

**Livestock and Crop Conservation Grant Program
FY 2011 Grant Application Package
GRANT APPLICATION COVER LETTER**

September 1, 2010

The Arizona Department of Agriculture
Livestock and Crop Conservation Grant Program
1688 W. Adams Street
Phoenix, AZ 85007

The Bar X ranch is applying for a LCCGP grant which would assist us in addressing two critical shortfalls in our ranch operations. Our NRCS EQIP contract and a grant from the AZ Dept of Commerce will provide us with some funding for the projects which will correct the problems, and a LCCGP grant would provide funding for the remaining costs.

The first problem our ranch is facing is a lack of water distribution in three pastures. The project to correct the problem calls for the installation of three solar pumps into existing wells, solar power, water storage, pipeline and drinkers. This project is funded partially by EQIP and the AZ Dept of Commerce. We are seeking a LCCGP grant for matching funds to pay for our portion of project costs.

The second problem is a lack of fencing and water in a recently acquired 11,000 acre pasture. Without fencing and water the pasture cannot be utilized.

At the completion of these projects, the Bar X ranch will have more water, a much better distribution of water, and a greatly improved and expanded, rotational grazing system. These improvements will result in a healthier rangeland, better habitat for wildlife, and an improved economic situation for the ranch. The chances of survival of the Bar X as a cattle operation will be greatly increased, and the possibility of selling the ranch for development or subdivision will be decreased. By insuring economic viability of the ranch, private land will remain in agriculture, which preserves open space and wildlife habitat. By maintaining open space and wildlife habitat, the public will benefit by having greater recreational and hunting opportunities.

We are hopeful of receiving a LCCGP grant so we can continue our stewardship of the land, and meet our goal of leaving the land better than we found it.

Sincerely,



Michael and Diana Hemovich
Bar X Ranch
Young, Arizona

**ARIZONA DEPARTMENT OF AGRICULTURE
LIVESTOCK & CROP CONSERVATION GRANT PROGRAM
GRANT AWARD CONTRACT**

GRANT NO. LCCGP11-74

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COVER PAGE

Project Title: Bar X Water Distribution & Fencing Project

Livestock & Crop Conservation Grant Award Amount: \$83,596.00

This Agreement shall become effective: Upon the date it is executed by both parties.

Termination Date: December 31, 2011

TERMS OF AGREEMENT

This Grant Award Contract is entered into by **THE BAR X, LLC (GRANTEE)**, and the **ARIZONA DEPARTMENT OF AGRICULTURE (DEPARTMENT)**, through its Director pursuant to authority granted to the Department by A.R.S. § 41-511.23(G)(1) and in accordance with A.R.S. § 41-2701 *et seq.* The parties agree to the terms and conditions of this Grant Award Contract and agree to abide by all laws governing the expenditure of LCCGP funds.

Each signatory certifies it has authority to enter into this Grant Award Contract.

GRANTEE		DEPARTMENT	
<i>Michael Hemovich</i> <i>1/17/11</i>		<i>Donald Butler</i> <i>12/29/10</i>	
Signature of Authorized Individual	Date	Signature of Authorized Individual	Date
MICHAEL HEMOVICH		Donald Butler	
Printed Name		Typed Name	
MEMBER LLC		Director	
Printed Title		Typed Title	

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GENERAL PROVISIONS

1. DEFINITIONS

As used throughout this Contract, including the General Provisions and the Scope of Work, the following terms shall have the meaning set forth below:

- a. "Director" means the agency head of the Arizona Department of Agriculture or a person duly authorized by the Director to act on the Director's behalf.
- b. "Deliverables" means the reports, documentation, and other materials developed for submission to the Program Coordinator by the Grantee in the course of the Grantee's performance under this Contract.
- c. "Department" means the Arizona Department of Agriculture.
- d. "Equipment" means one or more tools, implements, or instruments purchased or leased with Grant funds pursuant to this Contract that is intended to be used to carry out the purposes of this Contract.
- e. "Farm" means privately owned property and leased property of the Grantee that make up the operation and function of the farming operation.
- f. "Grantee" means the person, firm, or organization performing the work or delivering the items described in this Contract.
- g. "Grant Agreement" or "Contract" means this Livestock & Crop Conservation Grant Award Contract between the Department and Grantee.
- h. "Grant Agreement Amendment" means a written document, signed by an authorized representative of both parties for the purpose of making changes to the Grant Agreement.
- i. "Grant Application" means the application filed by the Grantee upon which this Contract was awarded.
- j. "Grant-assisted Improvement" means any physical improvement to the operation made by the Grantee that was funded in whole or in part through this Contract.
- k. "Operation and Maintenance Period" means the period of time during which Grant-assisted Improvements shall be operated and maintained.
- l. "Project" means the total of all work to be performed by the Grantee as set forth in this Contract.
- m. "Project Location" means the physical location of the Project.
- n. "Program Coordinator" means the Arizona Department of Agriculture staff person delegated by the Director to administer this Contract.

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- o. "Ranch" means privately owned property and leased property of the Grantee that make up the operation and function of the ranching operation.
- p. "Records" means all books, accounts, reports, files and other records relating to this Contract.
- q. "Scope of Work" means that part of this Contract that describes the work to be performed by the Grantee to accomplish the Project purpose. If the Scope of Work conflicts with the General Provisions, the terms of the Scope of Work shall govern.
- r. "Shall" means what is mandatory.
- s. "State" means the State of Arizona, including the Department of Agriculture.
- t. "Subdivision" means any division of land into two or more parcels. Subdivision includes without limitation land for which a vicinity plan, preliminary plat, final plat or similar document has been approved by a municipality, or county body in which it is filed, such as a Planning and Zoning Commission.
- u. "Task" means the specific provisions in the Scope of Work of this Contract that describe the nature and manner of the specific work to be performed and the Deliverables to be submitted to the Program Coordinator by the Grantee.

2. GENERAL REQUIREMENTS

- a. This Contract shall be governed by and construed in accordance with the laws of the State of Arizona.
- b. The Grantee shall obtain and maintain all licenses, permits, and authorizations necessary to perform its obligations under this Contract. The Grantee is responsible for compliance with all applicable local, state, and federal laws.

3. RELATIONSHIP OF THE PARTIES

The parties agree that the Grantee shall not be considered an employee, associate, partner, officer, joint venturer, or agent of the State as a result of this Contract. The Grantee is solely responsible for the planning, design, scope, and implementation of the Project funded through this Contract. The State is not responsible for any liabilities resulting from the Grantee's planning, design, scope and implementation or performance of the Project funded through this Contract.

4. NO WAIVER

Either party's failure to insist on strict performance of any term or condition of this Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

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5. AUDIT OF RECORDS

Pursuant to A.R.S. § 35-214, the Grantee shall retain and shall contractually require each subcontractor to retain all Records relating to this Contract for a period of five years after completion of the Contract and until any litigation, claim, negotiation, audit, cost recovery, or action involving the records has been completed. All Records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Grantee shall produce the original of any or all such Records.

6. INDEMNIFICATION

The Grantee shall indemnify, defend, save, and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Grantee or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the Grantee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the Grantee from and against any and all claims. It is agreed that the Grantee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the Grantee agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Grantee for the Department.

This indemnity shall not apply if the Grantee or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

The Grantee shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Grantee of any claim for which it may be liable under this paragraph.

7. RESOLUTION OF DIFFERENCES

- a. Disputes arising during the performance of this Contract will be resolved to the maximum extent possible through cooperation and coordination of the Grantee and the Program Coordinator. If the Grantee and the Program Coordinator are unable to resolve the differences or circumstances require an immediate decision, the Program Coordinator will refer the dispute to the Director for resolution. Appeals to decisions made by the Director may be taken in accordance with A.R.S. § 41-1092.03(B).

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- b. To the extent required by A.R.S. § 12-133 and § 12-1518, the Department and Grantee agree to use arbitration to resolve any disputes arising out of this Contract, with each to bear its own attorneys' fees and costs.
- c. Disputes arising out of this Contract are subject to the jurisdiction of the Superior Court of the State of Arizona.

8. STOP WORK NOTICE

In the event of unapproved changes in the Scope of Work, performance outside the scope of the Contract, illegal or unpermitted activities, or other material discrepancies between the Contract and the Grantee's activities, the Department reserves the right to issue notice to the Grantee to stop work. The notice will further specify that the Department will not approve resumption of performance or further payments until the issue or issues identified in the stop work notice have been resolved to the satisfaction of the Department.

9. PROJECT PERIOD

The Department agrees to reimburse Grantees for work activities performed during the project period as described in this Contract. The Department is not required to reimburse Grantee for any work activities initiated prior to execution of this Contract or after the project period has elapsed. The Department may extend the project period, if requested by the Grantee, by executing a Contract Amendment (see paragraph 17, Amendments).

10. TERMINATION OF CONTRACT

- a. Suspension or Debarment. The State may, by written notice to the Grantee, immediately terminate this Grant Agreement if the State determines that the Grantee has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Execution of this Contract shall attest that the Grantee is not currently suspended or debarred. If the Grantee becomes suspended or debarred, the Grantee shall immediately notify the Department.
- b. Termination for Convenience. The Department reserves the right to terminate this Contract in whole or in part at any time, when in the best interests of the State of Arizona, without penalty or recourse. Upon receipt of written notice of termination, the Grantee shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the Department. In the event of termination under this paragraph, all documents, data and reports prepared by the Grantee under this Contract shall become the property of and be delivered to the Department. The Grantee shall be entitled to receive reimbursement for work completed and materials accepted before notification of termination. The Department is under no obligation to continue reimbursement for any work activities undertaken after notification of termination.
- c. Termination for Default. The Department reserves the right to terminate this Contract in whole or in part due to the failure of the Grantee to comply with any term or condition of this

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Contract or to acquire and maintain all required insurance policies, bonds, licenses and permits. The Department shall provide written notice of the termination and the reasons for it to the Grantee.

- d. Non-Availability of Funds. Every payment obligation of the State under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Contract, this Contract may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- e. Continuation of Work Activities After Termination. Termination of this Contract does not prohibit the Grantee from independently continuing work on the project, but any such independent continuation is solely the responsibility of the Grantee.

11. CONFLICT OF INTEREST

Pursuant to A.R.S. § 38-511, the State may cancel this Grant Agreement within 3 years after Grant Agreement execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Grant Agreement on behalf of the State is or becomes at any time while the Grant Agreement or an extension of the Grant Agreement is in effect an employee of or a consultant to any other party to this Grant Agreement with respect to the subject matter of the Grant Agreement. The cancellation shall be effective when the Grantee receives written notice of the cancellation unless the notice specifies a later time. If the Grantee is a political subdivision of the State of Arizona, it may also cancel this Grant Agreement as provided in A.R.S. § 38-511.

12. NON-DISCRIMINATION

The Grantee shall comply with Executive Order 99-4, incorporated herein by reference, which mandates that all persons, regardless of race, creed, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Grantee shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

13. PAYMENTS

- a. Use of Grant Funds. Awarded grant funds shall be used solely for eligible purposes as approved by the Department. Line item fundings are considered estimates of costs, however, the total project cost is considered exact and shall not be exceeded by the Grantee unless otherwise amended.
- b. Actual cost, reimbursement and advance.

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- 1) Payments under the Contract shall be by actual cost and reimbursement. The Grantee is eligible for reimbursement of actual expenses incurred that are necessary to complete Tasks as specified in the Scope of Work.
 - 2) The Grantee may request advance payment of partial grant funds. The Grantee shall submit written justification to the Program Coordinator explaining the need for a funding advance and detailed documentation justifying the amount of the advance requested. Funding advances will be subject to Program Coordinator approval. If advance payment is made, the Grantee shall demonstrate that all advanced monies have been expended prior to requesting reimbursement for other allowable expenses.
- c. Each Payment is conditioned upon receipt and approval by the Program Coordinator of the Deliverable(s) specified in the Scope of Work and shall be accompanied by reasonable assurance (documentation, receipts, invoices, etc.) that the goods and services for which payment is requested were actually received and performed. The Department has the right to disallow expenses determined inappropriate or unreasonable. The Program Coordinator shall have a minimum of thirty (30) working days to approve the Deliverable(s) and payment request forms.
- d. If the Program Coordinator determines that the Grantee is in default in the performance of any obligation under this Contract, the Program Coordinator may either adjust the amount of payment or withhold payment until satisfactory resolution of the default.
- e. In order to receive payment under this Contract, the Grantee shall have a current IRS-W9 Form on file with the Department.

14. RECOUPMENT OF PAYMENTS

The Grantee shall reimburse the Department for all grant funds determined by the Department not to have been spent in accordance with the terms of this Contract.

15. PERMITTING REQUIREMENT

The Department does not determine which, if any, permits are required for the Project nor does it review permits for accuracy or appropriateness. The Grantee is responsible for determining that all necessary permits that apply to the Project are identified and obtained.

State Historic Preservation Office (SHPO) clearance is required for all projects funded by the State of Arizona. If applicable, the Grantee shall obtain SHPO clearance prior to any ground disturbing work. The Grantee certified by signing the SHPO Certification Form included in the Grant Application that all necessary steps to comply with SHPO will be taken by the Grantee. If the Grantee is unsure as to whether or not SHPO clearance is necessary, the Grantee shall contact the Program Coordinator.

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16. NOTICES

Whenever notice is required pursuant to this Contract, such notice shall be in writing and shall be directed to the persons and addresses specified for such purpose in the Scope of Work, or to such other persons and addresses as either party may designate to the other party in writing. Unless otherwise set forth in this Contract, notice shall be delivered in person or by certified mail, return receipt requested.

17. AMENDMENTS

The Grant Agreement shall be modified only through a Grant Agreement Amendment by mutual written consent executed by the Department and the Grantee. Unauthorized changes to this Grant Agreement shall be void and without effect, and the Grantee shall not be entitled to any claim under this Grant Agreement based on those changes.

18. SUBCONTRACTS

- a. Subcontractors or consultants may be used in the performance of Tasks described in the Scope of Work of this Contract. The Grantee shall not enter into any Subcontract under this Grant Agreement without consideration for impact on the project. The Grantee shall report any Subcontract awards or changes as part of that calendar year's narrative report (see Scope of Work, section D. 3).
- b. Any subcontractor or consultant participating in this Contract shall comply with the terms and conditions of this Contract, as set forth in the General Provisions and Scope of Work.

19. ASSIGNMENTS

- a. The Grantee shall not assign any obligations under this Contract to another party without prior written approval of the Department.
- b. In the event that the Grantee transfers control of the Project Location through sale of the Ranch/Farm, this Contract and related grant funds may be transferable to the new owner provided that the new owner maintains the ranching/farming operation intact and there is no subdivision of the private property affiliated with the Ranch/Farm prior to or as part of the sale. If the Grantee sells the Ranch/Farm, the Grantee shall immediately notify the Department of the sale and provide the Department with the new owner contact information and verification that private property sold was not subdivided. If any subdivision of private property affiliated with the Ranch/Farm took place prior to or as part of the sale, the Grantee shall repay all grant funds allocated under this Contract to the Department.
- c. Except as provided in subsection b, the Grantee shall not subdivide or sell any private property affiliated with the Ranch/Farm during the term of this Contract. After the completion of this Contract, the Grantee shall not subdivide or sell more than 20 percent of the private property affiliated with the Ranch/Farm for five (5) years. If the Grantee subdivides or sells private property affiliated with the Ranch/Farm prior to the completion of this Contract or subdivides or sells more than 20 percent of the private property affiliated

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with the Ranch/Farm within five years after the completion of this Contract, the Grantee shall immediately notify the Department and repay all grant funds allocated under this Contract to the Department.

- d. Notwithstanding the foregoing, during the five (5) years following completion of the Contract, if a Grantee transfers control of the Project Location through sale of the Ranch/Farm and the new owner maintains the ranching/farming operation intact and there is no subdivision of the private property affiliated with the Ranch/Farm prior to or as part of the sale or by the new owner or any subsequent owner prior to the expiration of those five (5) years, the Grantee shall not be required to repay the grant funds pursuant to this section.

20. SEVERABILITY

The provisions of this Grant Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Grant Agreement.

21. INCORPORATION OF GRANT APPLICATION

The Grantee's approved Grant Application is incorporated by reference as part of this Contract; however, the terms of this Contract shall take precedence over the terms of the approved Grant Application in the event of conflict or ambiguity.

22. OPERATION AND MAINTENANCE

- a. Any Grant-assisted Improvements implemented through the Project must be properly operated and maintained for the intended purposes and duration as stated in the Grant Application. Operation includes the administration, management, and performance of non-maintenance actions needed to keep the completed improvements safe and functioning as intended. Maintenance includes work to prevent deterioration of the improvement, repairing damage, or replacement of the improvement to its original condition if one or more components fail.
- b. If, during the term of this Contract, a major flood, fire, or other force majeure causes substantial damage to the ranching or farming operation, or to any Grant-assisted Improvement, the Grantee shall notify the Program Coordinator in writing within fifteen (15) calendar days of discovering the damage. The parties shall assess the damage and determine whether to continue the Project and/or operation and maintenance responsibilities.

23. EQUIPMENT

- a. The Grantee shall not purchase or lease Equipment without the prior approval of the Program Coordinator.
- b. Equipment approved for purchase shall be the property of the Grantee, and the Grantee shall be responsible for maintenance and safekeeping of such Equipment.
- c. Equipment shall be used only for the purposes of this Contract.

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24. OWNERSHIP OF INFORMATION

Title to all documents, reports and other materials prepared by the Grantee in performance of this Grant Agreement shall rest in the Department, except for copyrighted material prepared in advance of this Grant Agreement by the Grantee at the expense of the Grantee. The Department shall have full and complete rights to reproduce, duplicate, disclose, publish, advertise, perform and otherwise use all documents, reports and other materials prepared under this Grant Agreement, except for copyrighted material. The Grantee shall have full and complete rights to reproduce, duplicate, disclose, publish, advertise, perform and otherwise use all documents, reports and other materials prepared under this Grant Agreement.

25. IMMIGRATION

The Grantee warrants, in accordance with A.R.S. § 41-4401, that it is in compliance with all federal immigration laws and regulations and A.R.S. § 23-214(A) and agrees to require all subcontractors to execute a similar warranty. The Parties agree that the breach of such warranty, including by any sub-contractor, shall be deemed a material breach of this Contract subject to penalties up to and including termination of the Contract. The Department retains the right to inspect the papers of any employee who works on the Contract to ensure compliance with such warranty.

26. INTEGRATION

This Contract constitutes the entire agreement between the Department and Grantee pertaining to the subject matter herein and accurately sets forth their rights, duties and obligations. All prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein.

27. SURVIVABILITY

Notwithstanding anything herein to the contrary, the parties understand and agree that all representations and warranties made by the Grantee and all terms and conditions of this Contract that may require continued performance, compliance, or effect beyond the termination date of this Contract shall survive the expiration or termination of this Contract.

28. THIRD PARTY ANTI-TRUST VIOLATIONS

The Grantee assigns to the State any claims for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Grantee toward fulfillment of this Contract.

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SCOPE OF WORK

A. EFFECTIVE DATE:

This Contract shall become effective upon the date it is executed by both parties.

B. TERM:

This Contract shall terminate on December 31, 2011.

C. NOTICES, CORRESPONDENCE, REPORTS AND PAYMENTS:

1. Notices, correspondence and payments on behalf of the Department to the Grantee shall be sent to (list name, mailing address, phone, fax and email address):

The Bar X, LLC
Bar X Ranch
Michael Hemovich
PO Box 466
Young, AZ 85554
Phone: (928) 462-3743
Fax: (928) 462-3743
E-mail: MH520@aol.com

2. Notices, correspondence, data, analyses, inquiries, invoices, technical reports and other information, including all Deliverables from the Grantee to the Department shall be sent to:

Program Coordinator:

Karol Hagman
Arizona Department of Agriculture
1688 W. Adams St.
Phoenix, Arizona 85007
Phone: (602) 542-0972
Fax: (602) 364-0830
E-mail: khagman@azda.gov

D. DELIVERABLES

1. Included with every reimbursement request, the Grantee shall submit to the Program Coordinator a budget report and a brief narrative report. A paper copy of the budget and narrative reports shall be mailed to the Department. The reports shall include, but are not limited to, budget expenditures, in-kind expenditures, and a brief narrative of the project's progress, as applicable. Grantee must obtain Program Coordinator pre-approval before any funds are relocated within the original/approved budget in the Grant Application. The Grantee is responsible for responding to any inquiries from the Department.
2. The Grantee shall identify the Grant Contract Number and Task Number(s) completed in all reports submitted to the Program Coordinator.

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3. On an annual basis, until the project is completed and the Contract is terminated, the Grantee shall submit to the Program Coordinator a budget report and narrative report. The reports shall include, but are not limited to, budget expenditures, in-kind expenditures and a narrative detailing how grant funds were used to achieve project objectives to date as outlined by the Grantee in the Grant Application. **Reports must be sent to ADA by July 31 of each year following the execution of the contract.**

4. At the end of the project, a final budget and final narrative report must be submitted and approved by the Department. The final narrative report shall include at a minimum: a summary of the project goals and objectives, project results or outcomes (including any data or photos), aspects of the project that worked well and things that did not work well, any public involvement and coordination, how the project has preserved open space, and how the project has benefited the State of Arizona. The Department will not disburse final payment until the final report and all requirements of the Grant Agreement have been fulfilled. All remaining grant funds or outstanding grant funds must be reconciled.

NOTE: The Grantee shall be required to schedule a monitoring visit with their grant coordinator when the project is completed.

5. The Grantee shall include the following language in all reports prepared for this Contract and in any publication of reports or results generated with the financial support of the Arizona Department of Agriculture:
 - a) "The Arizona Department of Agriculture has funded all or a portion of this Project."
 - b) "The views or findings presented are the Grantee's and do not necessarily represent those of the State, or the Arizona Department of Agriculture."

E. PROJECT SUMMARY:

The purpose of this project is to provide funds to install fencing, pipeline, a solar pumping plant, storage tanks and drinkers. The projects will improve water availability for livestock and wildlife, increase grazing management options and improve the health of the rangeland and the productivity of the forage. A portion of this project will be funded through USDA NRCS-EQIP agreement #7494570709D and a solar conversion grant from the Arizona Department of Commerce.

F. PROJECT BUDGET

Budget Category	LCCGP Funds
Equipment	
Dozer	\$4,500.00
<i>Equipment Total</i>	<i>\$4,500.00</i>
Supplies	
Fence materials	\$10,000.00
<i>Supplies Total</i>	<i>\$10,000.00</i>
Other	
Contract fence installation	\$52,000.00

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Matching funds to AZ Dept. of Commerce solar grant	\$7,355.00
Matching funds to USDA NRCS-EQIP	\$9,741.00
<i>Other Total</i>	<i>\$69,096.00</i>
TOTAL LCCGP BUDGET	\$83,596.00

G. SCHEDULE OF TASKS, DELIVERABLES AND PAYMENTS:

No.	Task	Deliverable	Expected Date of Completion	LCCGP Cost
1	Install new pumps, storage tanks & drinkers.	Water development project completed.	1/11	\$17,096.00
2	Obtain fencing materials.	Fencing materials obtained.	3/11	\$10,000.00
3	Contract labor for fence construction.	Fence installed.	9/11	\$52,000.00
4	Construct dirt tanks.	Dirt tanks completed.	5/11	\$4,500.00
5	On a quarterly basis as appropriate, request reimbursement from ADA.	Submit ADA Reimbursement Form with required LCCGP reports and supporting documentation (i.e. paid invoices)	12/10 –12/11	-
6	Write and submit annual report(s) to ADA on progress of projects and disposition of grant funds to date.	Annual Report(s) Submitted	7/11	-
7	Write and submit Final Reports to ADA to close out grant (see section D of this Scope of Work).	Final Reports Submitted.	12/11	-
TOTAL GRANT AMOUNT:				\$83,596.00

**ARIZONA DEPARTMENT OF AGRICULTURE
LIVESTOCK & CROP CONSERVATION GRANT PROGRAM
GRANT AWARD CONTRACT
AMENDMENT**



Arizona Department of Agriculture
Livestock & Crop Conservation Grant Program
1688 W. Adams St.
Phoenix, AZ 85007

LCCGP Grant No. 11-74

AMENDMENT NO. 1

Grantee Name: The BARY, LLC

Project Title:

BARY WATER DISTRIBUTION AND FENCING PROJECT

The Grantee and the Department hereby amend paragraph 13(b)(2) of the grant award contract to provide:

"The Grantee may request advance payment of partial grant funds. The Grantee shall submit written justification to the Program Coordinator explaining the need for a funding advance and detailed documentation justifying the amount of the advance requested. Funding advances will be subject to Program Coordinator approval. If advance payment is made, the Grantee shall (i) provide reasonable assurance (documentation, receipts, invoices, etc.) that the advanced funds were used to pay for goods and services covered by the Scope of Work actually received and performed and (ii) return the unspent portion of the advance within 60 days. The Department has the right to disallow expenses determined inappropriate or unreasonable. The Grantee shall also demonstrate that all advanced monies have been expended or returned prior to requesting reimbursement for other allowable expenses."

GRANTEE

DEPARTMENT

Michael Hemovich 03/15/11

Donald Butler 3/16/11

Signature of Authorized Individual Date

Signature of Authorized Individual Date

MICHAEL HEMOVICH

Donald Butler

Typed Name

Typed Name

Member The BARY, LLC

Director

Typed Title

Typed Title

ARIZONA DEPARTMENT OF AGRICULTURE
LIVESTOCK & CROP CONSERVATION GRANT PROGRAM
GRANT AWARD CONTRACT
AMENDMENT



Arizona Department of Agriculture
Livestock & Crop Conservation Grant Program
1688 W. Adams St.
Phoenix, AZ 85007

LCCGP Grant No. LCCGP11-74

AMENDMENT NO. 2

Grantee Name: The Bar X, LLC

Project Title:

Bar X Water Distribution and Fencing Project

Identify the applicable section(s) of the contract that needs to be amended. Describe in detail the proposed changes to the contract and provide an explanation for the need for the requested amendment. (Additional pages may be attached if needed).

We have one unfinished project on our LCCGP grant. This project calls for us to construct 4.5 miles of fence. Prior to starting construction it was determined that a small portion of the fence was within critical habitat of the Mexican spotted owl. The US Fish and Wildlife service granted us approval to begin construction on Nov 27, 2011. We began construction the next day, and built one mile of fence in 5 days. The fence, which is located at an elevation of 6,500 ft then received over 19 inches of snow, stopping our construction effort. As soon as weather permits we will continue work on the fence. Since I cannot predict future weather in the Mogollon Rim area I can only guarantee that we will complete the fence by June 30, 2012. I therefore request an amendment to my grant changing the expiration date to June 30, 2012.

The applicable section of my contract is: Section G, No. 3., expected date of completion.

GRANTEE

DEPARTMENT

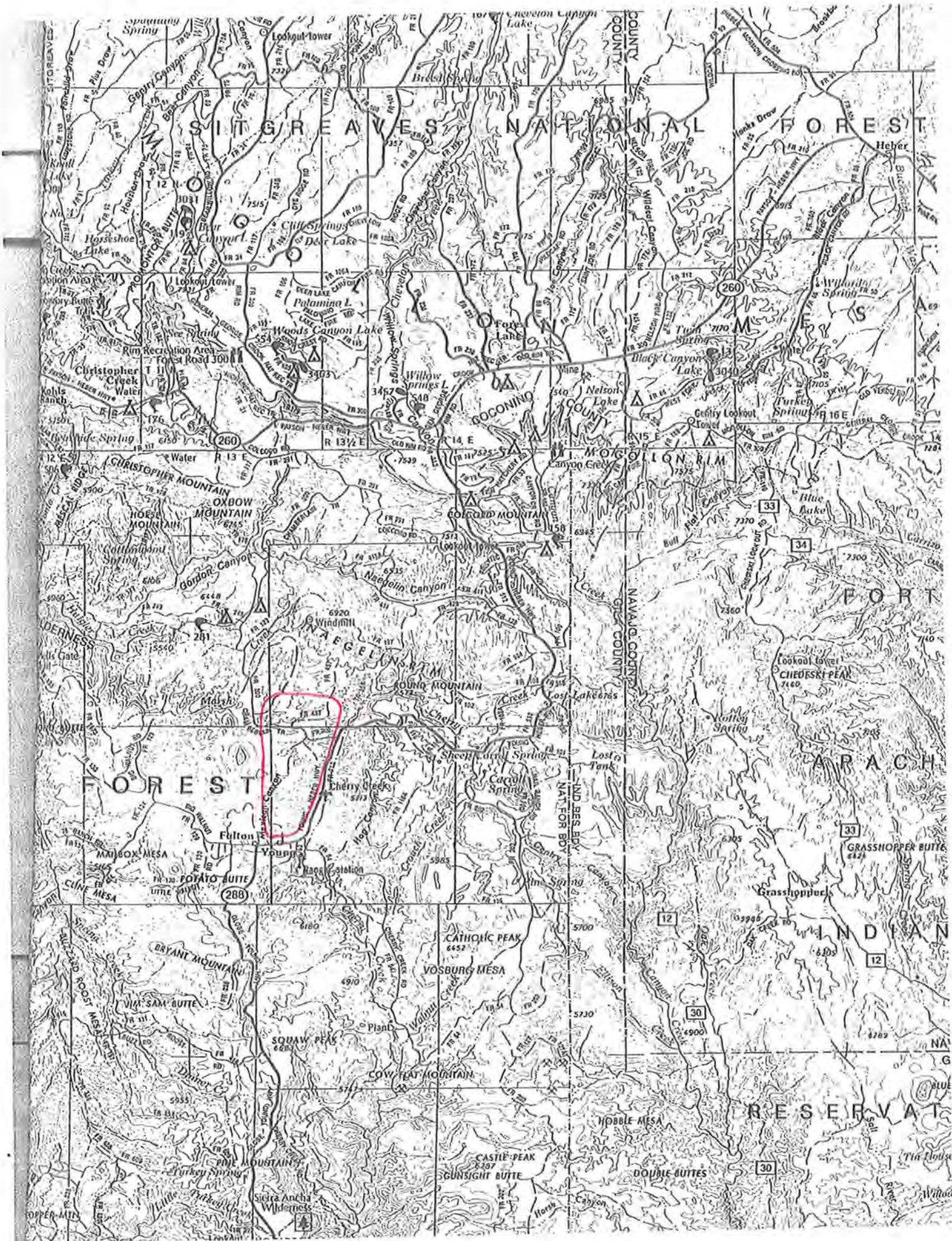
Signature of Authorized Individual Date

Michael Hemovich 11/3/12

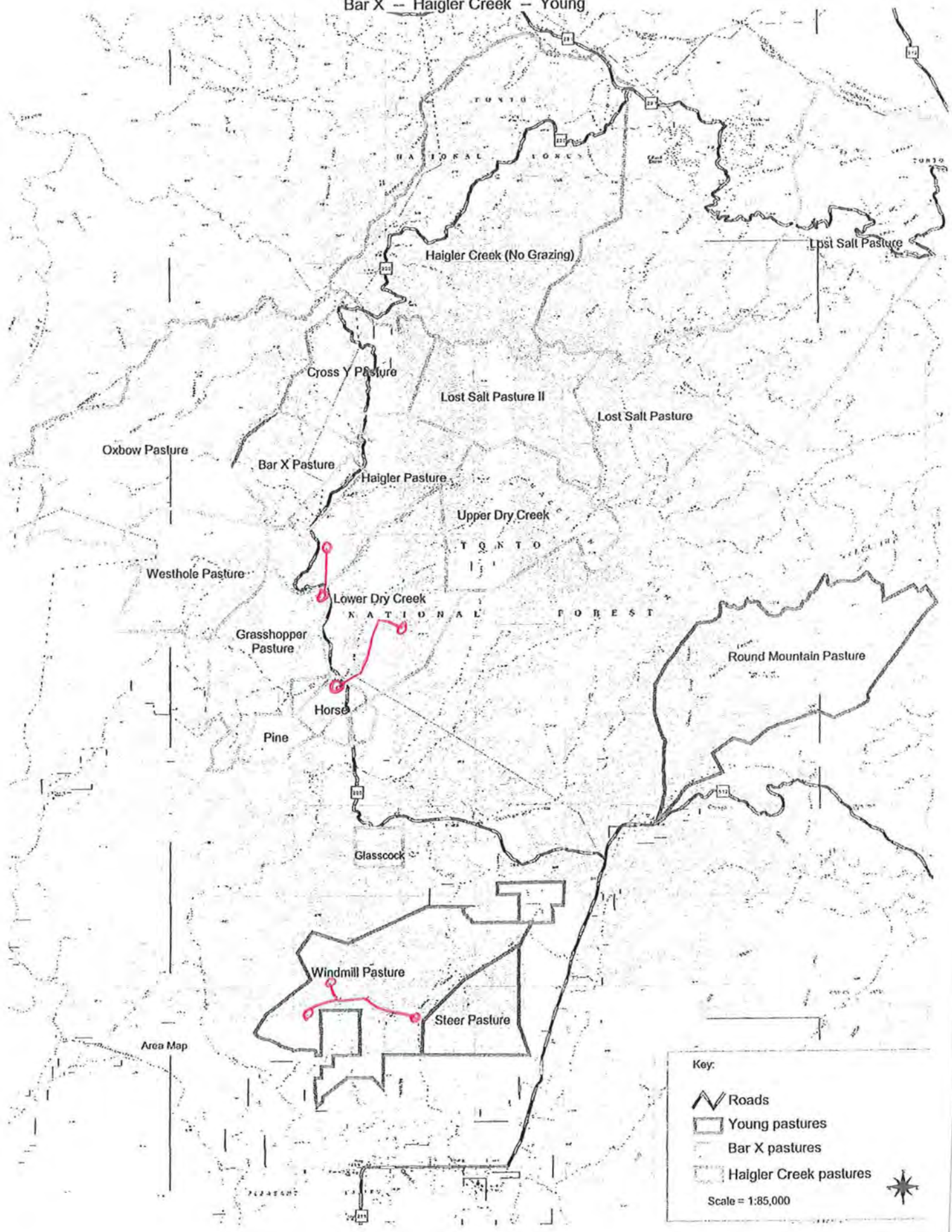
Signature of Authorized Individual Date

Donald Butler 11/4/12
Donald Butler

Typed Name Michael Hemovich	Typed Name Director
Typed Title Owner, The Bar X, LLC	Typed Title




Bar X -- Haigler Creek -- Young



Area Map

Key:

-  Roads
-  Young pastures
-  Bar X pastures
-  Haigler Creek pastures

Scale = 1:85,000



PROJECT #1

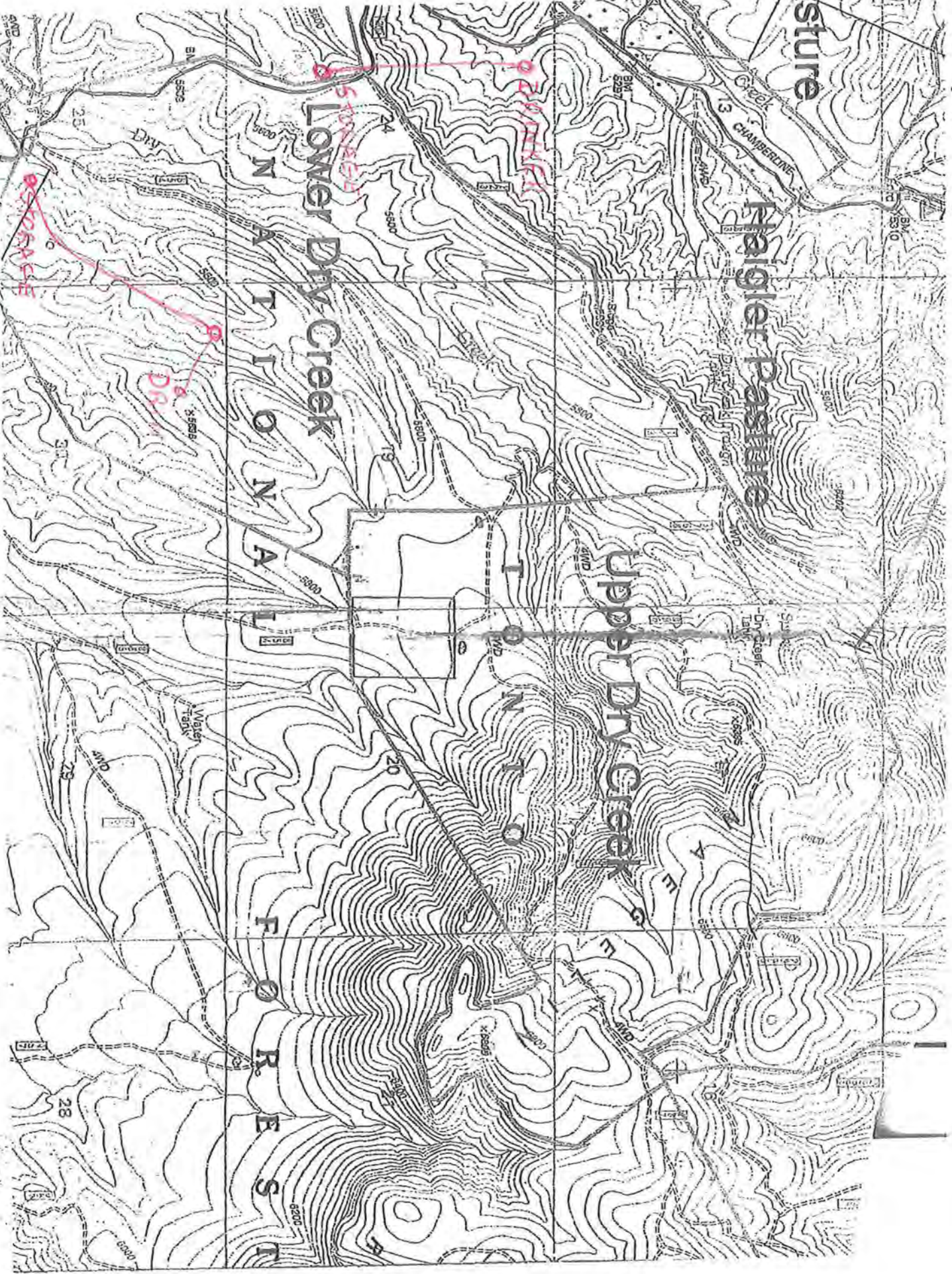
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Haigler Pass

Upper Dry Creek

Lower Dry Creek

N A T I O N A L F O R E S T



PROJECT #1

PROJECT #1



PROJECT #1

PROJECT #2

LOST SALT PASTURE

Lost Salt Pasture

PROJECT #2

