Agency: USDA-NRCS
 Assisted By: Gonzalez and Smarik
 State and County: AZ, COCHISE

Approximate Acres: 10,005

Conservation Plan Map 2010 CCPI

Date: 08/19/2010



1 inch equals 4,361 feet



