U. S. DEPARTMENT OF AGRICULTURE
Natural Resources Conservation Service (NRCS)
On behalf of the
Commodity Credit Corporation (CCC)

APPENDIX TO FORM NRCS-CPA-1202
CONSERVATION PROGRAM CONTRACT

For

Environmental Quality Incentives Program (EQIP)
Regional Conservation Partnership Program (RCPP)
(which is administered under and subject to EQIP regulations)

1 PROGRAM ELIGIBILITY REQUIREMENTS

A The Participant must complete and file Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification or any successor form, and meet the requirements set forth therein, in accordance with Title XII of the Food Security Act of 1985, as amended. By signing this Conservation Program Contract (Contract), the Participant certifies that the Participant has completed and filed the AD-1026 and meets the payment eligibility requirements set forth in the Highly Erodible Land Conservation-Wetland Conservation (HELC-WC) provisions at 7 CFR part 12. AMA participants are not required to meet the HELC-WC provisions.

B For AMA, the Participant must meet the requirements of, complete and file Form CCC-941 (Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information) or any successor form. By signing this Contract, the Participant certifies that the Participant has met the requirements of, completed, and filed the applicable form. A person or legal entity shall not be eligible to receive any benefit during a crop, fiscal, or program year, as appropriate, if the person or legal entity does not meet the adjusted gross income (AGI) limitations established by Section 1001D of the Food Security Act of 1985, as amended, and implemented through regulations at 7 CFR part 1400. The amount of any payment or benefit shall be reduced by an amount that is commensurate with the direct and indirect ownership interest in the entity of each person who has income in excess of the applicable limitation specified.

C The Participant must complete and file Form CCC-901 Member's Information, or its equivalent, if the Participant represents a business classified as a legal entity or joint operation by the U.S. Department of Agriculture (USDA) under 7CFR part 1400.

D The Participant must have control of the land for this Contract period. By signing this Contract, the Participant certifies that the Participant will control the land subject to this Contract for the term of this Contract and shall, upon request, provide evidence to the Commodity Credit Corporation (CCC) demonstrating that such Participant has control of the land for that period. Where applicable, the Natural Resources Conservation Service (NRCS) will consult with the U.S. Department of Interior, Bureau of Indian Affairs (BIA) to determine Tribal land eligibility.

E The Participant shall not be eligible for Contract payments for any of the following: (1) practices or activities that the participant is required to implement to address non-compliance with the HELC and WC provisions at 7 CFR part 12 (AMA participants are not subject to HELC or WC provisions);

(2) a non-land based structure that is not integral to a land based practice or activity; (3) practices and activities that were applied with financial assistance through any other USDA conservation program; (4) practices or activities that were initiated or implemented prior to contract approval, unless a waiver was granted by the State Conservationist prior to the practice or activity implementation; and (5) water conservation and irrigation related conservation practices or activities on land that does not meet applicable program irrigation history requirements.

F Land otherwise eligible for the covered conservation programs shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices, activities, or where a benefit has or will be obtained from a Federal, or State agency (including political subdivisions and entities thereof) in return for the Participant's agreement not to implement the conservation plan and associated practices and activities on the land during the same time as the land would be enrolled in this Contract. By applying for the program Contract, the Participant certifies as a condition for payment that no such restrictions apply to the subject land.

G The Participant is responsible for obtaining the authorities, permits, easements, or other approvals necessary for the implementation, operation, and maintenance of the conservation practices and activities in accordance with applicable laws and regulations. A Participant must comply with all laws and is responsible for all effects or actions resulting from the Participant's performance under this Contract.

H The Participant will obtain the landowner’s signature on the Contract or provide to NRCS written authorization from the landowner that identifies the Participant has authority to install structural or vegetative practices. The landowner’s signature on the Contract for purposes of authorizing such practices does not qualify the landowner for program payments unless all other program participation and payment eligibility requirements are met, as determined by NRCS.

I The Participant must be an eligible agricultural producer as defined in 7 CFR part 1466 or 7 CFR part 1465.

2 OFFERS FROM APPLICANTS

Form NRCS-CPA-1200, Conservation Program Contract Application, and this NRCS-CPA-1202-CPC Appendix executed by an eligible producer represent a request to enter into the program under the terms specified in this Contract.

3 AGREEMENT

The Participant agrees to:

(1) Enroll eligible land into the program for the period of time as specified on Form NRCS-CPA-1202 beginning on the date this Contract is executed by CCC;

(2) Not start any financially assisted practice or activity or engage the reimbursable services of a certified Technical Service Provider (TSP) before

this Contract is executed by CCC unless a waiver is approved by the NRCS State Conservationist (STC) or designee. The Participant may submit a written request to waive this requirement for financially assisted practices;

(3) Secure CCC funding for services obtained by the Participant from a certified TSP through contract development or contract modification with CCC before engaging the services of a TSP if CCC payment for TSP services is desired;

(4) Apply or commence a financially-assisted practice or activity within the first 12 months from the date this Contract is signed by CCC.

(5) Complete all AMA practices at least one year before the expiration date of the Contract.

(6) Establish or implement, to NRCS Standards and Specifications, conservation practices or activities described in this Contract as scheduled, to operate and maintain these practices or activities for the intended purpose and life span identified in this Contract, and to comply with the terms and conditions of this Contract and all applicable Federal, State, Tribal, and local laws. In cases where the land is transferred to new ownership or management during the contract period, the Participant must also ensure these responsibilities are transferred to subsequent owners or managers as provided herein;

(7) Notify NRCS within 60 days of the transfer of interest to an eligible transferee who accepts the contract's terms and conditions by completing Form NRCS-CPA-152 Conservation Program Contract Transfer Agreement, or the contract will be terminated;

(8) Share responsibility for ensuring that Form NRCS-CPA-1155, Conservation Plan or Schedule of Operations, is accurate and complete. CCC has no authority to compensate participants for practices and/or activities that are not in the Contract at the time of obligation;

(9) Not undertake any action on land under the Participant's control which tends to defeat the purposes of the program or statute authority, as determined by CCC;

(10) Discontinue work or practice implementation and notify NRCS immediately if during the construction of any practice a previously unknown or unidentified endangered species, archeological, or historical site is encountered;

(11) Provide receipts, as necessary, as proof of payments, and to maintain proof of payment documentation for three (3) years after the end of the Federal fiscal year in which the practice or activity was completed, and to present this documentation to CCC within 30 days if selected for administrative compliance check;

(12) Allow access to the land under Contract to the CCC representative or their agent, including Technical Service Providers representing NRCS, for monitoring progress on this Contract;

(13) Supply records and information as required by CCC to determine compliance with the Contract and requirements of the program within 30 days of request;

(14) Develop and implement all practices identified in a comprehensive nutrient management plan (CNMP) in contracts associated with an Animal Feeding Operation (AFO) that include a waste storage or treatment facility; develop and implement all practices identified in a forest management plan (FMP) for all non-industrial private forestland (NIPF) subject to this Contract; and develop and carry-out an organic system plan or develop and implement those conservation practices that are consistent with an existing organic system plan for contracts funded under the EQIP Organic initiative (16 U.S.C. 3839aa-2(i)); and

(15) Accept applicable program contract and payment limits as found in program regulations and 7 CFR part 1400, 7 CFR part 1465, and 7 CFR part 1466:

- **AMA** - payments received by a person or legal entity through all AMA sources (Including NRCS, Risk Management Administration, and Agricultural Marketing Service, or any agent acting on behalf of these agencies), shall not exceed a total of **$50,000 per person or legal entity for any fiscal year**;

- **EQIP** - payments made to a person or legal entity may not receive, directly or indirectly, financial assistance payments under EQIP that, in aggregate, exceed **$450,000** for all contracts entered into under EQIP by the person or legal entity during the period of fiscal years **2014 through 2018**. No single EQIP contract with a person or legal entity may exceed a total obligation greater than $450,000.

- **EQIP-Organic** - Financial assistance payments funded under the EQIP Organic Initiative at 16 U.S.C. 3839aa-2(i) to a person or legal entity directly or indirectly, may not exceed in aggregate **$20,000 per fiscal year or $80,000 during any six-year period**.

(a) The following items are applicable to all of the above listed programs:

(i) Payments received in excess of these limits are improper payments and subject to immediate refund.

(ii) Annual and contract payment limitations may not be waived.

(iii) Split payments to avoid provisions of annual payment limitations are not allowed. When payment requests for satisfactorily completed practices exceed the annual or contract limitation for a person or legal entity, that portion that exceeds the limitation will not be deferred to the next fiscal year. The balance will be de-obligated and no provision for waiver to exceed the limitation is allowed.

(iv) Certification of completed practices will not be delayed or postponed to circumvent the annual payment limitations.

4 CONSERVATION PLAN

By signing the Contract, the Participant agrees:

(A) that the NRCS-CPA-1155, Conservation Plan or Schedule of Operations is hereby incorporated as a part of the Contract; and

(B) to implement and maintain the practices and activities as identified and scheduled on Form NRCS-CPA-1155 and in compliance with Paragraph 6 of this Appendix—Operation and Maintenance of Conservation Practices.

5 PAYMENTS

A Subject to the availability of funds, CCC will make financial assistance payments at the rate specified in this Contract after a determination by CCC that an eligible conservation practice or activity has been implemented in compliance with the conservation plan, and in accordance with appropriate NRCS standards and specifications. In order to receive payments, the Participant, upon technical certification of the completed practice or activity, must execute and file with CCC a Form NRCS-CPA-1245, Practice Approval and Payment Application, and if requested, any applicable receipts or invoices, as necessary. Except for reasons beyond the control of the Participant, failure of the Participant to report completion of practices or activities on Form NRCS-CPA-1245 during the contract period of performance will result in forfeiture of all rights to payment under this Contract.

B Payments will be issued based on the payment rate and the amount of the actual practice extent implemented, as documented on Form NRCS-CPA-1245. Form NRCS-CPA-1155, Plan/Schedule of Operations and Form NRCS-CPA-1156, Revision of Plan/Schedule of Operations or Modification of a Contract reflect the applicable payment rate(s) in effect for the fiscal year of Contract obligation. Payment rates reflect costs associated with implementation of the approved conservation practice but do not include potential costs associated with the operation and maintenance of practices, per Paragraph 6 of this Appendix. Costs associated with operation and maintenance of a practice for the intended lifespan are the responsibility of the Participant.

C In order to be reimbursed for technical services approved under this agreement and performed by a certified TSP hired by the Participant, a Participant must execute a request for payment on Form NRCS-CPA-1245. The Participant must also submit to CCC an invoice from the certified TSP for the work performed, as well as any documentation CCC may require in order to ensure that the technical services were carried out in accordance with NRCS requirements. It is the Participant’s responsibility to ensure that the technical services obtained from a certified TSP hired by the Participant meet program requirements. CCC will not reimburse the Participant if the technical services provided by the TSP do not meet the program requirements. If CCC terminates this Contract as provided under Paragraph 11 of this Appendix, CCC may seek refund of any TSP payments made to the Participant.

D All payments received as part of a Contract are reported to the United States Internal Revenue Service (IRS). For information related to tax liabilities, it is recommended that the Participant consult with a tax accountant or refer to IRS publication 225 “Farmers Tax Guide” or successor IRS publications.

E Payments will only be issued for practices or activities that are completed within the contract period of performance and meet or exceed the practice standards described in the NRCS Standards and Specifications.

F Collection of amounts due from a Participant for improper payment or any other reason will follow procedures of 7 CFR part 1403. NRCS will notify the Participant and provide the reason for the collection and the amount owed. Unpaid debts accrue interest due to the CCC beginning 30 days after the billing date at the current value of funds rate published in the Federal Register by the United States Department of Treasury.

G Any Participant that will receive any share of a payment made for the implementation of this Contract must be a signatory on the Contract and eligible for such payment. Any Participant on the Contract may approve payment applications for the Contract unless signature authority is specifically not granted or assigned on the Contract form NRCS-CPA-1202 or NRCS-CPA-152.

H Any payment that has or will be received through another USDA program or from other sources must be disclosed to the NRCS Approving Official at the time a payment application, NRCS-CPA-1245, is submitted. NRCS may reduce payments to account for the funds received from other sources in accordance with program requirements.

I Historically underserved EQIP participants, as determined by CCC, may receive advance payments up to 50 percent of the amount needed to implement conservation practices for the purpose of purchasing “immediately needed” materials and services. The scheduled practice for which the advance is requested must have an NRCS approved practice design prior to issuance of the advance payment. If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned to the CCC within a reasonable timeframe, as determined by NRCS. The State Conservationist may extend this amount of time on a case by case basis. Advanced payments will be subject to all terms and conditions including those identified in Paragraph 12 of this Appendix—Recovery of Costs.

J If a Participant receiving a Contract payment is indebted to another Federal agency and the outstanding debt has been referred to the Treasury Offset Payment System, the Contract payment due to the Participant will be reduced by Treasury for the amount owed the U. S. Government. Though the Participant will not be notified by NRCS that a payment offset has occurred, NRCS records will reflect full Contract payment to the Participant.

K Contract payments will not be delayed for practices completed while in non-compliance with the HELC-WC provisions or for the purpose of circumventing the payment eligibility requirements as set forth in 7 CFR part 12.

6 OPERATION AND MAINTENANCE OF CONSERVATION PRACTICES (Operation and Maintenance Agreement)

The Participant agrees to operate and maintain all conservation practices included within this Contract for the practice lifespan as listed on Form NRCS-CPA-1155, Conservation Plan or Schedule of Operations, and any subsequent practices resulting from revisions on Form NRCS-CPA-1156, Revision of Plan/Schedule of Operations or Modification of a Contract. This requirement also extends to those conservation practices installed before Contract execution, but included in the Contract to obtain the environmental benefits agreed upon in the ranking process.

A The term Operation and Maintenance (O&M) as used in the Contract shall collectively include:

- **Operation:** The administration, management, and performance of non-maintenance activities necessary to keep a practice safe and functioning as planned;
- **Maintenance:** The recurring activities necessary to retain or restore a practice in a safe and functioning condition, including, but not limited to, the management of vegetation, the repair or replacement of failed components or conservation practices, the prevention or treatment of deterioration, and the repair of damages caused by vandalism or negligence, but excluding damage caused by a local, state or nationally recognized natural disaster;
- **Repair:** The actions to return a deteriorated, damaged, abandoned, or failed practice and/or component to an acceptable and functional condition; and
- **Replacement:** The removal of a practice or component and installation of a similar, functional practice or component.

B The Participant is responsible for the O&M activities and acknowledges that these activities may require labor, funds, and management in order to ensure the appropriate program purposes are met.

C The Participant O&M responsibilities begin when the practice installation is completed, as determined by NRCS, and shall continue through the end of the practice lifespan.

D The Participant acknowledges that the “practice lifespan” is the time period in which the conservation practices are to be used and maintained for their intended purposes as defined by NRCS technical references and documented on either Forms NRCS-CPA-1155 or NRCS-CPA-1156.

E Specific O&M requirements for conservation practices covered within this Contract are defined in the conservation practice standard and are documented within the conservation plan narrative, Contract provision, and/or job sheet.

F The Participant acknowledges that conservation practices installed before the contract execution, but included in the Contract to obtain the environmental benefits agreed upon within the application ranking process, must be operated and maintained as specified in the Contract and within this paragraph.

G The Participant agrees to the O&M requirements as listed within this Paragraph (6) and failure to carry-out the terms and conditions listed may result in CCC termination of this Contract. (Refer to Paragraph 11 of this Appendix—Contract Termination).

7 PROVISIONS RELATING TO TENANTS AND LANDLORDS

No payment will be approved for the current year if CCC determines that any of the following conditions exist:

(1) The landlord or operator has not given the tenants that have an interest in the agricultural operation covered by the Contract, or that have a lease that runs through the Contract term at the time of sign-up, an opportunity to participate in the benefits of the program.

(2) The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded according to Paragraph 5F of this Appendix and no further payments shall be made.

8 MISREPRESENTATION AND SCHEME OR DEVICE

A A Participant who is determined to have erroneously represented any fact affecting a determination with respect to this Contract and the regulations applicable to this Contract, adopted any scheme or device which tends to defeat the purposes of this Contract, or made any fraudulent representation with respect to this Contract, will not be entitled to payments or any other benefits made under this Contract. The Participant must refund to CCC all payments received plus interest. In addition, CCC may terminate the Participant's interest in all conservation program contracts.

B CCC will charge interest on monies it determines to be due and owing to CCC under this Contract. Under debt collection procedures, unpaid bills accrue interest beginning 30 days after the billing date. The interest rate will be determined using the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury.

C The provisions of Paragraph 8A of this Appendix shall be applicable in addition to any other criminal and civil fraud statutes.

9 CHANGES TO TERMS AND CONDITIONS OF THIS CONTRACT

A CCC may unilaterally cancel this Contract when the implemented practice would cause adverse impacts to significant cultural and/or environmental resources without mitigation action unless CCC and the Participant modify this Contract to address such impacts.

B Subject to the availability of funds, CCC may adjust the amount of payment for a single contract item (practice or activity) by not more than five hundred dollars ($500) as the result of an increase in the number of units performed (quantity variation) by the Participant.

C The Participant and CCC may modify this Contract by mutual agreement when:

(1) Both the Participant and the appropriate approving authority (STC or designated conservationist) agree to this modification;

(2) At the request of the Participant, and upon approval of CCC, the modification is consistent with the purposes of the program; and

(3) A transfer of this Contract occurs, provided CCC approval is obtained, and an eligible transferee accepts all terms and responsibilities under this Contract including operation and maintenance of those practices already installed or to be installed.

D CCC uses a payment schedule to document estimated costs incurred and income foregone associated with practice implementation to justify the payment rates used in this Contract. Each payment schedule has a range of potential practice payment scenarios that represent the typical costs associated with implementation of a conservation practice under various site and related conditions. The payment rates incorporated into this Contract are based upon a practice payment scenario within the payment schedule that CCC determined best approximates the site conditions for this Contract. The Participant and CCC may modify this Contract by mutual agreement to substitute a different practice payment scenario upon which to base the payment rates used in this Contract provided that CCC determines, in its sole discretion that:

(1) substantive design changes are required prior to practice installation;

(2) CCC determines that the proposed substitute scenario is within the existing payment schedule associated with this Contract and better approximates the site conditions as identified by the design changes;

(3) there is sufficient difference in implementation requirements between the original payment scenario and the substitute payment scenario to increase or decrease the estimated practice payment by more than 10 percent;

(4) practice specifications are clearly documented in the practice narrative or substitute payment scenario description; and

(5) the planned practice has not been implemented.

E All modifications that require CCC approval must be approved in writing by the authorized CCC official and the Participant or an individual granted signature authority through a valid Power of Attorney filed in the local Service Center. Any Participant on the Contract may approve modifications for the Contract on behalf of all participants unless such signature authority is specifically denied on the NRCS-CPA-1202.

10 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in this Contract. If the Participant does not agree to such corrections, CCC shall terminate the Contract.

11 CONTRACT TERMINATION

A If a Participant fails to carry-out the terms and conditions of this Contract, CCC may terminate this Contract. CCC may require the Participant to refund payments received under this Contract, or if not terminated, require the Participant to accept such adjustments in subsequent payments as are determined to be appropriate by CCC. Refunds shall be subject to the provisions in Paragraph 5F of this Appendix.

B The CCC may terminate this Contract, in whole or in part, without liability, if CCC determines that continued operation of this Contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

C The Contract terminates upon death of the participant unless the participant appointed an Executor or other Estate Representative to act on the participant's behalf and such Executor or Estate Representative transfers the Contract to an eligible person or legal entity within 60 days of the participant's death and such transfer is approved by CCC.

12 RECOVERY OF COST

A In the event a Participant violates the terms of this Contract, the Participant voluntarily terminates this Contract before any contractual payments have been made, or this Contract is terminated with cause by CCC, the CCC will incur substantial costs in administering this Contract which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments as set forth in Paragraph 11 of this Appendix, the **Participant agrees to pay, at the time of termination, liquidated damages in an amount equal to 10 percent of the total financial assistance obligated to the Participant in this Contract,** at the time of obligation. This liquidated damages payment is for recovery of administrative costs and technical services and is not a penalty.

B The Participant may be required by the CCC to refund all or a portion of any assistance earned under the program if the Participant sells or loses control of the land under this Contract and the new owner or transferee is not eligible for the program, or refuses to assume responsibility under the Contract.

13 PERIOD OF PERFORMANCE

This Contract is effective when signed by the Participant and an authorized representative of CCC and shall have a term not to exceed 10 years from date of approval by NRCS as indicated on the NRCS-CPA-1202 or NRCS CPA-1156. Except as otherwise provided for herein, this Contract may not be terminated or modified unless by mutual agreement between the parties. Within the dates established by CCC, this Contract must be signed by all required Participants. In the event that a statute is enacted during the period of this Contract which would materially change the terms and conditions of this Contract, the CCC may require the Participant to elect between modifying this Contract consistent with the provisions of such statute or Contract termination.

14 GENERAL TERMS

A The regulations in 7 CFR part 1465 for AMA, 7 CFR part 1466 for EQIP and any other applicable regulations are incorporated, by reference, herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

B This Contract shall be carried out in accordance with all applicable Federal statutes and regulations. Any ambiguities in this Contract and questions as to the validity of any of its specific provisions shall be resolved in favor of CCC so as to give maximum effect to the conservation purposes of this Contract.

C NRCS is administering this Contract on behalf of the CCC. Therefore, where this Contract refers to "CCC", NRCS may act on its behalf for the purposes of administering this Contract. When the term "Participant" is used in this Contract, it shall be construed to mean all Participants signing this Contract. Likewise, when the term "Applicant" is used in this Contract, it means all Applicants signing the program application.

D Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions (7 CFR part 3017 or 2 CFR part 417 and 2 CFR part 180, as applicable).

(1) The Participant certifies to the best of the Participant’s knowledge and belief, that the Participant and his or her principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within the three-year period preceding this agreement had a criminal conviction or civil judgment rendered against them for commission of fraud in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local government) contract, including violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses set forth above in Paragraph 14D(1)(b) of this certification; and

(d) Have not within the three-year period preceding this agreement had one or more public contracts (Federal, State or local) terminated for cause or default.

(2) If the Participant is unable to certify to any of the statements set forth in paragraph 14D (1), the Participant shall attach an explanation to this agreement. The Participant must notify CCC immediately if the circumstances supporting certification of any of such statements change or the Participant may incur additional liability or penalties in accordance with applicable law.

E This Contract is a financial assistance agreement, not a procurement contract. As such, it is **not subject to 5 CFR part 1315, Prompt Payment Act** and is governed by the terms set forth herein.

F The term "Contract" as used in this Appendix means the program documents, including: Conservation Program Contract, Form NRCS-CPA-1202 along with the—

- Appendix to Form NRCS-CPA-1202, Form NRCS-CPA-1202-CPC (Appendix);
- Conservation Plan Schedule of Operations, Form NRCS-CPA-1155;
- Revision of Plan/Schedule of Operations or Modification of a Contract, Form NRCS-CPA-1156; and
- Transfer Agreement, form NRCS-CPA-152 for the transferee(s).

The Contract shall set forth the terms and conditions for Conservation Program participation and receipt of Conservation Program payments.

G The term "Socially Disadvantaged" means an individual or entity who is a member of a socially disadvantaged group. For an entity, at least 50 percent ownership in the farm business must be held by socially disadvantaged individuals. A socially disadvantaged group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of the following:

- American Indians or Alaskan Natives
- Asians
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanics.

Note: Gender alone is not a covered group for the purposes of NRCS conservation programs. The term entities reflects a broad interpretation to include partnerships, couples, legal entities, etc.

H "Indian Tribe" means any Indian Tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians. Note: "Indian tribes recognized as eligible to receive services by the United States Bureau of Indian Affairs" is available through the United States Bureau of Indian Affairs.

I A Limited Resource Farmer or Rancher is a participant:

- With direct or indirect gross farm sales not more than the current indexed value in each of the previous two years, and
- Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous two years.

A legal entity or joint operation can be a Limited Resource Farmer or Rancher only if all individual members independently qualify. A

Self-Determination Tool is available to the public and may be completed on-line or printed and completed hardcopy at: http://www.lrftool.sc.egov.usda.gov/ Participants who self-certify eligibility as a Limited Resource Farmer or Rancher may be requested to provide records to justify their claim. It is the responsibility of the participant to provide accurate data. False certifications are subject to criminal and civil fraud statutes.

J A Beginning Farmer or Rancher is a participant who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of a legal entity, and who
- will materially and substantially participate in the operation of the farm or ranch.

In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

In the case of a contract made with a legal entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Participants who self-certify eligibility as a Beginner Farmer or Rancher may be requested to provide records to justify their claim. It is the responsibility of the participant to provide accurate data. False certifications are subject to criminal and civil fraud statutes.

K The term “Veteran Farmer or Rancher” means a farmer or rancher who:

- served in the active military, naval, or air service, and
- who was discharged or released from the service under conditions other than dishonorable and
- who has not operated a farm or ranch; or has operated a farm or ranch for not more than 10 years.

A legal entity or joint operation can be a Veteran Farmer or Rancher only if all individual members independently qualify. Participants who self-certify eligibility as a Veteran Farmer or Rancher may be requested to provide records to justify their claim. It is the responsibility of the participant to provide accurate data. False certifications are subject to criminal and civil fraud statutes.

L The term “Historically Underserved” represents a participant meeting the criteria as set forth in Paragraph 14 (G) (H) (I) (J) or (K) of this Appendix. In the case of a contract made with multiple participants, the Historically Underserved payment rates are applied to the contract only when 100 percent of the participants receiving a payment share are Historically Underserved, unless at least 50 percent of the participant payment shares are designated to Socially Disadvantaged participants, in which case the Historically Underserved payment rates apply to this Contract.

M The term “Participant” as used in this Appendix means a person, legal entity, joint operation, or Indian tribe that is a producer who has applied for participation in the program, has been selected as eligible for participation, and who has entered into this Contract as responsible for implementing its terms and conditions.

15 RIGHTS TO APPEAL AND REQUEST EQUITABLE RELIEF

A The Participant may appeal an adverse decision under this Contract in accordance with the appeal procedures set forth at 7 CFR part 11, Subpart A, and part 614. Pending the resolution of an appeal, no payments shall be made under this agreement. Before a Participant seeks judicial review, the Participant must exhaust all appeal rights granted within these regulations.

B The Participant may also request equitable relief as provided at 7 U.S.C. 7996 and 7 CFR part 635 with the requirements of that provision.

16 EXAMINATION OF RECORDS

A he Participant agrees to give the CCC, the Office of the Inspector General, or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this Contract. The Participant agrees to retain all records related to this agreement for a period of three (3) years after completion of the terms of this agreement in accordance with the applicable Office of Management and Budget circular.

B The Participant authorizes CCC to obtain tax data from the Internal Revenue Service (IRS) for Adjusted Gross Income compliance verification purposes and the Participant will take all necessary actions required by the terms and conditions of the IRS disclosure laws so that CCC can obtain such data.

17 DRUG-FREE WORKPLACE (2 CFR part 182 and 2 CFR part 421)

By signing this Contract, the Participant certifies that the Participant will comply with the requirements of 2 CFR part 182 and 2 CFR part 421. If it is later determined that the Participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 2 CFR part 182 and 2 CFR part 421,) CCC, in addition to any other remedies available to CCC under this contract or in general to the United States, may take action authorized under the Drug-Free Workplace Act.

18 CERTIFICATION REGARDING LOBBYING (7 CFR part 3018) (Applicable if this agreement exceeds $100,000)

The Participant certifies, to the best of the Participant’s knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Participant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and

(3) The Participant shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including sub contracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

19 CERTIFICATION AND ASSURANCES REGARDING COMPLIANCE WITH PROVISIONS APPLICABLE TO FINANCIAL ASSISTANCE (See generally 7 CFR parts 3015, 3016, and 3019)

A As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b) applicable to non-profit institutions, which are hereby incorporated into this Contract by reference, and such other regulatory and statutory provisions as are specifically set forth herein.

B Without limiting the general applicability of Paragraph 19A, the Participant, if it is a non-profit, further agrees to comply with the provisions of 7 CFR part 3019, including the contract provisions required at Appendix A. The following Participants by entering their signature acknowledge receipt of this Form NRCS-CPA-1202-CPC (Appendix) and agree to its terms and conditions thereof. Further, if the undersigned are succeeding to an existing Contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property for any previous Participant on this Contract for that property, or to receive payments under the contracts.

20 CERTIFICATION AND ASSURANCES REGARDING COMPLIANCE WITH PROVISIONS APPLICABLE TO REQUIREMENTS FOR FEDERAL FUNDING ACCOUNTABLITY AND TRANSPARENCY ACT IMPLEMENTATION (See 2 CFR part 25 and 2 CFR Part 170)

A As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all requirements for applicants other than individuals, with some specific exceptions, to have Dun and Bradstreet Data Universal Numbering System (DUNS) numbers and maintain current registrations in the Central Contractor Registration (CCR) database as set out in Appendix A to Part 25 or any successor Federal contractor registration database.

B As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all requirements for applicants other than individuals, with some exception to report first-tier sub awards to an entity and executive salary compensation as set out in Appendix A to Part 170.

The following Participants by entering their signature acknowledge receipt of this Form NRCS-CPA-1202-CPC (Appendix) and agree to its terms and conditions thereof. Further, if the undersigned are succeeding to an existing Contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property for any previous Participant on this Contract for that property, or to receive payments under the contracts.

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