Award Identifying Number: _____
NEST Agreement Number: _____

FISCAL YEAR 2014
STATEMENT OF WORK
BETWEEN THE
UNITED STATES OF AMERICA
COMMODITY CREDIT CORPORATION
ACTING THROUGH THE
NATURAL RESOURCES CONSERVATION SERVICE
and the
[ENTITY or ENTITIES NAME(S)]
for the
AGRICULTURAL CONSERVATION EASEMENT PROGRAM

This Cooperative Agreement is entered into by and between the **United States of America (the United States),** acting by and through the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) on behalf of the Commodity Credit Corporation (CCC), and the **[ENTITY or ENTITIES NAME(s)]** (hereinafter whether singular or plural **ENTITY**) for the implementation of the Agricultural Conservation Easement Program (ACEP) Agricultural Land Easement (ALE) component. The CCC shall utilize the expertise and services of NRCS to administer this program and perform the duties set forth within this Cooperative Agreement. The term "Parties" as used herein refers collectively to the United States and the **ENTITY.**

I. AUTHORITY.

This Cooperative Agreement is entered into by the United States under the authorities of the Commodity Credit Corporation Charter Act, 15 U.S.C. 714 et seq. and Agricultural Conservation Easement Program, Subtitle H of Title XII of the Food Security Act of 1985, as amended by Section 2301 of the Agricultural Act of 2014 (Public Law 113-79) (the Act). In addition to these authorities, this Cooperative Agreement will be administered in accordance with the policies and procedures set forth in the FRPP regulation, 7 CFR part 1491 and **[cite to April 30 National Bulletin].** The CCC administers the ACEP under the general supervision of the Chief of the NRCS who is a Vice President of the CCC.

II. BACKGROUND AND PURPOSE.

The Act authorizes the Secretary of Agriculture to facilitate and provide funding for the purchase of Agricultural Land Easements on eligible land by an eligible entity from an eligible landowner. The Act authorized ACEP funding for fiscal years (FY) 2014 through 2018.

WHEREAS, eligible entity means Indian Tribe, State government, local government, or a nongovernmental organization that has an agricultural land easement program that purchases agricultural land easements for one or more of the following two purposes:

1. protecting the agricultural use and future viability, and related conservation values, of eligible land by limiting nonagricultural uses of that land; or

2. protecting grazing uses and related conservation values by restoring and conserving eligible land.

WHEREAS, eligible land means land determined by NRCS to be privately owned agricultural land, including land on a farm or ranch, that is subject to a written pending offer to purchase an agricultural land easement, meets one or more of the four criteria listed below, and meets one or more of the acceptable land uses identified in the Act:

1. has prime, unique, or other productive soil;

NRCS Representative Initial_____

Recipient Representative Initial _____

2. contains historical or archaeological resources;

3. the enrollment of which would protect grazing uses and related conservation values by restoring and conserving land; or

4. the protection of which will further a State or local policy consistent with the purposes of ACEP.

WHEREAS, eligible landowner means all persons, legal entities, or Indian Tribes having legal ownership of land and those who may be buying eligible land under a written purchase agreement. The term landowner may include all forms of collective ownership including joint tenants, tenants-in-common, and life tenants. State governments, local governments, and nongovernmental organizations that qualify as eligible entities are not eligible as landowners. In addition, to be eligible a landowner must meet the applicable highly erodible land and wetland compliance provisions of the Act.

WHEREAS, Section 1265A of the Act defines an Agricultural Land Easement as an easement on eligible land that is conveyed for the purpose of protecting natural resources and the agricultural nature of the land; and permits the landowner the right to continue agricultural production and related uses subject to an agricultural land easement plan, as approved by the Secretary of Agriculture.

WHEREAS, the **ENTITY** and the United States have mutual interests in protecting eligible land for agricultural use and future viability, and related conservation values, by limiting nonagricultural uses of that land or protecting grazing uses and related conservation values by restoring and conserving agricultural land; and

WHEREAS, the United States administers the ACEP through NRCS on behalf of the CCC; and

WHEREAS, the **ENTITY** administers an agricultural land easement program and has written pending offers for acquiring Agricultural Land Easements on eligible land from landowners within **[STATE]**, the **ENTITY** has submitted these eligible lands to the United States for consideration for funding under ACEP, the Parties have agreed to combine their resources to assure that such eligible lands are protected for agricultural use and future viability, and related conservation values, by limiting nonagricultural uses of that land or for grazing uses and related conservation values by restoring and conserving these areas, and the Parties have identified these eligible lands on the Attachment A to this Cooperative Agreement as Parcels (as a group the Parcels and individually as the Parcel).

WHEREAS, the **ENTITY** intends to acquire a perpetual, or for the maximum duration allowed under applicable State laws, Agricultural Land Easement on each Parcel.

WHEREAS, this Cooperative Agreement stipulates the terms and conditions under which the eligible entity is permitted to use NRCS Federal cost-share assistance provided under Section 2301 of the Act.

WHERAS, the **ENTITY** has signed the Notice of Grant and Agreement Award acknowledging that the award is subject to the terms and conditions of this Cooperative Agreement and all applicable laws, regulations, and policy, including without limitation Financial Assistance Regulations, of the United States.

THEREFORE, the Parties agree to enter into this Cooperative Agreement.

III. BENEFITS

The benefit of this Cooperative Agreement is that funds will be provided to the **ENTITY,** also known herein as the Cooperating Entity, for the protection of eligible land for agricultural use and future viability, and related conservation values, land by limiting nonagricultural uses of that land or for grazing uses and related conservation values by restoring and conserving the agricultural land as grassland. Section 1265B of the Agricultural Act of 2014 authorizes the Secretary of Agriculture to provide funding

for the purchase of Agricultural Land Easements by eligible State, Tribal or units of local government or nongovernmental organizations and authorizes the Secretary of Agriculture to enter into agreements with eligible entities.

IV. OBLIGATION OF FUNDS

A. Upon execution of this Cooperative Agreement, the United States shall obligate the sum on the Notice of Award for the acquisition by the **ENTITY** of Agricultural Land Easements on the funded Parcels listed on Attachment A. The **ENTITY** must close on the easement acquisition and request payment of this amount in accordance with Section VII of this Cooperative Agreement before the dates in Table 1. The **ENTITY** must request payment in accordance with Section VII of this Cooperative Agreement. Should the Cooperating Entity not meet the Closing Deadline or the Payment Request Deadline dates established in Table 1, any remaining funds may be de-obligated from this Cooperative Agreement unless the agreement is extended as provided for in Section XI.A.

Table 1

FY of Fund Obligation	Attachment Listing Parcels	Closing Deadline	Payment Request Deadline	Attachment A Expiration Date
2014	A	March 31, 2016	August 31, 2016	September 30, 2016

B. This Cooperative Agreement is the authorizing document that obligates CCC funds for the acquisition of Agricultural Land Easements by the **ENTITY**. Attachment A to this Cooperative Agreement specifies the properties on which FY 2014 CCC funds will be used within **[STATE]** and includes:

1. name of the landowner(s);

2. number of acres to be acquired;

3. the estimated Agricultural Land Easement value;

4. estimated Federal Contribution not to exceed 50 percent of the estimated Agricultural Land Easement value, and

5. whether offered Parcels have been approved for funding, if a Parcel is listed but not selected for funding the Parcel is a substitute Parcel.

C. Attachment A must include the Parcels selected for funding and any Parcels to be considered for substitution under Section IX.C.12. of this Cooperative Agreement. Parcels not included in Attachment A, either as a funded Parcel or a substitute, as of September 30, 2014 will not be eligible for funding under this Cooperative Agreement. The Parties will not add additional Attachments listing Parcels to this agreement.

D. However, nothing in this document obligates the United States or the **ENTITY** to purchase all or any of the Agricultural Land Easement Parcels listed in the Attachment A.

V. FEDERAL CONTRIBUTION

The Federal Contribution provided by NRCS, also known as the Federal Share, for the acquisition of each Agricultural Land Easement acquired by the **ENTITY** shall be an amount not to exceed 50 percent of the fair market value of the Agricultural Land Easement as determined by the United States. The Federal Contribution cannot be used for closing or related administrative costs incurred by the **ENTITY** in acquiring the Agricultural Land Easement. The Federal Contribution for Parcels must be

NRCS Representative Initial_____

Recipient Representative Initial _____

determined using an appraisal performed by a certified general appraiser in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) or Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) and NRCS appraisal standards and specifications provided as exhibit 4 to this agreement.

VI. COOPERATING ENTITY'S CONTRIBUTION

A. The **ENTITY** shall contribute an amount at least equivalent to Federal Contribution. The **ENTITY** may include as part of its contribution a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by NRCS, unless the NRCS State Conservationist has waived a portion of the **ENTITY** cash contribution requirement for projects of special significance. The **ENTITY**, or its designated escrow agent must disburse 100 percent of the payment, representing the easement purchase price, to the landowner at the time of closing. A copy of the NRCS approval letter for each Parcel listed on Attachment A that has received an ENTITY cash contribution waiver requests must be included with Attachment A to this agreement and submitted with the payment request for that Parcel.

B. Before NRCS accepts the Agricultural Land Easement and issues a payment, the **ENTITY** must self-certify on the NRCS Form 230, Confirmation of Matching Funds (Exhibit 2), that the **ENTITY**'s share of matching funds has not come from additional donations, payments, loans or fees made by or charged to the Grantor of the Agricultural Land Easement, immediate family members, or organizations controlled by or funded by the Grantor of the Agricultural Land Easement, either through formal or informal agreements.

C. The **ENTITY**'s share of the cost of purchasing the Agricultural Land Easement must be a contribution of the **ENTITY**'s own cash resources. As part of its share of the cost of purchasing the Agricultural Land Easement, the **ENTITY** shall not contribute land from another Parcel or in-kind contributions, including related administrative and closings costs (e.g., surveys, appraisals, legal expenditures).

VII. PAYMENTS

A. The **ENTITY** shall notify the United States at least 30 days in advance when the CCC funds are to be paid to the **ENTITY** under this agreement. CCC funds shall be paid to the **ENTITY** when the United States is provided a copy of the recorded Agricultural Land Easement and the **ENTITY** has paid the landowner(s).

B. Where the **ENTITY** cannot obtain 100 percent of the funds to be paid to the landowner(s) at the closing of an Agricultural Land Easement on a Parcel and requires the United States to make its payment at closing rather than on a reimbursable basis, the **ENTITY** may request from the United States an advance of the Federal Contribution to a Parcel. When an advance is requested, the **ENTITY** shall notify NRCS at least 60 days prior to closing and provide NRCS with items identified in paragraph F below.

C. If the request for an advance is approved by the United States, the United States may make an advance payment of the Federal Contribution to an authorized closing agent via electronic transfer to hold in escrow. The **ENTITY** will obtain a receipt for the funds from the closing agent and provide it to the United States prior to closing. The **ENTITY** will ensure the closing agent does not hold the funds in escrow for more than 30 calendar days. If closing does not occur within 30 days of advance payment the **ENTITY** will ensure funds are returned to the United States. If interest is earned on CCC funds while in escrow, the **ENTITY** will ensure the closing agent returns any interest earned to the United States.

D. The **ENTITY** must obtain NRCS approval of the Agricultural Land Easement deed, appraisal, title commitment, baseline documentation report, and Agricultural Land Easement Plan prior to requesting advance of the Federal Contribution or closing on an Agricultural Land Easement for which the Federal Contribution will be requested. The Agricultural Land Easement deed using the required deed terms, appraisal, title commitment, baseline documentation report, and Agricultural Land Easement Plan must be provided to NRCS at least 90 days before the intended closing date for the Agricultural Land Easement.

E. To obtain payment of ACEP funds, whether after closing or in advance of closing, the **ENTITY** will submit Form SF-270, Request for Advance/Reimbursement of Funds (Form SF-270 Exhibit 3), and the information specified below to the _____ NRCS State Office. Prior to submitting the SF-270 for an advance of funds, the **ENTITY** must also request a copy of closing agent requirements from the United States and ensure that the closing agent meets these requirements. The **ENTITY** may submit the Form SF-270:

1. Prior to closing when a payment is to be issued at closing;

2. After all the deeds have been recorded and the landowner has been paid; or

3. On a quarterly basis for each quarter that Agricultural Land Easements have been recorded and the landowner(s) have been paid.

F. At a minimum, for every Agricultural Land Easement whether an advance or reimbursement, the following information shall be included in, or attached to, the SF-270, before NRCS will accept the Agricultural Land Easement and disburse payment, except as noted below:

1. Name of the Cooperating Entity;

2. Tax Identification Number (TIN) and DUNs for the Cooperating Entity;

3. Cooperative Agreement number;

4. Agricultural Land Easement Parcel number(s);

5. Landowner(s) name(s), address, and telephone number;

6. Total amount of dollars paid to the landowner for each Agricultural Land Easement specifying the Federal share and the non-Federal share of the Agricultural Land Easement cost,

7. A copy of the NRCS approval letter for any approved waivers of the Eligible Entity Cash Contribution Requirement

8. Acres acquired for each Agricultural Land Easement;

9. Copy of the approved Agricultural Land Easement deed for each Parcel, if a reimbursement is requested then Copy must be of recorded deed with recording receipt;

10. NRCS Form 230, Confirmation of Matching Funds, for each easement;

11. For an advance, a copy of the American Land Title Association (ALTA) title commitment reimbursement;

12. For a reimbursement, a copy of the American Land Title Association (ALTA) title insurance policy;

13. For an advance, a signed settlement statement prepared by the closing agent; and

NRCS Representative Initial_____

Recipient Representative Initial _____

14. For an advance, evidence of liability insurance coverage in an amount at least equal to the purchase price of the Agricultural Land Easement, providing for reimbursement to NRCS for any loss of Federal funds caused by fraud or dishonest or failure by the attorneys, closing agents, or closing agents employees to comply with the written closing instructions.

VIII. AGRICULTURAL LAND EASEMENT MINIMUM TERMS AND CONDITIONS

A. The **ENTITY** shall ensure that Agricultural Land Easements acquired under this Cooperative Agreement meet the following minimum conditions to permit effective enforcement of the Agricultural Land Easement for protection of agricultural use and future viability, and related conservation values, of eligible land by limiting non-agricultural uses or for protection of grazing uses and related conservation values by restoring and conserving eligible land:

1. Run with the land in perpetuity or for the maximum duration allowable under State law, where State law prohibits a permanent easement;

2. Protect the agricultural use and future viability, and related conservation values, of eligible land by limiting nonagricultural uses of that land or protect grazing uses and related conservation values by restoring and conserving eligible land; and

3. Provide for the administration, management, and enforcement of the Agricultural Land Easement by the ENTITY or its successors.

B. The **ENTITY** shall ensure that the Minimum Terms For The Protection Of Agricultural Use Exhibit (Minimum Terms Exhibit), attached to this Cooperative Agreement as Exhibit 7, is attached to the Agricultural Land Easements acquired under this Cooperative Agreement or that the Agricultural Land Easements acquired under this Cooperative Agreement contain the terms as stated in the Minimum Terms Exhibit. The **ENTITY** is authorized to add its own terms and conditions to the Agricultural Land Easements so long as the **ENTITY's** additional language does not alter or defeat the intent, purpose or effective enforcement by the United States of the Minimum Terms, the ACEP, or the Agricultural Land Easements acquired under this Cooperative Agreement.

C. The **ENTITY** will ensure that the Agricultural Land Easement deed is reviewed and approved for use by NRCS prior to the **ENTITY** requesting an advance of the Federal Contribution or closing on an Agricultural Land Easement for which the **ENTITY** will request the Federal Contribution.

D. If the **ENTITY** elects to attach the Minimum Terms Exhibit to the Agricultural Land Easements acquired under this Cooperative Agreement, the **ENTITY** will ensure it is signed by the landowner, **ENTITY,** and NRCS and is attached to the Agricultural Land Easements acquired under this Cooperative Agreement at the time of closing and recordation and that the paragraph below is inserted at the bottom of the Agricultural Land Easement deed immediately before the signature pages:

> *The Agricultural Land Easement is acquired with funds provided, in part, by the Agricultural Conservation Easement Program, ("ACEP") under* **Cooperative Agreement Number [##-####-##-##]** *dated* **[Date of CA]** *between the* **[Cooperating Entity Name(s)] and** *the* **United States of America (the United States),** *acting by and through the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) on behalf of the Commodity Credit Corporation (CCC). The EXHIBIT ____ is attached hereto and incorporated herein by reference and shall run with the land in perpetuity, or for the maximum duration allowed under applicable State laws. As required by 16 U.S.C. § 3865 et seq and 7 CFR 1491 et seq and as a condition of receiving ACEP funds, all present and future use of the Protected Property is and shall remain subject to the terms and conditions described forthwith in this Addendum entitled Minimum Terms For The*

NRCS Representative Initial_____

Recipient Representative Initial _____

Protection Of Agricultural Use in EXHIBIT ___ which is appended to and made a part of this easement deed.

E. If the **ENTITY** elects not to attach the Minimum Terms Exhibit to the Agricultural Land Easements acquired under this Cooperative Agreement, the **ENTITY** shall ensure that terms in the Minimum Terms Exhibit are included in every Agricultural Land Easement deed as stated in the Minimum Terms Exhibit. The terms may be formatted to select options where instructed, conform terms to deed formatting, complete terms with required information, and delete instructions to drafters.

F. NRCS may require adjustments to the provisions identified above and require the addition of other provisions if NRCS determines that they are necessary to meet the purposes of ACEP and protect the conservation values of the Protected Property.

G. Upon mutual agreement of the Parties, the Cooperative Agreement may be amended to replace or supplement the attached **Exhibit 7** with an Agricultural Land Easement deed template if the terms and conditions of the ALE Deed Template are approved by NRCS National Headquarters in advance of the amendment (NRCS NHQ Approved Deed Template).

IX. RESPONSIBILITIES.

A. Those of all Parties: Ensure completion and approval of Agricultural Land Easement Plan, which must:

1. describe the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;

2. identify conservation or management practices or activities that address the purposes and resource concerns for which the Parcel was selected;

3. require the management of any grasslands according to a grassland management plan or certain forest lands according to a forest management plan;

4. describe the conservation system applicable to any highly erodible cropland and describes the decisions of the landowner with respect to location, land use, tillage systems, and conservation treatment measures and schedules;

5. include a conservation plan, where appropriate; and

6. require, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses.

ENTITY will choose one of the two options below for completing the Agricultural Land Easement Plan, by initialing the appropriate box when signing this Cooperative Agreement. **(initial only one option):**

☐ A. **ENTITY** requests that NRCS personnel complete the Agricultural Land Easement Plan. **ENTITY** will coordinate with [State] NRCS and landowner to ensure that the plan is completed and signed by the landowner at or prior to closing. **ENTITY** will ensure [State] NRCS has authorized access to the property and landowner to coordinate with the landowner and **ENTITY** to complete plans that meet objectives of the landowner, **ENTITY**, and ACEP. NRCS will provide the funding necessary for NRCS personnel to complete the plans.

☐ B. **ENTITY** will <u>not</u> utilize NRCS personnel to complete the Agricultural Land Easement Plan that complies with the NRCS standards and specifications and other applicable industry standards. NRCS will not provide any additional funds to complete

NRCS Representative Initial_____

Recipient Representative Initial _____

plans under this option. **ENTITY** must obtain NRCS approval of all Agricultural Land Easement Plans prepared using this option prior to closing. **ENTITY** will ensure [State] NRCS has authorized access to the property and landowner if needed to review and approve plans prepared using this option. **ENTITY** will provide the plan to NRCS at least 90 days prior to the anticipated closing to allow time for review and approval of the plan.

B. Those of the United States -

1. The United States, by and through the NRCS, shall provide technical and other services required to assist the landowner in developing an appropriate Agricultural Land Easement Plan that meets ACEP requirements and NRCS standards and specifications or applicable industry standards. To ensure that the Agricultural Land Easement Plan is implemented in accordance with such requirements, the NRCS will be provided the opportunity to conduct periodic field visits on lands that are enrolled in the ACEP.

2. The CCC shall, subject to the availability of funds, disburse the appropriate funds to the **ENTITY** in accordance with this Cooperative Agreement.

3. Prior to NRCS accepting the Agricultural Land Easement and processing the payment, the NRCS State Conservationist shall:

a. ensure that a conservation plan for highly erodible lands is developed in accordance with 7 CFR part 12 as part of an Agricultural Land Easement Plan and that an AD-1026 has been filed;

b. obtain approval of the Agricultural Land Easement deed from the National Headquarters; and

c. when funds are advanced to the Cooperating Entity prior to closing, acquire a signed letter from the closing agent indicating that the agent meets ACEP closing agent requirements, an executed NRCS Form 230, Confirmation of Matching Funds, and a copy of the title commitment.

d. shall conduct technical reviews of appraisals in accordance with NRCS Appraisal standards and specifications.

4. Prior to fund disbursement, NRCS shall certify payment for funded Parcels listed on Attachment A when the ENTITY has requested payment by the Payment Request Deadline and acquired Agricultural Land Easements on the funded Parcels in accordance with the terms of this agreement by the Closing Deadline.

C. Those of the **ENTITY**

1. The **ENTITY** shall perform necessary legal and administrative actions to ensure proper acquisition and recordation of valid Agricultural Land Easements.

2. The **ENTITY** shall pay all costs of Agricultural Land Easement procurement and will operate and manage each Agricultural Land Easement in accordance with the **ENTITY** program, this Cooperative Agreement, 7 CFR part 1491, and the Act. The United States shall have no responsibility for the costs or management of the Agricultural Land Easements purchased by the **ENTITY** unless the United States exercises its rights under an Agricultural Land Easement. The **ENTITY** shall indemnify, and hold the United States harmless for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the **ENTITY** in connection with its acquisition and management of the Agricultural Land Easements acquired pursuant to this Cooperative Agreement, however if

NRCS Representative Initial_____

Recipient Representative Initial _____

the **ENTITY** is a governmental organization then the governmental organization shall indemnify, and hold the United States harmless as stated above to the extent it may under [Insert Citation to State Law]. This indemnification and hold harmless provision includes but is not limited to acts and omissions of the **ENTITY** agents, successors, assigns, employees, contractors, or lessees in connection with the acquisition and management of the Agricultural Land Easements acquired pursuant to this Cooperative Agreement which result in violations of any laws and regulations which are now or which may in the future become applicable.

3. Non-governmental organizations shall continue to meet the requirements specified in Title II, Subtitle E, Section 2301 of the Agricultural Act of 2014. The Act states an eligible organization is "any organization that—

a. is organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

b. is an organization described in section 501(c)(3) of that Code that is exempt from taxation under 501 (a) of that Code;

c. is described in section 509 (a)(1) or (2) of that Code; or

d. is described in section 509(a) (3) of that Code and is controlled by an organization described in section 509 (a) (2) of that Code."

4. The **ENTITY** shall prepare a baseline documentation report documenting the condition of the Parcel as of the time the easement is acquired. The **ENTITY** must provide NRCS a completed baseline documentation report at least 90 days before the intended closing of the Agricultural Land Easement Deed. The baseline documentation report will contain maps and descriptions of property location, land use, land cover, crops and crop rotations, condition of the grassland, pasture, range, hay or forest lands, animal inventories and waste storage facilities, any critical nesting habitat for declining populations of grassland dependent birds, all physical structures and improvements, including barns, sheds, corrals, fences, ponds, watering facilities, and roads and any problem areas.

5. The **ENTITY** shall include in each Agricultural Land Easement deed, in which CCC funds are used as part of the acquisition, the terms set forth in Section VIII and Exhibit 7 of this Cooperative Agreement.

6. Prior to payment certification, the **ENTITY** shall ensure that all lands for which an Agricultural Land Easement has been acquired will have an Agricultural Land Easement Plan, as described in Section IX.A. of this Cooperative Agreement.

7. The **ENTITY** shall limit all non-agricultural uses of the encumbered properties, except for recreational uses, such as hiking, hunting, fishing, boating, and horseback riding to the extent those activities do not conflict with the purpose of Section 2301 of the Act.

8. At a minimum, the **ENTITY** shall monitor ACEP Protected Properties on an annual basis to ensure that the Agricultural Land Easements are being implemented according to the deed provisions. An annual report of the status of acquired Agricultural Land Easements will be submitted to the NRCS representative at the State level. The NRCS representative will define the format of this report.

9. In acquiring Agricultural Land Easements, the **ENTITY** shall ensure that the title to the lands or interests therein shall be unencumbered or, if encumbered by outstanding or reserved interests, the **ENTITY** shall ensure that any outstanding interests are subordinated to the

Agricultural Land Easement or that any exceptions from this subordination requirement are approved by the NRCS and are consistent with the purposes of the Agricultural Conservation Easement Program. The **ENTITY** shall provide to NRCS a copy of the title commitment or title report and any other requested documentation related to title at least 90 days before the intended closing date so that NRCS can review the title commitment to ensure there are no encumbrances that would allow non-agricultural use of the property that are not acceptable to NRCS. The **ENTITY** shall assure that proper title evidence is secured using an Owner's ALTA policy with the entity listed as the insured on the policy and the policy issued for an amount at least equal to the ACEP funds received for the acquisition.

10. The **ENTITY** will have an appraisal conducted on each Protected Property. The effective date of the appraisal must be within the 12 months prior to the closing on the Agricultural Land Easement on the Protected Property and NRCS accepting an interest in the Agricultural Land Easement. The appraisal will be conducted by a certified general appraiser and will conform to the Uniform Standards of Professional Appraisals Practices OR the Uniform Appraisal Standards for Federal Land Acquisitions (Interagency Land Acquisition Conference, 2000) and the NRCS appraisal specifications provided as exhibit 4 to this agreement. The appraiser must meet the qualifications found in section B (Appraiser Qualifications) of the NRCS appraisal specifications.

a. The **ENTITY** will provide the appraiser with the following items.

(1) A copy of the NRCS appraisal specifications (Exhibit 4);

(2) A copy of the Agricultural Land Easement deed to each appraiser conducting an appraisal for the Cooperating Entity;

(3) Aerial photograph of the subject property with the location of the proposed easement area identified, access to the easement area identified, easement boundary identified, and an estimate of the acres in the proposed easement identified;

(4) Legal description of subject property;

(5) Aerial photograph indicating the location and acreage of any conservation agreement, contract, or easement of any type that is associated with any part of the subject property;

(6) Recorded landowner's name, address, and telephone number;

(7) Specific details of any existing easements, reservations, or other restriction currently encumbering the subject property as provided by the landowner;

(8) Current information as to the status of title of ownership, such as copies of deeds;

(9) A copy of the recorded written access to the entire easement area or evidence that the property is accessible from a public road;

(10) A copy of preliminary title commitment, title report, or similar covering the proposed easement area; and

(11) A copy of the NRCS Minimum Terms Exhibit.

b. The **ENTITY** must provide the appraiser with an Agricultural Land Easement deed and receive a separate appraisal report for each funded Parcel identified on Attachment A. The Agricultural Land Easement provided to the appraiser must address the

NRCS Representative Initial_____

Recipient Representative Initial _____

Agricultural Land Easement requirements of Section VIII and Exhibit 7 of this Cooperative Agreement.

c. The **ENTITY** will be listed as the client and NRCS will be listed as a user in the appraisal report. Under no circumstances will the **ENTITY** allow the landowner to approve or disapprove of the appraiser selected to prepare the appraisal report. The landowner cannot be listed as the client.

d. The **ENTITY** must provide NRCS a completed appraisal report at least 90 days before the intended closing of the Agricultural Land Easement. NRCS will conduct a technical review of the appraisal. The **ENTITY** will ensure that the Agricultural Land Easement is not closed until the technical reviewer approves the appraisal report. If the Agricultural Land Easement is closed prior to the approval of the appraisal by the technical reviewer then NRCS may not provide the Federal Contribution for the Agricultural Land Easement.

11. The **ENTITY** shall not use ACEP funds to place an easement on a property in which the **ENTITY's** employee or board member, with decision-making involvement in matters related to easement acquisition and management, has a property interest. The **ENTITY** shall not use ACEP funds to place an easement on a property in which a person who is an immediate family member or household member of an employee or board member, with decision-making involvement in matters related to easement acquisition and management, has a property interest. Further, the **ENTITY** agrees to generally conduct itself in a manner so as to protect the integrity of Agricultural Land Easements which it holds as well as avoid the appearance of impropriety or actual conflicts of interests in its acquisition and management of Agricultural Land Easements.

12. The **ENTITY** agrees that it will not at any time, when the **ENTITY** is named as a Grantee on the Agricultural Land Easement, seek to acquire the remaining fee interest in the Protected Property. Likewise, if the **ENTITY** enters into an agreement with another entity to manage or monitor the Agricultural Land Easement, and that entity seeks to acquire the underlying fee, the **ENTITY** agrees to immediately terminate such a relationship and arrange for an uninterested party to manage or monitor the Agricultural Land Easement.

13. The **ENTITY** may add substitute Parcels to the Cooperative Agreement during fiscal year 2014 if NRCS determines the Parcel ranks highly enough and is eligible for funding. Substitute Parcels are those that are eligible for funding and which have not been ranked high enough by NRCS to warrant funding at the current fund allocation levels. Substitute Parcels will be listed on Attachment A and not marked as funded. If a currently funded Parcel is removed from the Cooperative Agreement, funds obligated to the removed Parcel may be used to assist with the purchase of an Agricultural Land Easement on the next highest ranked substitute Parcel. No Parcels can be added to Attachment A to this agreement after September 30, 2014, and no new attachments can be added to this agreement after September 30, 2014.

a. Landowners associated with FY 2014 substitute Parcels must meet HEL/WC eligibility for FY 2014.

b. Entities offering a substitute Parcel must submit a Parcel Sheet (NRCS-CPA-41A) for each substitute Parcel, in addition to the Entity Application (NRCS-CPA-41) and Parcel Sheet for submitted for each funded Parcel;

c. Parcels listed on Attachment A as substitute Parcels must meet land eligibility criteria; except that they do not require a pending offer when they are added to Attachment A as a

substitute. However, prior to the substitute Parcel being eligible for funding, there must be

(1) a written pending offer, and

(2) the landowner must meet eligibility criteria for FY 2014.

d. The State Conservationist may require substitute Parcels to be re-ranked.

14. When a conservation plan violation is reported to the **ENTITY** by NRCS, after all administrative and appeal rights have been exhausted by the landowner in accordance with 7 CFR part 12 and 7 CFR part 614, the **ENTITY** shall implement easement enforcement procedures.

15. The **ENTITY** will report the Federal Cash for the advance of any funds and the Federal Expenditures and Unobligated Balance of funds using the Federal Financial Report Standard Form 425 (FFRs) (Exhibit 5). This will be submitted to the NRCS State office within 5 business days prior to December 31, March 31, June 30, and September 30 if the **ENTITY** closes an Agricultural Land Easement on a Parcel in this agreement during that fiscal quarter. *Reports shall be submitted on an accrual accounting basis. Failure to submit reports in accordance with the above schedule may result in suspension or termination of award. A final report shall be submitted no later than 90 days after the completion of the award. For final FFRs, reporting end date shall be the end date of the project or agreement period.*

16. This Paragraph and Paragraphs 3, 7, 8, 9, 12, 14 and 15 of this Section IX.C shall survive the closing of the Agricultural Land Easement and the termination or expiration of this agreement.

X. PUBLIC INFORMATION and CIVIL RIGHTS

A. The **ENTITY** agrees to include USDA Natural Resources Conservation Service in any public news releases, events, brochures, fact sheets, etc. related to the acquisition of the properties listed in Attachment A that were acquired with ACEP funds under with this agreement.

B. The **ENTITY** agrees to provide to the NRCS **[STATE]** State Public Affairs Specialist for review and comment, before public release, draft copies of fact sheets or success stories developed for ACEP funded properties acquired under this agreement. This will be provided to NRCS a minimum of three (3) business days before publication. NRCS will return any comments to the **ENTITY** within two (2) business days of receipt of the draft publication.

C. The **ENTITY** agrees to comply with NRCS guidelines and requirements regarding the disclosure of information protected under Section 1619 of the Food, Conservation, and Energy Act of 2008 (PL 110-246), 7 U.S.C. 879. Activities performed under this agreement may involve access to confidential and potentially sensitive information about governmental and landowner issues. Confidential information means information or data of a personal nature, proprietary about an individual, or information or data submitted by or pertaining to an organization. This information shall not be disclosed without prior written consent of NRCS. The NRCS Freedom of Information Act (FOIA) officer should be contacted if there are any questions surrounding the disclosure of information pursuant to one of the exceptions of Section 1619.

XI. GENERAL PROVISIONS.

A. If Agricultural Land Easements on all the Parcels listed on Attachment A or the substitution(s) for those Parcels are not closed or reimbursement is not requested by the dates indicated in Section IV, any remaining funds may be released from this obligation unless a written request to extend the closing or

reimbursement date is sent to the State Conservationist within 30 days of such date. A request to amend the expiration date of Attachment A must be sent to the State Conservationist a minimum of 60 days prior to the expiration date of Attachment A or these funds will be released from this obligation. Attachment A may be extended one time and the extension will not exceed twelve months. The Parties will not authorize further or additional extensions.

B. No assignment, in whole or in part, shall be made of any right or obligation under this Cooperative Agreement without the joint approval of both the United States and the **ENTITY**. Nothing herein shall preclude the United States or the **ENTITY** from entering into other mutually acceptable arrangements or agreements, except as identified in Section IX of this cooperative agreement. Such documents shall be in writing, reference this Cooperative Agreement, and shall be maintained as part of the official Cooperative Agreement file.

C. This Cooperative Agreement may be amended or modified by written amendment signed by the authorized officials of the United States and the **ENTITY**. In accordance with paragraph A of this section, the Cooperative Agreement may be extended for one twelve month period if extenuating circumstances occur with the individual Agricultural Land Easements.

D. The United States may terminate this Cooperative Agreement if the United States determines that the **ENTITY** has failed to comply with the provisions of this Cooperative Agreement or if it determines that it is in the best interests of the United States to terminate. In the event that this agreement is terminated for any reason, the financial obligations of the parties will be as set forth in 7 CFR parts 1403, 3016 and 3019, as applicable.

E. This Cooperative Agreement constitutes financial assistance and, therefore, all federal laws, regulations, and executive orders are applicable.

F. It is the intent of the United States to fulfill its obligations under this Cooperative Agreement. However, NRCS cannot make commitments in excess of funds authorized by law or made administratively available. If NRCS cannot fulfill its obligations under this Cooperative Agreement because of insufficient funds, this Cooperative Agreement will automatically terminate.

G. The **ENTITY** agrees to comply with all applicable state and local laws.

H. USDA employees shall be familiar and comply with Federal, State, local and USDA motor vehicle safety requirements and policies, including USDA's mandatory ban on text messaging as outlined in this regulation. (EO 13513, "Federal Leadership on Reducing Text Messaging While Driving," dated October 1, 2009 and 5 U.S.C. 7902(d) "Safety Programs").

I. If any recipient of Federal funds under this Cooperative Agreement materially fails to comply with the terms of this Cooperative Agreement, the United States reserves the right to wholly or partially recapture funds provided in accordance with applicable regulations.

XII. ADDENDUM and EXHIBITS.

Attachment A – List of Agricultural Land Easement Parcels funded by NRCS

Exhibit 1 – General Terms and Conditions

Exhibit 2 – Form 230 Confirmation of Matching Funds

Exhibit 3 – Standard Form 270 (SF-270) Request for Advance or Reimbursement

Exhibit 4 – NRCS Appraisal and Technical Review Specifications

Exhibit 5 – Standard Form 425 (SF-425) Federal Financial Report

Exhibit 6 – Representation Regarding Felony Convictions and Tax Delinquent Status for Corporate Applicants (AD-3031)

Exhibit 7 - Choose an item.

Choose an item.

XIII. PRINCIPAL CONTACTS.

The United States representative for this Cooperative Agreement is:

State Conservationist
Natural Resources Conservation Service
on behalf of the Commodity Credit Corporation
Street Address
City, State Zip Code
Phone Number

PROGRAM: ACEP Funds Authorized

Name/Title Date

FNM: ACEP Funds Available

Name/Title Date

Amount: $_____

Acct. Code: _____

The **[ENTITY]** representative for this Cooperative Agreement is:

Director
[ENTITY]
Street Address
City, State Zip Code
Phone Number

Choose an item.

NRCS Representative Initial_____

Recipient Representative Initial _____

Award Identifying Number: _____
NEST Agreement Number: _____

Attachment A- Fiscal Year 2014[1]

List of Agricultural Land Easement Parcels funded by NRCS with Obligation of FY 2014 Funds

This attachment includes funded Parcels and Parcels considered as substitutions under Section IX.C.12. of this agreement. Parcels not included in this attachment by September 30, 2014 are not eligible for funding.

Landowner's Name(s)	Total Acres	Estimated Agricultural Land Easement Value	Estimated Federal Contribution (no greater than 50% of the Estimated Value)	NEST Parcel ID Number	Selected for Funding (check)
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☒
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
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Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	☐
Totals	[Total Acres]	**$** [Total Estimated Value]	[Total Estimated Contribution]		

[1] Funding obligated under this attachment will expire on September 30, 2016 unless a request for extension for this funding year has been approved by the State Conservationist and the Cooperative Agreement is amended with a new Attachment A Expiration date.

NRCS Representative Initial_____

Recipient Representative Initial _____

NOTICE OF GRANT AND AGREEMENT AWARD

1. **Award Identifying Number**	2. **Amendment No.**	3. **Award/Project Period**	4. **Type of Award Instrument**

5. **Agency: Natural Resources Conservation Service (NRCS) (Name and Address)**	6. **Recipient Organization: (Name and Address)**	
	DUNS:	**EIN:**

7. **NRCS Program Contact:**	8. **NRCS Administrative Contact:**	9. **Recipient Program Contact:**	10. **Recipient Administrative Contact:**

11. **CFDA Number**	12. **Authority**	13. **Type of Action**	14. **Project Director**

15. **Project Title/Description:**

16. **Entity Type**: _____**Profit** ____**Nonprofit** ____**Higher Education** ____**Federal** ____**State/Local** ____**Indian/Native American** ____**Other**

17. Select Funding Type:	☐ **Federal**	☐ **Non-Federal**
Original Funds Total:		
Additional Funds Total:		
Grand Total:		

18. **Accounting and Appropriation Data**

Financial Code	Amount	Fiscal Year	Treasury Symbol

19. **APPROVED BUDGET**

Personnel	**$**	Fringe Benefits	**$**
Travel	**$**	Equipment	**$**
Supplies	**$**	Contractual	**$**
Construction	**$**	Other	**$**
Total Direct Cost\	**$**	Total Indirect Cost	**$**
		Total Non-Federal Funds	**$**
		Total Federal Funds Awarded	**$**
		Total Approved Budget	**$**

This agreement is subject to applicable USDA NRCS statutory provisions and Financial Assistance Regulations. In accepting this award or amendment and any payments made pursuant thereto, the undersigned represents that he or she is duly authorized to act on behalf of the awardee organization, agrees that the award is subject to the applicable provisions of this agreement (and all attachments), and agrees that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by NRCS to have been overpaid, will be refunded or credited in full to NRCS.

(Continuation)

NOTICE OF GRANT AND AGREEMENT AWARD			
Award Identifying Number	**Amendment No.**	**Award/Project Period**	**Type of Award Instrument**

Name and Title of Authorized Government Representative	**Signature**	**Date**
Name and Title of Authorized Recipient Representative	**Signature**	**Date**

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

PRIVACY ACT STATEMENT

The above statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. Section 522a).

INSTRUCTIONS FOR NOTICE OF GRANT/AGREEMENT AWARD

1. Award Identifying Number:
   Agreement number
2. Amendment No.:
   Amendment number (if applicable)
3. Award/Project Period:
   Start and end date of project
4. Type of Award Instrument:
   Cooperative, Grant, or Contribution
5. Agency:
   Name, Address, City, State, ZIP Code
6. Recipient Organization:
   Name, Address, City, State, ZIP Code, DUNS (Data Universal Numbering System), and EIN (employee identification number)
7. NRCS Program Contact:
   Name and contact information of person to be contact on matters involving the programmatic aspects of the agreement
8. NRCS Administrative Contact:
   Name and contact information of person to be contact on matters involving the administrative aspects of the agreement
9. Recipient Contact:
   Name and contact information of person to be contact on matters involving the technical aspects of the agreement
10. Recipient Administrative Contact:
    Name and contact information of person to be contact on matters involving the administrative aspects of the agreement
11. CFDA Number:
    The Catalog of Federal Domestic Assistance number under which assistance is requested
12. Authority:
    Authority under which the agreement is entered into
13. Type of Action:
    Select one type of action:
    i. New Agreement.—Agreement awarded for the first time
    ii. Amendment/Revision.—Any change in financial obligation or deliverables
    iii. Extension.—Extend performance period
14. Project Director:
    Name and contact information of project director or principal investigator (if applicable)
15. Project Title/Description:
    Brief description of the purpose of the agreement
16. Entity type:
    Type of recipient
17. Funding:
    Federal amount of the award and the non-Federal to be contributed to the project
18. Accounting/Appropriation Date:
    Provide the following:
    i. Financial Code.—Accounting classification code
    ii. Amount.—Self explanatory
    iii. Fiscal Year.—Self explanatory
    iv. Treasury symbol.—Self explanatory
19. Approved Budget:
    Totals for each budget category

NOTICE OF GRANT AND AGREEMENT AWARD

CONTINUATION SHEET

Award Identifying Number	Amendment No.	Award/Project Period	Type of Award Instrument

Recipient Organization (Name and Address)	
DUNS:	EIN:

Name and Title of Authorized Recipient Representative	Signature	Date

Recipient Organization (Name and Address)	
DUNS:	EIN:

Name and Title of Authorized Recipient Representative	Signature	Date

Recipient Organization (Name and Address)	
DUNS:	EIN:

Name and Title of Authorized Recipient Representative	Signature	Date

Exhibit 1

2011

NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

GENERAL TERMS AND CONDITIONS
GRANTS AND COOPERATIVE AGREEMENTS

I. APPLICABLE REGULATIONS

a. The recipient, and recipients of any subawards under this award, agree to comply with the following regulations, as applicable. (The full text of Code of Federal Regulations references may be found at http://www.access.gpo.gov/nara/cfr/cfr-table-search.htm1#page1.)

(1) 7 CFR Section 3015.205, "General Provisions for Grants and Cooperative Agreements with Institutions of Higher Education, Other Nonprofit Organizations, and Hospitals"
(2) 7 CFR Part 3016, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
(3) 7 CFR Part 3017, "Governmentwide Debarment and Suspension (Nonprocurement)"
(4) 7 CFR Part 3018, "New Restrictions on Lobbying"
(5) 7 CFR Part 3019, "Uniform Administrative Requirements for Grant and Other Agreements with Institutions of Higher Education, Hospitals, and Nonprofit Organizations"
(6) 7 CFR Part 3021, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)"
(7) 7 CFR Part 3052, "Audits of States, Local Governments, and Nonprofit Organizations"
(8) 2 CFR Part 215, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"
(9) Office of Management and Budget (OMB) Circular No. A-102, "Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments" (including Indian Tribal governments)
(10) 2 CFR Part 25, "Universal Identifier and Central Contractor Registration"
(11) 2 CFR Part 170 "Reporting Subaward and Executive Compensation Information"

b. The recipient, and recipients of any subawards under this award, assures and certifies that it will comply with the following regulations, as applicable. (The full text of Code of Federal Regulations references may be found at http://www.access.gpo.gov/nara/cfr/cfr-table-search.htm1#page1.)

(1) 7 CFR Part 3017, "Governmentwide Debarment and Suspension (Nonprocurement)"
(2) 7 CFR Part 3018, "New Restrictions on Lobbying"
(3) 7 CFR Part 3021, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)"
(4) 7 CFR Part 3052, "Audits of States, Local Governments, and Nonprofit Organizations"
(5) Public Law 109-282, "Federal Funding Accountability and Transparency Act of 2006"
(6) 2 CFR Section 175, "Award Term for Trafficking in Persons"

c. Allowable project costs will be determined in accordance with the authorizing statute, the purpose of the award, and to the extent applicable to the type of organizations receiving the award, regardless of tier. The following portions of the Code of Federal Regulations are hereby incorporated by reference (the full text of Code of Federal Regulations references may be found at http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1):

(1) 2 CFR Part 220, "Cost Principles for Institutions of Higher Education"
(2) 2 CFR Part 225, "Cost Principles for State and Local Governments (Including Certain Indian Tribal Governments)"
(3) 2 CFR Part 230, "Cost Principles for Nonprofit Organizations"
(4) 48 CFR Part 31, "Contract Cost Principles and Procedures"

II. UNALLOWABLE COSTS

The following costs are not allowed:

a. Costs above the amount authorized for the project
b. Costs incurred after the expiration of the award including any no-cost extensions of time
c. Costs that lie outside the scope of the approved project and any amendments thereto
d. Compensation for injuries to persons or damage to property arising from project activities

This list is not exhaustive. Questions about the allowability of particular items of costs should be directed to the NRCS administrative contact identified in the award.

III. CONFIDENTIALITY

a. Activities performed under this award may involve access to confidential and potentially sensitive information about governmental and landowner issues. The term "confidential information" means proprietary information or data of a personal nature about an individual, or information or data submitted by or pertaining to an organization. This information must not be disclosed without the prior written consent of NRCS.

b. The recipient's personnel will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, 5 U.S.C. Section 552a, and implementing regulations and policies with respect to systems of records determined to be subject to the Privacy Act. The recipient's personnel must also comply with privacy of personal information relating to natural resources conservation programs in accordance with section 1244 of Title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171).

IV. PRIOR APPROVAL REQUIREMENTS

The following are the most common situations requiring prior approval. However, the recipient is also bound by any other prior approval requirements of the applicable administrative provisions and Federal cost principles.

a. Purpose or Deliverables.—When it is necessary for the recipient to modify the purpose or deliverables, the recipient must submit a written request and justification for the change along with the revised purpose or deliverables of the award to the NRCS administrative contact. The request should contain the following:
   1. Grant or agreement number
   2. Narrative explaining the requested modification to the project purpose or deliverables
   3. A description of the revised purpose or deliverables
   4. Signatures of the authorized representative, project director, or both

b. Subcontractual Arrangement.—The recipient must submit a justification for the proposed subcontractual arrangements, a statement of work to be performed, and a detailed budget for

the subcontract to the NRCS administrative contact. Subcontractual arrangements disclosed in the application do not require additional postaward approval.

c. Absence or Change in Project Leadership.—When a project director or the person responsible for the direction or management of the project—

1. Relinquishes active direction of the project for more than 3 consecutive months or has a 25 percent or more reduction in time devoted to the project, the grantee must notify the NRCS administrative contact in writing, identifying who will be in charge during the project director's absence. The notification must include the qualifications and the signature of the replacement, signifying his or her willingness to serve on the project.

2. Severs his or her affiliation with the grantee, the grantee's options include—
   i. Replacing the project director. The grantee must request written approval of the replacement from the NRCS administrative contact and must include the qualifications and the signature of the replacement signifying his or her willingness to serve on the project.
   ii. Subcontracting to the former project director's new organization. The grantee must request approval from the administrative contact to replace the project manager and retain the award, and to subcontract to the former project director's new organization certain portions of the project to be completed by the former project director.
   iii. Relinquishing the award. The grantee must submit to the NRCS administrative contact a signed letter by the grantee and the project director that indicates that the grantee is relinquishing the award. The letter must include the date the project director is leaving and a summary of progress to date. A final Standard Form (SF) 425 reflecting the total amount of funds spent by the recipient must be attached to the letter.

3. Transfers the award to his or her new organization, the authorized organization's representative at the new organization must submit the following to the NRCS administrative contact as soon as the transfer date is firm and the amount of funds to be transferred is known:
   i. The forms and certifications included in the application package
   ii. A project summary and work statement covering the work to be completed under the project (deliverables and objectives must be the same as those outlined in the approved proposal)
   iii. An updated qualifications statement for the project director showing his or her new organizational affiliation
   iv. Any cost-sharing requirements under the original award transfer to the new institution; therefore, cost-sharing information must be included in the proposal from the new organization

   Note: The transfer of an award from one organization to another can take up to 90 days to accomplish, which may result in a delay in the project director resuming the project at the new organization.

d. Budget Revisions.—Budget revisions will be in accordance with 7 CFR Section 3015.115.

e. No-Cost Extensions of Time.—When a no-cost extension of time is required, the recipient must submit a written request to the NRCS administrative contact no later than 30 days before the expiration date of the award. The request must contain the following:
   - The length of additional time required to complete the project and a justification for the extension
   - A summary of progress to date

- An estimate of funds expected to remain unobligated on the scheduled expiration date
- A projected timetable to complete the portions of the project for which the extension is being requested
- Signature of the grantee and the project director
- A status of cost sharing to date (if applicable)

Note: An extension will not exceed 12 months. Only in exceptional cases will more than one extension be granted. Requests for no-cost extensions received after the expiration of the award will not be granted.

V. PAYMENTS

a. Payment by NRCS to the entity will be made monthly or quarterly (whichever is mutually agreed upon by both parties) on a reimbursable or advanced basis upon completion of work outlined herein. Payment will be executed upon the submission of a properly executed form SF-270. The SF-270 must cite the agreement number, remittance address, and billing period. The SF-270 must be sent to the NRCS program contact at the address identified in block 7 of the Notice of Grant/Agreement Award.

b. Unless otherwise specified in the award, the recipient must receive payments through electronic funds transfers.

c. Recipients requesting advances should request payments in amounts necessary to meet their current needs pursuant to procedures contained in the Federal administrative provisions and **31 CFR Part 205.**

d. The method of payment between the recipient and its contractors will be in accordance with the policies and procedures established by the recipient except that the contractors may not use the USDA Office of Financial Management/National Finance Center method to request payments. If the grantee makes advance payments to contractors, the grantee must ensure that the timing of such payments is designed to minimize elapsed time between the advance payment and the disbursement of funds. Payment requests from the grantee's contractors will not be sent to NRCS for review or approval.

e. Accounting records for all costs incurred under this award must be supported by source documentation. Such documentation includes, but is not limited to, canceled checks, paid bills, payroll records, and subcontract award documents. Labor cost charges to this award must be based upon salaries actually earned and the time actually worked on this award. All project costs must be incurred within the approved project period of this award, including any approved no-cost extension of time. Costs that cannot be supported by source documentation or that are incurred outside of the approved project period and budget may be disallowed and may result in award funds being returned to the Federal Government by the recipient.

VI. FINANCIAL REPORTING

a. Recipients must submit a Federal Financial Report (FFR), SF 425 and 425A, in accordance with the following schedule (recipients may download the applicable form at http://www.forms.gov):

Quarterly Schedule	Report Due Date
October 1 to December 31	January 31
January 1 to March 31	April 30
April 1 to June 30	July 30
July 1 to September 30	October 30

Reports must be submitted on an accrual accounting basis. Failure to submit reports in accordance with the above schedule may result in suspension or termination of award.

b. A final Report must be submitted no later than 90 days after the completion of the award. For final FFRs, reporting end date must be the end date of the project or agreement period. The reports should be submitted to the NRCS administrative contact identified in award notifications.

VII. PERFORMANCE MONITORING AND REPORTING

a. The recipient is responsible for monitoring day-to-day performance and for reporting to NRCS. If the project involves subcontractual arrangements, the recipient is also responsible for monitoring the performance of project activities under those arrangements to ensure that approved goals and schedules are met.

b. Every 6 months the recipient must submit a written progress report. Each report must cover—

1. A comparison of actual accomplishments with the goals and objectives established for the reporting period and, where project output can be quantified, a computation of the costs per unit of output.

2. The reasons why goals and objectives were not met, if appropriate.

3. Additional pertinent information including, where appropriate, analysis and explanation of cost overruns or high unit cost.

c. The recipient must submit a final performance report within 90 days after completion of project.

VIII. SPECIAL PROVISIONS

a. The recipient assures and certifies that it will comply with the minimum-wage and maximum-hour provisions of the Federal Fair Labor Standards Act.

b. Employees of NRCS will participate in efforts under this agreement solely as representatives of the United States. To this end, they may not participate as directors, officers, employees, or otherwise serve or hold themselves out as representatives of the recipient. They also may not assist the recipient with efforts to lobby Congress or to raise money through fundraising efforts. Further, NRCS employees must report to their immediate supervisor any negotiations with the recipient concerning future employment and must refrain from participation in efforts regarding such parties until approved by the agency.

c. Employees of the recipient will not be considered Federal employees or agents of the United States for any purposes under this agreement.

IX. PATENTS, INVENTIONS, COPYRIGHTS, AND ACKNOWLEDGMENT OF SUPPORT AND DISCLAIMER

a. Allocation of rights of patents, inventions, and copyrights must be in accordance with 7 CFR Section 3019.36. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support.

b. In accordance with 37 CFR Section 401.14, each subject invention must be disclosed to the Federal agency within 2 months after the inventor discloses it in writing to contractor

personnel responsible for patent matters. Invention disclosure statements pursuant to 37 CFR Section 401.14(c) must be made in writing to:

Acquistions Division
Grants and Agreements Team
1400 Independence Avenue, SW.
Room 5221 South Building
Washington, DC 20250

c. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must manufacture it domestically.

d. The following acknowledgment of NRCS support must appear in the publication of any material, whether copyrighted or not, and any products in electronic formats (World Wide Web pages, computer programs, etc.) that is substantially based upon or developed under this award:

- "This material is based upon work supported by the Natural Resources Conservation Service, U.S. Department of Agriculture, under number [recipient should enter the applicable award number here]."

In addition, all publications and other materials, except scientific articles or papers published in scientific journals, must include the following statement:

- "Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Agriculture."

The recipient is responsible for ensuring that an acknowledgment of NRCS is made during news media interviews, including popular media such as radio, television, and news magazines, that discuss in a substantial way work funded by this award.

X. COST-SHARING REQUIREMENTS

a. If the award has specific cost-sharing requirements, the cost-sharing participation in other projects may not be counted toward meeting the specific cost-share requirement of this award, and must come from non-Federal sources unless otherwise stated in the applicable program announcement.

b. Should the recipient become aware that it may be unable to provide the cost-sharing amount identified in this award, it must—
   1. Immediately notify the NRCS administrative contact of the situation.
   2. Specify the steps it plans to take to secure replacement cost sharing.
   3. Indicate the plans to either continue or phase out the project in the absence of cost sharing.

c. If NRCS agrees to the organization's proposed plans, the recipient will be notified accordingly. If the organization's plans are not acceptable to NRCS, the award may be subject to termination. NRCS modifications to proposed cost sharing revisions are made on a case-by-case basis.

d. Failure by the recipient to notify NRCS in accordance with paragraph (b) above may result in the disallowance of some or all the costs charged to the award, the subsequent recovery by NRCS of some of the NRCS funds provided under the award, and possible termination of the

award, and may constitute a violation of the terms and conditions of the award so serious as to provide grounds for subsequent suspension or debarment.

e. The recipient must maintain records of all project costs that are claimed by the recipient as cost sharing as well records of costs to be paid by NRCS. If the recipient's cost participation includes in-kind contributions, the basis for determining the valuation for volunteer services and donated property must be documented.

XI. PROGRAM INCOME

Income derived from patents, inventions, or copyrights will be disposed of in accordance with the recipient's own policies. General program income earned under this award during the period of NRCS support must be added to total project funds and used to further the purpose and scope of this award or the legislation under which this award is made.

XII. NONEXPENDABLE EQUIPMENT

Recipients purchasing equipment or products with funds provided under this award are encouraged to use such funds to purchase only American-made equipment and products. Title to nonexpendable equipment purchased with award funds will vest in the recipient upon completion of the award project and acceptance by NRCS of required final reports. When equipment is no longer needed by the recipient and the per-unit fair market value is less than $5,000, the recipient may retain, sell, or dispose of the equipment with no further obligation to NRCS. However, if the per-unit fair market value is $5,000 or more, the recipient must submit a written request to the NRCS administrative contact for disposition instructions.

XIII. LIMIT OF FEDERAL LIABILITY

The maximum financial obligation of NRCS to the recipient is the amount of funds indicated in the award as obligated by NRCS. However, in the event that an erroneous amount is stated on the approved budget, or any supporting document relating to the award, NRCS will have the unilateral right to make the correction and to make an appropriate adjustment in the NRCS share of the award to align with the Federal amount authorized.

XIV. MODIFICATIONS AND TERMINATIONS

NRCS may amend or modify the award through an exchange of correspondence between authorized officials of the recipient and NRCS. The award is subject to termination if NRCS determines that the recipient has failed to comply with the terms and conditions of the award. In the event that the award is terminated, the financial obligations of the parties will be those set forth in 7 CFR Part 3015, Subpart N.

XV. AWARD CLOSEOUT

Award closeout is the process by which NRCS determines that all required project activities have been performed satisfactorily and all necessary administrative actions have been completed.

Statement to Confirm Matching Funds
Agricultural Conservation Easement Program (ACEP)
Agricultural Land Easement (ALE)

The following information is required prior to federal fund disbursement. The purpose of this form is to identify and confirm matching fund sources.

ACEP ALE Parcel Name _____

State _____ County, Parish, or Borough_____

A. Appraised Fair Market Value of the Agricultural Land Easement	
B. Grantor (Landowner) Donation (the portion of **A** that is given to the Eligible Entity by the Grantor as a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986)). Landowner shall not donate any part of **C**, **D**, or **E** back to the cooperating entity.	
C. Agricultural Land Easement Purchase Price	
D. Eligible Entity Contribution paid to the Grantor from the Eligible Entities Cash Resources (**D** shall be at least 50% of **E** unless a waiver is approved by NRCS. Eligible Entity shall attach waiver approval.)*	
E. Federal Cash Contribution paid to the Grantor (Landowner) through Eligible Entity (**E** shall not exceed 50% of **A**)	
* ACEP funds provided to the ENTITY may not be used for administrative costs such as appraisal, survey, title insurance, legal fees, easement monitoring, or other related transaction costs or planning costs, such as baseline documentation or Agricultural Land Easement Plan development. Administrative and planning costs are not counted as part of the entity cash contribution or as part of the purchase price.	

Administrative Costs Paid By:	**Eligible Entity**	**Landowner**
Appraisal (by certified appraiser to USPAP/UASFLA standards)		
Survey		
Closing Costs (legal fees)		
Title Insurance		
Easement Monitoring (Landowner Cost limited to lesser of 2% or $20,000 of **A**)		
Total		

GRANTOR (landowner)
I certify that the information on this supporting form for Federal ACEP ALE acquisition is true, correct, and complete. I have been informed that the dollar amount listed above is the appraised fair market value of the conservation easement, and that I have agreed to grant a conservation easement on my property for $ _____. (enter purchase price). I understand that false certification has serious consequences and will result in ineligibility for the ACEP.

Grantor (Landowner) Name(s) (please print):_____

Signature: _____Date: _____

GRANTEE (eligible entity)
I certify that the information on this form for Federal ACEP ALE acquisition is true, correct, and complete. I further certify that the entity's cash contribution of the matching funds listed above have not

come from additional donations, payments, loans, or fees made by or charged to the above-mentioned Grantor, immediate family members, or organizations controlled or funded by the Grantor, either through formal or informal agreements. I understand that false certification has serious consequences and will result in ineligibility of the entity for the ACEP.

Cooperating Entity Name (please print): _____

Authorized Official (please print): _____

Signature by Authorized Official: _____ Date: _____

NRCS

I certify that I have met in person with the landowner and confirmed all of the information listed above true, correct, and complete. The landowner has certified that the entity's estimate of cash contribution of the matching funds listed will not come from additional donations, payments, loans, or fees made by or charged to the above-mentioned Grantor, immediate family members, or organizations controlled or funded by the Grantor, either through formal or informal agreements. The landowner understands that the purchase price is the amount he or she should receive at closing for the purchase of the easement. The landowner further understands that the GRP does not require a landowner donation or contributions to stewardship or acquisition funds.

NRCS Representative (please print):

Signature by NRCS Representative: _____Date: _____

Agricultural Conservation Easement Program
Agricultural Land Easement Component
Specifications for Appraisals of Real Property for the
ACEP - Agricultural Land Easement Component and Scope of Work

A. Background Information

1. The United States of America, acting through the United States Department of Agriculture's Natural Resources Conservation Service (NRCS) and [eligible entity name] is considering purchasing a conservation easement to assist the landowner in protecting the agricultural use and future viability and related conservation values by limiting nonagricultural uses of the land or protecting grazing uses and related conservation values on eligible lands. Eligible lands include farm and ranch lands that contain prime, unique, or statewide and locally important soils, contains historical or archaeological resources, or protect grazing uses and related conservation values, or the protection of which will further the purposes of the Agricultural Conservation Easement Program (ACEP). These lands may be placed under a conservation easement through the Agricultural Lands Easement (ALE) component of the ACEP.
2. All appraisals completed for ALE must comply with appraisal instructions as issued by NRCS. The eligible entity must order the appraisal and be identified as the client. The eligible entity may opt for either of the following two methods to determine the effect of the conservation easement on the subject property:
    a. A Uniform Standards of Professional Appraisal Practice (USPAP) appraisal.
    b. A Uniform Appraisal Standards for Federal Land Acquisition (UASFLA commonly called Yellow Book).
3. NRCS National Appraiser resolves questions that arise from these specifications. Contact information may be obtained through the client from the NRCS State office.

B. Appraiser Qualifications

1. All real property appraisers performing appraisals under ALE must be State-certified general real property appraiser or obtain a temporary practice permit equal to State-certified general real property appraiser in compliance with title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA) in the State or States where the subject property is located.
2. Must be in good standing with the licensing authority where the credential was issued.
3. The appraiser must not have received any disciplinary action within the past 5 years.
4. The appraiser must have demonstrated competency in compliance with USPAP or UASFLA in conducting appraisals of rural and agricultural properties of the requested type.
5. The appraiser must have demonstrated competency in compliance with USPAP or UASFLA in conducting appraisals of rural and agricultural properties with conservation easements of the requested type.
6. The appraiser must provide documentation of completion of a valuation of conservation easements or eminent domain appraisal course.
7. The appraiser must provide documentation of completion of a UASFLA (Yellow Book) course for any UASFLA appraisal.
8. Documentation of the experience and education will be included in the appraisal report.

C. Purpose Of The Appraisal Report

The applicable purpose of the appraisal report must be stated in the report. The purpose depends upon which of the approved appraisal methods the eligible entity selected.

1. FOR USPAP APPRAISALS: The purpose of the appraisal is to provide an opinion of market value of the proposed easement area before placement of the easement and an opinion of market value of the proposed easement area as if the easement is in place. The difference between these two values will be the effect of the easement on the subject property. An appraisal report, as discussed in USPAP Standards Rule 2-2(a), must be provided; restricted appraisal reports are not acceptable. The appraisal report must contain the level of detail, discussion and support necessary for the client and intended users to comprehensively understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches used in the appraisal. This format was formerly known as the self-contained reporting option, prior to the release of the 2014-2015 USPAP.
    a. The market value definition that will be stated and used in developing and reporting this assignment is as follows:
        1. "Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby—
            a. Buyer and seller are typically motivated.
            b. Both parties are well informed or well advised and acting in what they consider their own best interests.
            c. A reasonable time is allowed for exposure to the open market.
            d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
            e. The price represents the normal considerations for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."
    b. No other definition of market value is acceptable for USPAP appraisals.
2. FOR UASFLA/YELLOW BOOK APPRAISALS: The purpose of the appraisal is to provide an opinion of market value of the subject property (larger parcel) before acquisition of an easement (before value) and an opinion of market value of the subject property remaining after the proposed easement has been placed (after value). The appraiser must recognize that in a before and after appraisal, the partial interest being acquired is not actually being appraised. The subject property appraised is the larger parcel before and after the conveyance of the partial interest. The larger parcel concept involves not only the land proposed for the easement area but all surrounding land that meets the definition of larger parcel found in UASFLA.
    a. The purpose of two opinions of value is to establish the effect on value resulting from imposition of a conservation easement. The compensation for the easement is the before value of the larger parcel minus the after value of the property as encumbered by the ALE warranty easement deed, provided there are not adjustments such as excess irrigation water rights explained below, which would equal the price of the easement. A key concept in this appraisal process is defining the larger parcel which is required to begin the appraisal process. The appraisal must be completed in compliance with USPAP, UASFLA and appraisal instructions issued by NRCS.
    b. For the purpose of these appraisals, the Federal rules for acquisition will be used.

c. The market value definition that will be stated and used in developing and reporting this assignment is the definition as stated in UASFLA:
    1. "Market value is the amount in cash, or in terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal."
d. This definition makes no linkage between the estimated market value and exposure time. A specific exposure time may not be cited in an appraisal report prepared under Yellow Book standards. Invoke the jurisdictional exception rule to avoid a violation of USPAP standards, which require a specific exposure time.
e. No other definition of market value is acceptable for UASFLA/Yellow Book appraisals.

D. Information for the appraiser

1. The following information is recommended to be provided to the appraiser by the client (eligible entity):
    a. Aerial photograph of the subject property with the location of the proposed easement area identified, access to the easement area identified, easement boundary identified, and an estimate of the acres in the proposed easement identified
    b. Legal description of subject property's parent tract
    c. Preliminary legal description of the proposed easement area or survey
    d. Copy of the **proposed** Conservation Easement Deed
    e. Aerial photograph indicating the location and acreage of any conservation agreement, contract, or easement of any type that is associated with the property
    f. Specific details of any existing easements, reservations or other restriction currently encumbering the subject property as provided by the landowner
    g. Documentation of production data provided by landowner
    h. If water rights are included in the easement area, documentation provided by eligible entity will identify the volume of water rights to be retained for the subject property as necessary
    i. Documentation of water rights owned, including name of irrigation company, number of shares or amount of ownership and documentation concerning irrigation wells on the property to be appraised, as provided by the landowner
    j. Recorded landowner's name, address and telephone number
    k. Current information as to the status of title of ownership, such as copies of deeds
    l. If available, completed Preliminary Certificate of Inspection and Possession and the Hazardous Substance Examination Checklist and any available information pertaining to the probability of existence of hazardous substances that might be found on the property to be appraised
    m. Copy of preliminary title commitment covering the proposed easement area, if available
    n. Copy of the completed easement management plan of the proposed easement area and a copy of the restoration plan, if applicable

o. A copy of the recorded written access to the easement area or evidence that the property is accessible from a public road is required
p. Written permission from the landowner or an authorized representative authorizing the assigned appraiser to enter the property for appraisal purpose

E. Background For The Appraisal Report

1. Prepare two opinions of value of the subject property. One before placement of the easement and the second after placement of the easement. The after condition or second value will be based upon a hypothetical condition that the conservation easement is in place and the effects on value that may be created. The difference in the two values is the effect of the proposed easement on the value of the property (fair market value of the ALE).
2. Client is [eligible entity name], unless otherwise directed by the client. Landowner cannot be the client. Landowner is defined as either the current owner or the party identified in the contract to purchase the property from the eligible entity.
3. Intended user must be identified as USDA/NRCS and any other specific organization or eligible entity that may be involved in the specific transaction unless otherwise directed by the client.
4. Intended use will be for USDA/NRCS and any other specific organization or eligible entity that may be involved in the specific transaction, for consideration in determining the effect on value of the conservation easement of lands entering into the ACEP - Agricultural Land Easement.
5. Exclusions of approaches to values, as stated in USPAP, must be strongly supported with solid reasoning.
6. Property rights to be appraised will be surface rights, including improvements such as homes, barns, hay sheds and fencing, timber, orchards or other permanent plantings, and any irrigation water rights. The irrigation water rights include wells, ditches, reservoirs, ponds, and lakes that provide irrigation on the subject property and are legally permitted. Crop base and allotments that are located on the subject property will be clearly identified in both the before and after condition. The value of any marketable standing timber that could be economically harvested will be considered by a timber cruise and included in any valuations. Other permanent plantings that are located on the subject property will be appraised and included in any valuations. Any irrigation equipment, such as pivot sprinklers, moveable pipe, towlines, etc., that are located in the proposed easement area will be excluded from the valuation.
7. If irrigation rights are included in the easement area, documentation provided by NRCS will identify the volume of irrigation water rights to be retained for the subject property as necessary to ensure the function of the farmland or ranchland operation and other agricultural conservation values. This volume will also be documented in the conservation plan and easement baseline inventory report exhibit attached to the conservation deed. Irrigation water rights that are legally owned and used on the proposed subject property will be described and valued in the appraisal.
8. The appraiser will document whether or not any portion of these irrigation water rights may be removed from the subject property. If the irrigation water rights may be removed from the property, the appraiser will provide a value opinion of the value of each irrigation water right. The appraiser will consider only the irrigation water rights required to be retained on the subject property as identified by NRCS.

F. The Appraisal Report

1. Description of Work Product

a. The appraisal must meet the requirements of the Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisitions regulations if applicable and appraisal instructions issued by NRCS including these appraisal specifications.
b. The appraisal report may consist of a form report, a narrative report, or a combination of both.
c. An appraisal report, as discussed in USPAP Standards Rule 2-2(a), must be provided; restricted appraisal reports are not acceptable. The appraisal report must contain the level of detail, discussion and support necessary for the client and intended users to comprehensively understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches used in the appraisal. This format was formerly known as the "self-contained reporting option" prior to the release of the 2014-2015 USPAP.
d. The contract appraiser must personally inspect the subject property and comparable sales.
e. The appraiser must talk personally to the property owner or the owner's agent or representative, and the property owner or the owner's agent or representative must be given an opportunity to accompany the appraiser during his or her inspection of the subject property which must be documented in the appraisal.
f. The Uniform Residential Appraisal Report (URAR) is not acceptable.
g. Reports must contain a table of contents and sequentially numbered pages, including addenda. Reports may contain handwritten page numbers.
h. Reports must contain the instructions or engagement documents provided to the appraiser.
i. Reports must reference all environmental documents utilized by the appraiser in completing the appraisal. The appraiser is a key individual in identifying potential environmental problems that may affect the value of the subject property.
j. The appraiser will contact the client to resolve problems, clarify questions, letters of engagement (call orders), or other issues. Issues relating to the appraisal process may be discussed with the NRCS National Appraiser.
k. The effective date of the appraisal report is the date of the site visit by the appraiser.
l. The appraisal must be in typewritten or legible ink print form or in automated or computerized forms.
m. Only reports completed, formatted and submitted on 8½-inch by 11-inch paper will be accepted. An electronic report is also required in pdf format.
n. The appraisal report must be bound in a durable report cover with appropriate identification.
o. The appraiser must provide at least three originals and electronic copy of the appraisal to the specific organization or eligible entity that may be involved in the specific transaction. Reference these instructions, including exhibits, for details on appraisal reports, appraisal forms required, and required methodology and supporting documentation.
p. The eligible entity will provide two originals and an electronic copy to NRCS. One for NRCS, one for the technical review appraiser and an electronic copy for the NRCS National Appraiser and technical review appraiser.

2. Required Elements for ALE Appraisals

a. **Part 1 - Introduction**

1. Title Page
2. Letter of Transmittal
3. Table of Contents
4. Appraiser's Certification (select the appropriate)
    a. Follow USPAP guidelines as applicable, but include the following:

"I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the opinion of value. The date(s) of inspection was _____, and the method of inspection was _____. [If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property and sales. The contract appraiser must inspect the appraised property.]

In my opinion, as of ___[date]_____, the market value of the proposed easement parcel before conveyance of the partial interest is $_____, and the market value of the proposed easement parcel after conveyance of the partial interest is $_____.

By: [signature] Date signed:
Print Name
Printed Name and Professional Accreditation
State Certification #"

b. Follow the UASFLA guidelines as applicable, but include the following:

"I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the opinion of value. The date(s) of inspection was _____, and the method of inspection was _____. [If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property and sales. The contract appraiser must inspect the appraised property.]

In my opinion, as of ___[date]_____, the market value of the larger parcel before conveyance of the partial interest is $_____, and the market value of the remainder after conveyance of the partial interest is $_____.

By: [signature] Date Signed:
Print Name
Printed Name and Professional Accreditation
State Certification #"

5. Summary of salient facts
6. Photographs of subject property. Provide original color photographs or high quality color copies of photographs of the appraised property. Photographs may be a separate exhibit in the addenda or included with the narrative description of the appraised property and comparable sales. Show the following information with each photograph:
    a. Identify the photographed scene. Indicate direction of view, vantage point, and other pertinent information.
    b. The name of the photographer
    c. The date the photograph was taken
    d. An aerial photo or topographic map should be used to show the location of the photos.
7. Statement of assumptions and limiting conditions.
    a. All appraisal reports submitted to the eligible entity and NRCS for review become the property of the United States and may be used for any legal and proper purpose. **Therefore, a condition that limits distribution of the report is not permitted**.
    b. Include a statement similar to the following in this section:
        i. "I recognize that appraisal reports submitted to the NRCS for review may be used by NRCS for any legal and proper purpose."
    c. If the appraisal has been made subject to any encumbrances against the property, such as easements, that must be stated. It is unacceptable to state that the property has been appraised as if free and clear of all encumbrances, except as stated in the body of the report; the encumbrances must be identified in this section of the report.
    d. The use of a hypothetical condition that provides access for NRCS and partners to the easement area will be shown on a map of the subject property to restore, maintain, and monitor the purpose and function for which the easement was placed may be used in the appraisal due to the actual access documents that may not be in place. This access should be considered legal access for the purposes of the appraisal but it may not meet local requirements for other uses such as subdivisions.
    e. The use of any other hypothetical conditions is not permitted without NRCS concurrence.
    f. The use of an uninstructed, unsupported assumption or hypothetical condition that results in other than "as is" market value will invalidate the appraisal. Include only factors relating to the appraisal problem. Assumptions and limiting conditions that are speculative in nature are inappropriate.
    g. Do not include limiting conditions that significantly restrict the application of the appraisal.
    h. A contract appraiser cannot make an assumption or accept an instruction that is unreasonable or misleading. Client instructions must have a sound foundation, be in writing, and be included in the appraisal report.
8. Scope of the appraisal

a. This section must fully describe the extent of investigation and analysis. The scope of work must be consistent with the intended use of the appraisal.
b. Identify the appraisal as a partial acquisition case appraisal. Describe the part being conveyed and the principal differences in the property in the before and after condition. Describe the before and after methodology to be used.
c. Summarize the appraisal problem.

9. Purpose of the appraisal will be as stated in C above.

b. Part 2 - Factual Data

1. Legal description
2. Area, city, and neighborhood data
3. Property data
   a. Site
   b. Improvements
   c. Fixtures, livestock, and forage production structures and facilities
   d. Use history
   e. Sales history (select the appropriate)
      i. For USPAP appraisals include a 3-year record of all sales of the appraised property and offer to buy or sell if the information is available. If no sale has occurred in the past 3 years, the appraiser must report the last sale of the property, irrespective of date.
      ii. For Yellow Book appraisals include a 10-year record of all sales of the appraised property and offer to buy or sell if the information is available. If no sale has occurred in the past 10 years, the appraiser must report the last sale of the property, irrespective of date
   f. Rental history.
      i. A 3-year rental history is required. An unsupported statement that the rent does not represent market or economic rent is unacceptable.
   g. Assessed value and annual tax load.
   h. Zoning and other land use regulations.
      i. The contract appraiser must identify, in addition to zoning, all other land- use and environmental regulations, outstanding rights, and reservations that have an impact on the highest and best use and value of the property.
   i. Appraised property map or plat. Show the dimensions and topography of the appraised property in detail on a large-scale topographic map, at least 2 inches to the mile. The map may be placed here or in the addenda.
   j. Aerial photograph of the subject property with the location of the proposed easement area identified, access to the easement area identified, easement boundary identified, and an estimate of the acres in the proposed easement identified.

c. Part 3 - Data Analysis and Conclusions Before Acquisition

1. Analyses of highest and best use
    a. FOR USPAP APPRAISALS: The contract appraiser may refer to definitions as found in "The Dictionary of Real Estate Appraisal."
    b. FOR YELLOW BOOK APPRAISALS: For acquisition appraisals, UASFLA defines highest and best use as, "The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future." The contract appraiser may also refer to definitions as found in "The Dictionary of Real Estate Appraisal."
        i. The UASFLA requires the contract appraiser to make a larger parcel determination in all appraisals. Apply the tests provided in UASFLA Part III to determine the larger parcels.
    c. ALL APPRAISALS: The highest and best use conclusion must be **clearly supported by market evidence**. Sale or exchange to the United States or other public entity is not an acceptable highest and best use. The use for which the Federal Government will put the property after it has been acquired is, as a general rule, an improper highest and best use. A noneconomic highest and best use, such as "conservation," "natural lands," "preservation," or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to base an estimate of market value.
    d. If the highest and best use is for development, the existing improvements must be analyzed to determine if they contribute to the development or if they would be removed. Stating that the improvements are not affected by the easement is not appropriate until it is determined if the improvements will be removed for the development or if the improvements will remain as part of the development.
    e. If the highest and best use is for assemblage, describe and explain the relationship of the appraised property to the property to which it would be joined.
    f. If speculation or investment is the highest and best use of the property, describe and explain its interim and most probable ultimate use.
    g. When there is a claim that the highest and best use of a property is something other than the property's existing use, the burden of proof is on the contract appraiser.
    h. Market value cannot be predicated upon potential uses that are speculative and conjectural.
    i. If legal access does not exist to support the highest and best use, the appraiser must provide proof that there is sufficient land available to provide the required access. The contract appraiser's opinion of a reasonable probability of a zoning change must have a factual foundation. The appraisal report must include a description of the investigation undertaken to determine the probability of rezoning. The investigation must include thorough research of the uses and zoning of properties situated similarly to the subject property within the area covered by the zoning authority. The stated rezoning conclusion must be supported by

facts surfaced in the research. A property cannot be valued as if it were already rezoned for a different use. The property must be valued only in light of the probability of obtaining a zoning change.

2. Value estimate by the cost approach
    a. Estimate the value of the land as though vacant and available for its highest and best use. Estimating land value by the use of confirmed sales of comparable or nearly comparable lands having like optimum uses is the preferred method.
3. Value estimate by the sales comparison approach
    a. Nearby arm's length transactions that are comparable to the land under appraisement and reasonably current are the best evidence of market value. The Federal courts recognize the sales comparison approach as being normally the best evidence of market value.
    b. Analyze the last sale of the subject property if relevant. If not used, explain why. An unsupported claim that a sale of the subject property was a forced sale or is not indicative of its current value is unacceptable.
    c. When supportable by market evidence, the use of quantified adjustments is preferred. Percentage and dollar adjustments may and often should be combined. Use qualitative adjustments when there is inadequate market data to support quantitative adjustments. Factors that cannot be quantified are dealt with in qualitative analysis. When quantitative and qualitative adjustments are both used in the adjustment process, all quantitative adjustments should be made first.
    d. Provide market evidence and/or supporting narrative for each adjustment used.
        i. Each quantitative adjustment requires supporting market evidence. Explain how the adjustment was determined and how it is applied to the comparable.
        ii. Each qualitative adjustment requires significant discussion to explain why it is necessary and explain the reason for the differences.
    e. Include a sales adjustment chart summarizing the adjustments and showing the final adjusted sale prices and how the sales compare with the subject property.
    f. The documentation of each comparable sale must include the following:
        i. Parties to the transaction
        ii. Date of transaction
        iii. Confirmation of the transaction
        iv. Confirm the transaction with the buyer, seller, broker, or other person having knowledge of the price, terms, and conditions of sale
        v. Buyer motivation
        vi. Location
        vii. Size
        viii. Legal description

ix. Property rights conveyed
x. Consideration
xi. Financing terms
xii. Verify if the sale was an arm's length or distressed sale
xiii. Improvements
xiv. Physical description
1. Describe topography, vegetative cover, water influence, improvements, irrigation water, soils, and other characteristics.
xv. Nonrealty items
xvi. Economic characteristics
xvii. Zoning
xviii. Current use
xix. Topographic map
xx. Photographs
1. Improvements
2. Land

g. In order to make meaningful comparisons between the sales and the appraised property, NRCS requires inspection of all sales directly compared with the appraised property. Waiver of the comparable sale inspection requirement must be made in writing by an authorized NRCS official in the form of a supplemental appraisal instruction. There is no waiver of the requirement for inspection of the appraised property.
h. The contract appraiser must adhere to UASFLA direction pertaining to comparable sales requiring extraordinary verification and weighting considerations. These include sales to governmental agencies, sales to environmental organizations, sales to parties desiring to exchange the land to the government, distressed sales, and other atypical or non-arm's-length sales.

4. Value estimate by the income approach
a. All data must be market supported
5. Correlation and final estimate
a. The contract appraiser must avoid making a summation appraisal. Individual values of noncontiguous tracts cannot be simply added together.
b. Appraisers are responsible for the final opinion of value even if it relies upon estimates developed by others (such as, timber cruisers or cost estimators). Value estimates developed by others will be the appraiser's responsibility if needed.

d. Part 4 - Factual Data After Acquisition (see section C for detailed explanations)

1. Legal description
a. If only a portion of the bundle of rights pertaining to a specific parcel of real estate is being acquired, this will be the same as in the before condition. If all of the rights held by the grantor for only a portion of the larger parcel are being acquired, this section will describe only the real estate being retained in the after condition.

b. If the partial interest being acquired is only a portion of the property rights associated with the larger parcel, the rights being acquired are outstanding rights for the after appraisal.

2. Neighborhood factors
3. Property data
   a. Site
   b. Improvements
   c. Fixtures
   d. History
   e. Assessed value and annual tax load
   f. Zoning and other land use regulations

e. Part 5 - Data Analysis and Conclusions After Acquisition

1. Analysis of highest and best use
2. Land valuation
3. Value estimate by cost approach
4. Value estimate by sales comparison approach
5. Value estimate by income capitalization approach
6. Correlation and final value estimate

f. Part 6 - Acquisition Analysis

1. Recapitulation
   a. Show the difference between the value of the entire property and the value of the remainder by deducting the property's after value from it's before value.
2. For Yellow Book appraisals only: Allocation and explanation of damages.
   a. Briefly explain any damages to the remainder property.
3. For Yellow Book appraisals only: Explanation of special benefits.
   a. Identify any special benefits accruing to the remainder.

g. Part 7 - Exhibits and Addenda

1. Location map
   a. Maps must clearly identify the property and be of sufficient quality to enable the review appraiser to locate the property on the ground. Maps must be dated and include a legend, scale, and north arrow. The original copy of the report must contain original maps or vivid color copies.
      i. Area Map.—This is a small-scale map showing the general location of the subject market area.
      ii. Neighborhood Map.—This map shows the appraised property and its immediate neighborhood.
      iii. Tract Map or Plat.—This map is a large-scale (2-inch per mile) United States Geological Survey (USGS) or similar-quality map that shows the appraised property and pertinent physical features such as roads, streams, and improvements. If portions of the appraised property are

assigned separate contributory values to the whole, these areas must be delineated on this map or a separate map.

iv. Photograph Map.—This is a map or aerial photograph showing the location of the subject pictures.

2. Comparable data maps
   a. This map must show the location of the appraised property and the sales. Delineate the boundaries of the appraised properties and comparable sales when the map is of sufficient scale to be meaningful. If all pertinent comparable sales cannot be shown on the same map as the appraised property, a smaller-scale map (such as a state road map) may be included in addition to the larger scale map.
3. Detail of comparative data
   a. Include a completed form showing all information for each comparable transaction used in the appraisal. Include a plat (if available), a USGS topographic map (if appropriate), and color photos of each sale. The transaction number must match the number of the transaction listed in the report.
4. Plot plan (if applicable)
5. Floor plan (if applicable)
6. Title evidence report
   a. Include a copy of the preliminary title report or title report if available.
   b. If unavailable, explain the due diligence completed by the appraiser. Include the deeds for the parent property or properties.
7. Other pertinent exhibits
   a. Present additional data such as documents and charts pertinent to the valuation and referred to in the body of the appraisal. Exhibits may include:
      i. A copy of the conservation easement deed.
      ii. A copy of technical reports from specialists. This may include a timber cruise summary signed by a timber cruiser or a road plan signed by an engineer.
      iii. Property owner permission to appraise.
8. Qualifications of appraiser
   a. The contract appraisers must provide evidence of compliance with the certification requirements of the State or States where the properties are located.
   b. The contract appraisers must provide documentation of compliance with experience requirements.
   c. The contract appraisers must provide documentation of meeting the education requirements
   d. Engagement instructions received from the client.

G. Appraisal Reviews

1. All appraisal reports are subject to a technical appraisal review ordered by NRCS and conducted for compliance with appraisal instructions, USPAP and UASFLA if applicable, prior to acceptance by NRCS.
2. NRCS will order the technical appraisal review.

3. The technical reviewer is not assigned to the appraisal until it is received from the eligible entity.
4. The technical reviewer may contact the appraiser for clarification and minor corrections.
5. The appraisal will be returned through NRCS to the eligible entity if significant changes are necessary requiring a supplemental appraisal report as discussed in section H below. The technical reviewer will provide a technical appraisal review report not approving the appraisal and identifying the corrections or additions needed.
6. The technical reviewer will be available to the appraiser to assist in obtaining an acceptable appraisal report.
7. The supplemental appraisal report will be subject to a subsequent review.

H. Format for Supplemental Appraisal Reports

1. Supplements or amendments to appraisal reports, such as for updating value estimates or effective date of value, changes in acreage, additional support or explanation, or to correct a previous appraisal report, must be referenced for incorporation with the original report in accordance with USPAP. The following format is recommended. All items must be addressed.
    a. Title Page.—Include the same information as on the original appraisal report. Label the report as a "Supplemental Appraisal Report to the Appraisal Report for_____."
    b. Summary of Facts.—Include:
        1. Owner's name or other identification of the property
        2. Client's name
        3. Size
        4. Highest and best use
        5. New opinion of value
        6. Valuation date
            a. Effective date of the original report or
            b. The date of the new inspection for updating the effective date.
    c. Summary of Original Appraisal.—Cite the date and value opinion from the original appraisal. If previous updates have been made since the original appraisal, cite value opinions and value dates from all updates as well as the original appraisal.
    d. Changes.—Explain the reason for the appraisal supplement such as, to update an opinion of value due to survey acres, new effective date, amend a previous appraisal report, add additional support or explanation, or other.
    e. New Opinion of Value.—Discuss the changes that have occurred since the original appraisal. Discuss the method used to update the opinion of value and cite the evidence or analysis of trends that support the updated value opinion. Conclude with a statement of the new opinion of value and the valuation date which is the effective date of the original report or the new effective date, followed by the contract appraiser's signature.
    f. Certification as required in section F(b)(A)(4) of this exhibit.
    g. Addenda.—Include sales data detail for new sales cited, summaries of data and trend analyses, maps of sales analyzed, and any other information relied upon but not included in the text.
    h. Binding.—If the supplemental appraisal report comprises more than four pages, it must be bound in durable report cover with appropriate identification.
    i. Electronic Copy.—An electronic copy of the supplemental report will be provided along with the hardcopy.

EXHIBIT 5

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page 1 of pages

3. Recipient Organization (Name and complete address including Zip code)

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
			☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	☐ Cash ☐ Accrual

8. Project/Grant Period (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)
From:	To:	

10. **Transactions**	Cumulative
(Use lines a-c for single or combined multiple grant reporting)	
Federal Cash (To report multiple grants separately, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	
(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	
Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
Program Income:	
l. Total Federal share of program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
				g. Totals:			

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
	d. Email Address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year)
	14. Agency use only:

Standard Form 425 - Revised 10/11/2011
OMB Approval Number: 0348-0061
Expiration Date: 2/28/2015

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

Exhibit 6

This form is available electronically.

Form Approved – OMB No. 0505-0025
Expiration Date: 12/31/2012

AD-3031

U.S. Department of Agriculture

ASSURANCE REGARDING FELONY CONVICTION OR TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 55a – as amended). The authority for requesting the following information for USDA agencies and offices is in sections 738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55, and subsequent similar provisions. The information will be used to document compliance with appropriations restrictions.*

According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number of this information collection is 0505-0025. The time required to complete this information collection is estimated to average 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

This award is subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55, Division A, Sections 738 and 739 for USDA agencies and offices (except Forest Service) regarding corporate felony convictions and corporate federal tax delinquencies.

Accordingly, by accepting this award the recipient acknowledges that it: (1) does not have a tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, and (2) has not been convicted (or had an officer or agent acting on its behalf convicted) of a felony criminal violation under any Federal or State law within 24 months preceding the award, unless a suspending and debarring official of the United States Department of Agriculture has considered suspension or debarment of the recipient corporation, or such officer or agent, based on these convictions and/or tax delinquencies and determined that suspension or debarment is not necessary to protect the interests of the Government. If the recipient fails to comply with these provisions, the agency will annul this agreement and may recover any funds the recipient has expended in violation of sections, 738 and 739.

_____
APPLICANT'S SIGNATURE (BY)

_____
TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY

_____
BUSINESS NAME

_____
DATE SIGNED (MM-DD-YYYY)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

EXHIBIT 7

MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS
FISCAL YEAR 2014 FUNDED
AGRICULTURAL CONSERVATION EASEMENT PROGRAM
COOPERATIVE AGREEMENT

1) When these terms are appended as an exhibit to the Agricultural Land Easement deed, as opposed to being inserted directly into an Agricultural Land Easement deed, this paragraph will be inserted at the bottom of the ACEP funded Agricultural Land Easement deed immediately before the signature pages:

> The Agricultural Land Easement is acquired with funds provided, in part, by the Agricultural Conservation Easement Program ("ACEP") under **Cooperative Agreement Number [##-####-##-##]** dated **[Date of Cooperative Agreement]** between the **[Cooperating Entity Name(s)] and** the **United States of America (the United States),** by and through the Commodity Credit Cooperation and the Natural Resources Conservation Service (NRCS), United States Department of Agriculture (USDA). As required by 16 U.S.C. § 3865 *et seq* and as a condition of receiving ACEP funds, all present and future use of the [Insert Defined Term for Parcel] identified in EXHIBIT ____ (legal description or survey) is and shall remain subject to the terms and conditions described in the Minimum Terms For Agricultural Land Easements in EXHIBIT ___ which is appended to and made a part of this easement deed. The terms and conditions described in the Minimum Terms For Agricultural Land Easements shall run with the land in perpetuity. The Minimum Terms For Agricultural Land Easements, the easement deed, and all exhibits to each, shall be collectively referred to as the Agricultural Land Easement or this Deed. In the event a discrepancy arises between the Minimum Terms For Agricultural Land Easements and the easement deed, the terms of the Minimum Terms For Agricultural Land Easements control.

2) A fully executed copy of the Exhibit below must be attached to the ACEP funded Agricultural Land Easement Deed at the time of closing and recordation:

EXHIBIT_____

MINIMUM TERMS FOR AGRICULTURAL LAND EASMENTS

The Agricultural Conservation Easement Program facilitated and provided funding through a Cooperative Agreement for the purchase of an Agricultural Land Easement (the Agricultural Land Easement) on real property described in Exhibit ___ (the Property) for the purpose of protecting the agricultural use and future viability, and related conservation values, of the Property by limiting nonagricultural uses of the Property [Alternatively: protecting grazing uses and related conservation values by restoring and conserving the Property.] A copy of the Cooperative Agreement is kept on file at the offices of NRCS at,_____ and at the offices of the **[Cooperating Entity Name(s)]**, _____.

The [**LANDOWNER NAME(s)]**, (collectively Grantor); the **[COOPERATING ENTITY NAME(S)]** (collectively Grantee) and the **United States of America (the United States),** acting by and through the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) on behalf of the Commodity Credit Corporation (CCC), jointly referred to as the "Parties" acknowledge that the Agricultural Land Easement is acquired to protect the agricultural use and future viability, and related conservation values, of the Property by limiting nonagricultural uses of the Property [Alternatively: protect the grazing uses and related conservation values by restoring and conserving the Property], thereby preserving and protecting in perpetuity the multiple, interrelated land features which are critical to agricultural lands, historic structures, archaeological resources, open space, and wildlife habitats. This Agricultural Land Easement protects ___ acres of prime, unique, or other productive soil [Alternatively: grassland] which is __% of the Property [and habitat for [list species]].] [and historic/archaeological

resources (identify any specific resources being protected i.e. reference the listing in NRHP)]. The Parties further acknowledge that the Property will be managed for long-term agricultural viability.

Notwithstanding any other provision of the Agricultural Land Easement, the Parties agree that all present and future use of the Property is and shall remain subject to the following terms and conditions provided that if the Agricultural Land Easement contains terms and conditions that are consistent with, but more restrictive than the conditions and terms in Section I Paragraphs 1, 2, and 3, those more restrictive terms and conditions shall control.

SECTION I - MINIMUM CONSERVATION DEED RESTRICTIONS

The Grantor and Grantee and their respective heirs, successors, agents, assigns, lessees, and any other person claiming under them shall comply with all terms, conditions and restrictions of this easement, including the following:

1. Agricultural Land Easement Plan. As required by section 16 U.S.C. 3865 agricultural production and related uses of the [Insert Defined Term for Parcel] are subject to an Agricultural Land Easement Plan, as approved by the NRCS State Conservationist or his or her designee, to promote the long-term viability of the land. Grantor agrees to implement the Agricultural Land Easement Plan on the [Insert Defined Term for Parcel].

If [Insert Defined Term for Parcel] contains grasslands, Highly Erodible Land, or forestland then component plans are required as part of the Agricultural Land Easement Plan. Component plans to the Agricultural Land Easement Plan are required as follows: 1) parcels with grasslands must have a Grassland Management Plan; 2) parcels with Highly Erodible Land must have a Conservation Plan and where appropriate, the plan will include conversion of highly erodible cropland to less intensive uses; 3) parcels with contiguous forest that exceeds the greater of 40 acres or 20 percent must have a Forest Management Plan. The Agricultural Land Easement Plan shall not include any provisions inconsistent with the conservation purposes of this Agricultural Land Easement.

This Agricultural Land Easement Plan including any applicable component plans, collectively referred to as the Agricultural Land Easement Plan, is herein incorporated by reference. The Grantee and Grantor agree to update the plan in the event the agricultural uses of the property change. A copy of the current Agricultural Land Easement Plan must be kept on file with the Grantee and will be provided to NRCS upon request after reasonable notice.

NRCS shall have the right to enter upon the [Insert Defined Term for Parcel], with advance notice to the Grantee and Grantor, in order to monitor compliance with the Agricultural Land Easement Plan and as provided for in **[Reference to US Right of Inspection Paragraph]**. In the event of substantial ongoing noncompliance with the Agricultural Land Easement Plan, NRCS shall notify the Grantee. NRCS will give the Grantee and Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action, during which time the Grantee will explore methods of compliance with Grantor. The Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the Agricultural Land Easement Plan following written notification from NRCS that there is a substantial, ongoing event or circumstance of non-compliance with the Agricultural Land Easement Plan. If Grantee fails to enforce the terms of the Agricultural Land Easement, including, but not limited to compliance with the Agricultural Land Easement Plan, the United States may exercise its right of enforcement.

The provisions of this section apply of the Agricultural Conservation Easement Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

2. Limitation on Impervious Surfaces. Impervious surfaces will not exceed **[Insert approved impervious surface percentage]** *[Note: if greater than two percent (2%) a waiver by* the *Chief of NRCS or his or her authorized designee (Chief of NRCS) must have been granted in writing prior to submitting the Agricultural Land Easement to NRCS for review and approval.]*, of the **[Insert Defined Term for Parcel]**, excluding NRCS-approved conservation practices developed under the Agricultural Land Easement Plan described in Section I Paragraph 1. Impervious surfaces are defined as material that does not allow water to percolate into the soil on the [Insert Defined Term for Parcel]; this includes, but is not limited to, residential buildings, agricultural buildings with or without flooring, paved areas, and any other surfaces that are covered by asphalt, concrete, or roofs. This limitation does not include public roads or other roads owned and controlled by parties with superior rights to those rights conveyed to Grantee by this Agricultural Land Easement.

[***Include the following if limited subdivision is permitted below***: In the event the [Insert Defined Term for Parcel] is subdivided as provided for in Section I 3. (B) the total cumulative impervious surface of the subdivided parcels shall not exceed the impervious limitation referenced above. The Grantor, with Grantee approval, shall allocate the impervious surface limit among the subdivided parcels and ensure said impervious surface limitation is clearly defined in each subdivided parcel's recorded instrument.**]**

3. Prohibited Uses. Any activities inconsistent with the purposes of the Agricultural Land Easement are prohibited. **[For general ALE grazing uses enrollments or ALE Grassland of Special Environmental Significance enrollments (GSS) (collectively referred to as 'ALE grassland enrollments') include the following sentence: The provisions of this Agricultural Land Easement Deed and associated exhibits limit the types of agricultural operations that can occur on the [Insert Defined Term for Parcel], to those that restore or conserve grassland, and protect grazing uses, and related conservation values and are consistent with the Agricultural Land Easement Plan required by Section [#] Paragraph [#].]** The following activities are specifically prohibited, subject to the qualifications stated below:

(A) *Waste and Dumping* – Accumulation or dumping of trash, refuse, sewage, junk or toxic materials is not allowed on the [Insert Defined Term for Parcel]. This restriction will not prevent generally accepted agricultural or wildlife management practices, such as creation of brush piles, composting, or the storage of farm machinery, organic matter, agricultural products, or agricultural byproducts on the [Insert Defined Term for Parcel].

(B) Subdivision **–[ALE may use ALE Option 1, 2, or 3 for projects where the purpose of the easement is NOT the restoration and conservation of grassland or the protection of grazing uses or related conservation values. Where the purpose of the project is the restoration and conservation of grassland, or protection of grazing uses and related conservation values the ALE must use Grassland Option 1, 2, or 3.]**

[ALE Option 1 and Grassland Option 1]Separate conveyance of a portion of the [Insert Defined Term for Parcel] or division or subdivision of the [Insert Defined Term for Parcel] is prohibited, except where state or local regulations explicitly require subdivision to construct residences for employees working on the [Insert Defined Term for Parcel]. Grantor shall provide

written notice and evidence of such requirements to Grantee and the Chief of NRCS or his or her authorized designee (Chief of NRCS) prior to division of the [Insert Defined Term for Parcel].

[ALE Option-2] The [Insert Defined Term for Parcel] shall not be divided or subdivided into, or separately conveyed as, more than _____ farm or ranch parcels (____ division(s) allowed), the boundaries of which have been identified in EXHIBIT ___, which is appended to and made a part of this Agricultural Land Easement. To ensure the future agricultural viability of the [Insert Defined Term for Parcel], the boundaries of such division(s) have been pre-approved in writing by Grantee and the Chief of NRCS or his or her authorized designee (Chief of NRCS). Deviations from the identified boundaries will not be allowed. Grantor shall give Grantee and the Chief of NRCS written notice prior to subdividing, dividing or separately conveying a parcel(s) of the [Insert Defined Term for Parcel]. The division, subdivision or separate conveyance of a parcel(s) of the [Insert Defined Term for Parcel] as provided in this Paragraph, will not affect the right of the Grantor, its heirs, successors, or assigns to make additional approved division(s) of the [Insert Defined Term for Parcel] identified in EXHIBIT ___.

[ALE Option-3] The [Insert Defined Term for Parcel] shall not be divided or subdivided into, or separately conveyed as, more than _____ farm or ranch parcels (____ division(s) allowed). To ensure the future agricultural viability of the [Insert Defined Term for Parcel], the boundaries of such division(s) must be approved in writing by Grantee and the Chief of NRCS or his or her authorized designee (Chief of NRCS) before any such division, subdivision or separate conveyance occurs. The Chief of NRCS may only approve the division, subdivision or separate conveyance of the [Insert Defined Term for Parcel] into separately conveyable farm or ranch parcels when:

1. The Grantee requests the Chief of NRCS approval to subdivide the [Insert Defined Term for Parcel] into separate farm or ranch parcels, after receiving a request from the Grantor;

2. The Grantor certifies to the Chief of NRCS that the requested subdivision is required to keep all farm or ranch parcels in production and viable for agriculture use and that separate conveyance of the [Insert Defined Term for Parcel] farm or ranch parcels will move the land from one agricultural operation to another; and

3. The Chief of NRCS determines that the–

a. Parcels resulting from the subdivision of the [Insert Defined Term for Parcel] will meet ACEP land eligibility requirements of 16 U.S.C. § 3865 et seq. as enacted on the date the original parcel was enrolled in ACEP;

b. Subdivision will not decrease the Agricultural Land Easement's protection for the agricultural use and future viability, and related conservation values, of the [Insert Defined Term for Parcel]; and

c. The resulting parcel will not be below the median size of farms in the county or parish as determined by most recent United States Department of Agriculture's National Agricultural Statistical Survey (NASS).

After Grantor receives written approval from Grantee and the Chief of NRCS, the Grantor shall give Grantee and the Chief of NRCS written notice prior to making a division of the [Insert

Defined Term for Parcel]. The division, subdivision or separate conveyance of a parcel(s) of the [Insert Defined Term for Parcel] as provided in this Paragraph, will not affect the right of the Grantor, its heirs, successors, or assigns to make any additional division(s) of the [Insert Defined Term for Parcel]. The grantor making the conveyance retains the right to make further approved division(s) of the Property unless the permitted division(s) is/are allocated by that grantor in the instrument creating the division or other recorded instrument.

[Grassland Option-2] The [Insert Defined Term for Parcel] shall not be divided or subdivided into, or separately conveyed as, more than the _____ farm or ranch parcels (____ division(s) allowed), the boundaries of which have been identified in EXHIBIT ___, which is appended to and made a part of this Agricultural Land Easement. To protect the restoration and conservation grassland, grazing uses, and related conservation values of the [Insert Defined Term for Parcel], the boundaries of such division, subdivision or separate conveyance is(s) have been pre-approved in writing by Grantee and the Chief of NRCS or his or her authorized designee (Chief of NRCS). Deviations from the identified boundaries will not be allowed. Grantor shall give Grantee and the Chief of NRCS written notice prior to division, subdivision or separate conveyance of a parcel(s) of the [Insert Defined Term for Parcel]. The division, subdivision or separate conveyance of a parcel(s) of the [Insert Defined Term for Parcel] as provided in this Paragraph, will not affect the right of the Grantor, its heirs, successors, or assigns to make additional approved division(s) of the [Insert Defined Term for Parcel] identified in EXHIBIT ___.

[Grassland Option-3] The [Insert Defined Term for Parcel] shall not be divided or subdivided into, or separately conveyed as, more than _____ farm or ranch parcels (____ division(s) allowed). To protect the restoration and conservation of grassland, grazing uses, and related conservation values of the [Insert Defined Term for Parcel], the boundaries of such division(s) must be approved in writing by Grantee and the Chief of NRCS or his or her authorized designee (Chief of NRCS). The Chief of NRCS may only approve the division or subdivision of the [Insert Defined Term for Parcel] into separately conveyable farm or ranch parcels when:

1. The Grantee requests the Chief of NRCS approval to subdivide the [Insert Defined Term for Parcel] into separate farm or ranch parcels, on behalf of the Grantor;

2. The Grantor certifies to the Chief of NRCS that the requested subdivision is required to keep all farm or ranch parcels in production and viable for agriculture use and that separate conveyance of the farm or ranch parcels will move the land from one agricultural operation to another; and

3. The Chief of NRCS determines that the-

a. Parcels resulting from the subdivision of the [Insert Defined Term for Parcel] will meet ACEP land eligibility requirements of the 16 U.S.C. § 3865 *et seq.* as enacted on the date the original parcel was enrolled in ACEP;

b. Subdivision will not decrease the Agricultural Land Easement's protection for the grazing uses and related conservation values, of the [Insert Defined Term for Parcel];

c. Subdivision will not adversely impact the restoration or conservation of the grassland on the Protected Property; and

d. The resulting parcel will not be below the median size of farms in the county or parish as determined by most recent United States Department of Agriculture's National Agricultural Statistical Survey (NASS).

After Grantor receives written approval from Grantee and the Chief of NRCS, the Grantor shall give Grantee and the Chief of NRCS written notice prior to making a division of the [Insert Defined Term for Parcel]. The division, subdivision or separate conveyance of a parcel(s) of the [Insert Defined Term for Parcel] as provided in this Paragraph, will not affect the right of the Grantor, its heirs, successors, or assigns to make any additional division(s) of the [Insert Defined Term for Parcel]. The Grantor making the conveyance retains the right to make further approved division(s) of the Property unless the permitted division(s) is/are allocated by that grantor in the instrument creating the division or other recorded instrument.

(C) *Industrial or Commercial Uses* - Industrial or commercial activities on the [Insert Defined Term for Parcel] are prohibited except for the following:

(i) agricultural production and related uses conducted in accordance with the Agricultural Land Easement Plan required by **[Insert citation to ALE Plan section]**;

(ii) processing or sale of farm or forest products produced or partially produced on the [Insert Defined Term for Parcel] in approved buildings;

(iii) small-scale incidental commercial or industrial operations compatible with activities set forth in Section [#] Paragraph [#] (C)(i) of this Minimum Terms For Agricultural Land Easements that Grantee approves in writing as being consistent with the conservation purpose of this Easement;

(iv) activities that can be and in fact are conducted within approved buildings without material alteration to their external appearance or harming the agricultural use and future viability **[Alternatively: grazing uses or grassland restoration and conservation]**, and related conservation values of the [Insert Defined Term for Parcel];

(v) the sale of excess power generated in the operation of alternative energy structures and associated equipment or other energy structures that Grantee approves in writing as being consistent with the conservation purposes of this Easement;

(vi) temporary or seasonal outdoor activities or events ("Activities") that do not harm the agricultural use and future viability, and related conservation values of the [Insert Defined Term for Parcel] herein protected; and

(vii) customary rural enterprises related to agriculture or forestry or small-scale commercial enterprises compatible with agriculture or forestry such as, but not limited to farm machinery repair, agri-tourism, processing, packaging, and marketing of farm or forest products, and small-scale farm wineries, cafés, shops, and studios for arts or crafts.

(D) *Construction on the [Insert Defined Term for Parcel]* – All new structures and improvements must be located within the Building Envelope(s), containing approximately _____ acres and described in EXHIBIT ____ which is appended to and made a part of the Agricultural Land Easement.

The boundaries and location of the Building Envelope(s) may be adjusted if Grantee and the Chief of NRCS provide prior written approval of the adjusted boundaries and location. The Building Envelope(s) may not increase in size and the adjusted Building Envelope(s) must provide equal or greater protection of the agricultural use and future viability **[Alternatively: Alternatively: grazing uses or grassland restoration and conservation]**, and related conservation values of the [Insert Defined Term for Parcel].

Utilities to serve approved buildings or structures, including on-farm energy structures allowed under Section [I] Paragraph (4)(F) and agricultural structures that neither individually nor collectively have an adverse impact on the agricultural use and future viability of the **[Alternatively: grazing uses or grassland restoration and conservation]**, and related conservation values of the [Insert Defined Term for Parcel] may be built outside of the Building Envelope with prior written approval of the Grantee provided that the utilities or agricultural structures follow applicable NRCS-approved conservation practices consistent with the Agricultural Land Easement Plan described **Section I Paragraph 1.**

(E) *Granting of easements for utilities and roads* – The granting or modification of easements for utilities and roads is prohibited when the utility or road will harm the agricultural use and future viability and related conservation values of the [Insert Defined Term for Parcel] as determined by the Grantee in consultation with the Chief of NRCS. **[Alternatively for ALE grassland enrollments replace the preceding sentence with: The granting of easements for utilities and roads is prohibited when the utility or road will adversely impact the conservation values of the [Insert Defined Term for Parcel], including, without limitation, the protection of grazing uses or grassland restoration and conservation from fragmentation, development, or conversion to non-grassland uses, or the protection of at-risk species, as determined by the Grantee in consultation with the Chief of NRCS.]**

(F) *Surface Alteration* – Grading, blasting, filling, sod farming, earth removal or any other activity that will disturb the soil surface or materially alter the topography, surface or subsurface water systems, or wetlands of the [Insert Defined Term for Parcel] is prohibited, except as follows:

(i) dam construction to create ponds for agricultural use, fire protection, or wildlife enhancement, or wetland restoration, enhancement or creation, in accordance with an Agricultural Land Easement Plan and NRCS standards and specifications;

(ii) erosion and sediment control pursuant to an erosion and sediment control plan approved by the Grantee;

(iii) as required in the construction of approved buildings, structures, roads, and utilities provided that are compatible with the required alteration has been approved in writing by Grantee as being consistent with the conservation purpose of this Easement; or

(iv) agricultural activities conducted in accordance with the Agricultural Land Easement Plan **[Alternatively: grazing uses or grassland restoration and conservation activities conducted in accordance with the Agricultural Land Easement Plan and component Grassland Management Plan]**.

(G) *Oil, Gas, or Mineral Exploration and Extraction* – Mining or extraction of soil, sand, gravel, oil, natural gas, fuel, coal, or any other mineral substance owned by Grantor as of the date of this Agricultural Land Easement or later acquired by Grantor, using any surface mining, subsurface mining, or dredging method, from [Insert Defined Term for Parcel] is prohibited, except for limited mining activities to the extent that the materials mined (e.g. sand, gravel, or shale) are used for agricultural operations on the [Insert Defined Term for Parcel]. In the case of this limited mining for materials used for agricultural operations, extraction must be limited to a small, defined area or acreage identified in EXHIBIT ____ and may not harm the conservation values or the agricultural uses of the [Insert Defined Term for Parcel].

[*Beginning of Alternate Oil and Gas Language: The following may be inserted if Grantee chooses to allow oil and gas exploration and extraction as an alternative to a complete prohibition on oil or gas exploration and extraction on the Parcel:* Oil and gas exploration and extraction on the [Insert Defined Term for Parcel] is permitted if approved by Grantee in accordance with this Paragraph (H), and if such exploration and extraction of oil and gas is:

(i) not accomplished by any surface mining method;

(ii) accomplished by a method of extraction that has no more than a limited and localized impact that does not harm the conservation values of the [Insert Defined Term for Parcel], including but not limited to the [Insert Defined Term for Parcel]'s use for agriculture;

(iii) within the impervious surface limits of the Agricultural Land Easement;

(iv) subject to the Agricultural Land Easement Plan that includes provisions for oil and gas exploration and extraction. The exploration and extraction provisions must address the timing, location, and intensity of oil and gas exploration and extraction and associated activities, including, but not limited to, the construction and use of production facilities, roads, and pipelines to ensure oil and gas exploration and extraction and associated activities do not interfere with the conservation values of the [Insert Defined Term for Parcel], including but not limited to the [Insert Defined Term for Parcel]'s use for agriculture; and

(v) carried out in accordance with all Federal, state, and local regulations.

Any mineral leases or other conveyances of minerals entered into after the date of this ALE Deed are subordinate to the terms of this ALE Deed. Grantor agrees that Grantee must approve in advance in writing any lease or agreement pertaining to use of the surface of the [Insert Defined Term for Parcel] for mining, between Grantor and owners or lessees of minerals (including oil and gas), which approval Grantee may withhold in its discretion if it determines that the proposed surface use is not consistent with the conservation values of the [Insert Defined Term for Parcel], including but not limited to the [Insert Defined Term for Parcel]'s use for agriculture **[Alternatively: grazing uses or restoration and conservation]** or is not consistent with the terms of this paragraph.

Impervious surfaces as defined in **[Insert Citation to Impervious Surface Limitation]** of this Easement shall include any surface disturbance or impervious surfaces associated with oil and gas exploration and extraction associated with uses permitted by this paragraph. If Grantee approves

exploration for and extraction of oil or gas and activities associated with exploration for and extraction of oil or gas on the [Insert Defined Term for Parcel]. *End of Alternate Oil and Gas Language]*

If a third party owns or leases the oil, natural gas, or any other mineral substance at the time this Agricultural Land Easement is executed, and their interests have not been subordinated to this Agricultural Land Easement, the Grantor shall require, to the greatest extent possible, that any oil, natural gas, and mineral exploration and extraction conducted by such third party, including without limitation, impacts to the [Insert Defined Term for Parcel] from any oil and gas exploration and extraction and associated activities is:

(i) not accomplished by any surface mining method;

(ii) accomplished by a method of extraction that has no more than a limited and localized impact that has the least adverse impact on the conservation values of the [Insert Defined Term for Parcel], including but not limited to the [Insert Defined Term for Parcel]'s use for agriculture;

(iii) within the impervious surface limits of the Agricultural Land Easement; and

(iv) carried out in accordance with all Federal, state, and local regulations.

(H) **[For ALE grassland enrollments]** *Crop Cultivation*. Except for grazing uses and grassland restoration and conservation permitted in **[Cite Permitted Uses Section]**. The cultivation or production of crops, non-perennial forages for human or domestic animal consumption, crop seed production, or planting of orchards, vineyards, berries, tree farms, or other perennial non-grassland agricultural product is prohibited.

Allowed Uses. The provisions of this Agricultural Land Easement Deed and associated exhibits will not be interpreted to restrict the types of agricultural operations that can function on the [Insert Defined Term for Parcel], so long as the agricultural operations are consistent with the Agricultural Land Easement Plan required by Section **[#]** Paragraph [#]. **[The preceding sentence should be struck for ALE grassland enrollments.]** Permitted uses of the [Insert Defined Term for Parcel] include, the specific uses permitted in Section I Paragraph **([#])** (C) (i)-(vii) and the following activities, subject to the qualifications stated below:

(A) *Agricultural Production* - The production, processing, and marketing of agricultural crops and livestock is permitted provided it is conducted in a manner consistent with the terms of the Agricultural Land Easement Plan described in Section [#] Paragraph [#]. **[Alternatively, for ALE grassland enrollments replace the preceding sentence with: The production, processing, and marketing of livestock and agricultural products compatible with restoration and conservation of grassland, grazing uses, and related conservation values is permitted provided it is conducted in a manner consistent with the terms of the Agricultural Land Easement Plan described in Section [#] Paragraph [#].]**

(B) *Forest Management and Timber Harvest* - Forest management and timber harvesting is permitted, provided all forest management and timber harvesting is carried out in accordance with all applicable local, State, Federal, and other governmental laws and regulations and to the extent

reasonably practicable, in accordance with current, generally accepted best management practices for the sites, soils, and terrain of the [Insert Defined Term for Parcel]. In addition, if the property contains 40 contiguous acres of forest or 20 percent of the [Insert Defined Term for Parcel] is forestland then forest management and timber harvesting must be performed in accordance with a written forest management plan. The forest management plan must be prepared by a professional resource manager, in consultation with the Grantee and approved by the NRCS State Conservationist or his or her designee (State Conservationist). Forest management plans may include a forest stewardship plan, as specified in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a), another practice plan approved by the State Forester, or another plan determined appropriate by the State Conservationist.

A forest management plan shall not be required for the following permitted non-commercial activities: (i) cutting of trees for the construction of permitted roads, utilities, buildings and structures on the [Insert Defined Term for Parcel], (ii) cutting of trees for trail clearing, (iii) cutting of trees for domestic use as firewood, or for other domestic uses by Grantor, (iv) removal of trees posing an imminent hazard to the health or safety of persons or livestock, or (v) removal of invasive species.

(C) *Non-developed and Non-Consumptive Recreation and Educational Activities* – Recreational and educational activities that are both non-developed and non-consumptive are permitted if they do not negatively affect the soils and the agricultural operations **[, grassland, grazing uses, and related conservation values,]** and are consistent with the purpose of the Agricultural Land Easement.

(D) *Construction and Maintenance of Roads* – New roads may be constructed if they are within impervious surface limits, approved in advance by Grantee, and necessary to carry out the agricultural operations or other permitted uses on the [Insert Defined Term for Parcel]. **[The preceding sentence must be struck when the purpose of the easement is the restoration and conservation of grassland, grazing uses, and related conservation values.]** Maintenance of existing roads documented on the Baseline Documentation Report is permitted, however existing roads may not be widened or improved unless widening and improving is within impervious surface limits, approved in advance by Grantee, and necessary to carry out the agricultural operations or other permitted uses on the [Insert Defined Term for Parcel].

(E) *Fences* - Fences may be maintained and replaced and new fences installed if they are necessary for agricultural operations on the [Insert Defined Term for Parcel] or to mark boundaries of the [Insert Defined Term for Parcel]. **[Alternatively, for ALE grassland enrollments replace the preceding sentence with: On ALE grassland enrollments, fences may be maintained and replaced only in accordance with the Agricultural Land Easement Plan. Additionally, on ALE grassland enrollments with at-risk species, fences must be consistent with species management requirements.]**

(F) *On-Farm Energy Production* –-Renewable energy production is allowed for the purpose of generating energy for the agricultural and residential needs of the [Insert Defined Term for Parcel]. Renewable energy sources on the [Insert Defined Term for Parcel] must be built and maintained in accordance with any local zoning ordinance and applicable State and Federal law. Renewable energy sources must be built and maintained within impervious surface limits, with minimal impact on the conservation values of the [Insert Defined Term for Parcel] and consistent with the purposes of the Agricultural Land Easement.

(G) *Grassland Uses of the Property* - Grantors are allowed to graze, hay, harvest for hay and non-crop seed production, mow, construct fire breaks, conduct fire pre-suppression and rehabilitation activities, and conduct common grazing practices, including maintenance and necessary cultural practices, consistent with the provisions and conservation purposes of this ALE Deed. As used in this ALE Deed, the term "common grazing practices" means those practices customary to the region where the Property is located related to livestock grazing, and includes forage management and necessary cultural practices such as the infrastructure required to conduct livestock grazing on the Property. Grantors shall not hay, mow or harvest for seed during certain nesting seasons for birds whose populations are in significant decline as identified by Grantee or NRCS. Such determinations shall be made in writing to the Grantors, or set forth within the Agricultural Land Easement Plan for the [Insert Defined Term for Parcel].

(H) *Other Allowed Uses* – Other uses may be allowed if they do not harm the agricultural use and future viability **[Alternatively restoration and conservation of grassland, grazing uses,]**, and related conservation values of the [Insert Defined Term for Parcel], are consistent with the purposes of the ALE, and approved in advance by Grantee.

[If Land Eligibility is based on the presence of historical or archaeological resources* or *the project received ranking points for the multifunctional benefits of agricultural land protection for historical and archaeological resources]

6. Historic or Archaeological Resources. Existing archaeologically, culturally or historically significant features on the [Insert Defined Term for Parcel] including, but not limited to, such features as documented in the Baseline Documentation shall be maintained consistent with the guidelines provided in The Secretary of Department of the Interior's Standards for the Treatment of Historic Properties pursuant to 36 CFR 68, as amended. The up-to-date version of such guidelines shall be maintained by Grantee in the Baseline Documentation and made available to Grantor upon request. The archaeologically, culturally, or historically significant features may not be altered or removed without Grantee's prior written approval, which approval shall not be given except where the proposed activity is accomplished in accordance with the guidelines provided in The Secretary of The Department of the Interior's Standards for the Treatment of Historic Properties.

SECTION II - PROTECTION OF THE UNITED STATE'S INTERESTS

1. United States Right of Enforcement. Under this Agricultural Land Easement, the United States is granted the right of enforcement in order to protect the public investment. The Secretary of the United States Department of Agriculture (the Secretary) or his or her assigns, on behalf of the United States, may exercise this right of enforcement under any authority available under State or Federal law if the Grantee, or its successors or assigns, fails to enforce any of the terms of this Agricultural Land Easement, as determined in the sole discretion of the Secretary.

The United States is entitled to recover any and all administrative and legal costs from the Grantee and/or the Grantor, including attorney's fees or expenses, associated with any enforcement or remedial action related to the enforcement of this Easement.

2. United States Right of Inspection. The United States will have reasonable access to the Property and may enter the [Insert Defined Term for Parcel] from time to time for purposes of inspection (including photographic documentation of the condition of the [Insert Defined Term for Parcel]), monitoring compliance with the Agricultural Land Easement Plan and enforcement of the terms of this

Agricultural Land Easement and the United States Cooperative Agreement with the Grantee after advance notice to Grantee and Grantor or Grantor's representative, provided, however, in the event of an emergency, the United States may enter the [Insert Defined Term for Parcel] to prevent, terminate, or mitigate a potential violation of these restrictions. In the event of an emergency, notice to Grantee and Grantor or Grantor's representative will be given at the earliest practicable time.

3. General Indemnification. Grantor shall indemnify and hold harmless the United States, its employees, agents, and assigns for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, costs of actions, or sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Grantee and the United States may be subject or incur relating to the [Insert Defined Term for Parcel], which may arise from, but are not limited to, Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant, or agreements contained in this Agricultural Land Easement Deed, or violations of any Federal, State, or local laws, including all Environmental Laws.

4. Environmental Warranty. Grantor warrants that it is in compliance with, and shall remain in compliance with, all applicable Environmental Laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the [Insert Defined Term for Parcel]. Grantor further warrants that it has no actual knowledge of a release or threatened release of Hazardous Materials, as such substances and wastes are defined by applicable federal and state law.

Moreover, Grantor hereby promises to hold harmless and indemnify Grantee and the United States against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the [Insert Defined Term for Parcel], or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the [Insert Defined Term for Parcel]. Grantor's indemnification obligation shall not be affected by any authorizations provided by Grantee or the United States to Grantor with respect to the [Insert Defined Term for Parcel] or any restoration activities carried out by Grantee at the [Insert Defined Term for Parcel]; provided, however, that Grantee shall be responsible for any Hazardous Materials contributed after this date to the [Insert Defined Term for Parcel] by Grantee.

"Environmental Law" or "Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

"Hazardous Materials" means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.

5. Extinguishment and Condemnation. This Agricultural Land Easement vests a right of enforcement in the United States and additional real property interests in the Grantee. These rights may only be extinguished with the necessary approval of the Grantee and the United States, as specified in this Agricultural Land Easement. Due to the Federal interest in this Agricultural Land Easement, the United States must consent to any condemnation action affecting the [Insert Defined Term for Parcel]. If any entity with condemnation authority (condemning agency) proposes to condemn the [Insert Defined Term for Parcel], NRCS must be notified immediately by the condemning agency and grantee, and the consent of the United States must be received by the condemning agency before any condemnation action may proceed with respect to the federal interest in this Agricultural Land Easement.

The Grantee and the United States stipulate to have a fair market value of _____ percent (____%), hereinafter the "Proportionate Share," of the fair market value of the Property unencumbered by this Agricultural Land Easement. The Proportionate Share has been determined at the time of conveyance of this Agricultural Land Easement by dividing the fair market value of this Agricultural Land Easement ($_____) by the fair market value of the Property without this Agricultural Land Easement ($_____). The Proportionate Share will remain constant over time.

If this Agricultural Land Easement is extinguished, terminated, or condemned, in whole or in part, then the Grantor must reimburse Grantee and the United States an amount equal to the Proportionate Share of the fair market value of the Property unencumbered by this Agricultural Land Easement. The fair market value of the Agricultural Land Easement will be determined at the time this Agricultural Land Easement is terminated, extinguished, or condemned by an appraisal that meets the Uniform Standards of Professional Appraisal Practice (USPAP) or Uniform Acquisition Standards or Federal Land Acquisition (UASFLA) that is completed by a certified general appraiser and approved by the Grantee and the United States.

The Proportionate Share paid to the Grantee and the United States must be allocated as follows: (a) to the Grantee or its designee, _____ percent (___%) of the Proportionate Share; and (b) to the United States _____ percent (___%) of the Proportionate Share, representing the proportion each party contributed to the purchase price of this Agricultural Land Easement. The Proportionate Share of the Grantee also includes _____percent (___ %) of the appraised value of this Agricultural Land Easement, donated by the Grantor to the Grantee, if any. Until such time as the Grantee and the United States receive the Proportionate Share from the Grantor or the Grantor's successor or assign, the Grantee and the United States each have a lien against the Property for the amount of the Proportionate Share due each of them. The Grantee or its designee must use its allocation of the Proportionate Share in a manner consistent with the conservation purposes of the Agricultural Land Easement. If proceeds from termination, extinguishment, or condemnation are paid directly to Grantee, the Grantee must reimburse the United States for the amount of the Proportionate Share due to the United States.

Amendment. This Agricultural Land Easement may be amended only if, in the sole and exclusive judgment of the Grantee and United States, by and through the Chief of NRCS, such amendment is consistent with the purposes of this Agricultural Land Easement and complies with all applicable laws and regulations. The Grantee must provide timely written notice to the Chief of NRCS of any proposed amendment(s). Prior to the signing and recordation of the amended Agricultural Land Easement, such amendment(s) must be mutually agreed upon by the Grantee, Grantor, and United States, by and through the Chief of NRCS. The Grantee must provide to the Chief of NRCS timely written notice of the proposed amendment. Any purported amendment that is recorded without the prior approval of the United States will considered null and void.

GRANTOR CONVEYANCE AND APPROVAL
Grantor hereby acknowledges, approves, and conveys the foregoing MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS and the rights conveyed therein.

By: _____
[LANDOWNER's NAME]

STATE OF _____

COUNTY OF _____

I HEREBY CERTIFY that on this ___ day of _____, _____, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared [LANDOWNER's NAME] known to me or satisfactorily proven to be a GRANTOR of the foregoing MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS and acknowledged that he executed the same for the purposes therein contained and in my presence signed and sealed the same.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

_____
Notary Public, State of _____
My registration No.: _____
My Commission Expires_____

[Cooperating Entity Name] ACCEPTANCE

[Cooperating Entity Name(s)] hereby acknowledges, approves, and accepts, the foregoing MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS and the rights and obligations conveyed therein.

GRANTEE_____
[Name Authorized Agent],
[Title], of **[Cooperating Entity Name]**

STATE OF _____

COUNTY OF _____

I HEREBY CERTIFY that on this ____ day of _____, _____, a Notary Public in and for the jurisdiction aforesaid, personally appeared **[Name Authorized Agent],[Title]**, of **[Cooperating Entity Name]**, known to me (or satisfactorily proven) to be the person described in the foregoing instrument, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained and acknowledges this MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS as**[Title]**, of **[Cooperating Entity Name]**, on behalf of said corporation.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

_____
Notary Public, State of _____
My registration No.: _____
My Commission Expires_____

APPROVAL OF MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS
BY THE NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service, United States Department of Agriculture, an agency and Department of the United States Government, hereby approves the foregoing MINIMUM TERMS FOR AGRICULTURAL LAND EASEMENTS.

_____
State Conservationist
Natural Resources Conservation Service
United States Department of Agriculture

STATE OF _____

COUNTY OF _____

On this ___day of _____, 201_, before me, the undersigned, a notary public in and for the State, personally appeared _____ known or proved to me to be the person whose signature appears above, and who being duly sworn by me, did say that he or she is the **State Conservationist** of the Natural Resources Conservation Service, United States Department of Agriculture, is authorized to sign on behalf of the agency and acknowledged and accepted the rights conveyed by the deed to be his or her voluntary act and deed.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

_____
Notary Public, State of _____
My registration No.: _____
My Commission Expires

_____