U.S. Department of Agriculture
Natural Resources Conservation Service

NRCS-ADS-093
7/2012

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

Award Identifying Number: _____
NEST Agreement Number: _____

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
FARM AND RANCH LANDS PROTECTION 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]** (hereinafter whether singular or plural **ENTITY**) for the implementation of the Farm and Ranch Lands Protection Program (FRPP). 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 Corporation Credit Charter Act, 15 U.S.C. 714 et seq. and Title II, Subtitle E, Section 2401 of the Food, Conservation, and Energy Act of 2008, Public Law 110–246, 16 U.S.C. 3838h and i. 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. The CCC administers the FRPP under the general supervision of the Chief of the NRCS who is a Vice President of the CCC.

II. BACKGROUND AND PURPOSE.

Section 2401 of the Food, Conservation, and Energy Act of 2008 authorizes the Secretary of Agriculture to facilitate and provide funding for the purchase of conservation easements that are subject to pending offers from eligible State, Tribal or units of local government or nongovernmental organizations for the purpose of protecting the agricultural uses and related conservation values of eligible land by limiting non-agricultural uses of the land. To be eligible, the farm or ranch land must meet one of three criteria:

1. contain prime, unique, or other productive soil;
2. contain historical or archaeological resources; or
3. further a State or local policy consistent with the purposes of FRPP.

The Food, Conservation, and Energy Act of 2008 authorized FRPP funding for fiscal years 2008 through 2012. Funding was extended through 2014 by The Consolidated and Further Continuing Appropriations Act, 2012, § 716 , Pub. L. No. 112-55, 125 Stat. 552, 582 (Nov. 18, 2011)

WHEREAS, the **ENTITY** and the United States have mutual interests in preventing the conversion of agricultural lands to non-agricultural uses; and

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

NRCS Representative Initial_____

Recipient Representative Initial _____

WHEREAS, the **ENTITY** administers a farmland protection program and has pending offers for acquiring agricultural conservation easements from landowners within the **[STATE]**, and the United States and the **ENTITY** have agreed to combine their resources to assure that such areas are protected from conversion to nonagricultural uses, these areas are identified on an attachment to this Cooperative Agreement as parcels (as a group the "Protected Properties" and individually as the "Protected Property").

WHEREAS, the **ENTITY** intends to acquire a perpetual deed of conservation easement ("Conservation Easement") on each Protected Property.

WHERAS, the **ENTITY** has signed the Notice of Grant and Agreement Award acknowledging that the award is subject to the applicable provisions of this Cooperative Agreement, all attachments, exhibits, and applicable USDA NRCS statutory provisions and Financial Assistance Regulations.

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 farm and ranch lands from conversion to non-agricultural use. Section 1238H-I of the Food, Conservation, and Energy Act of 2008 authorizes the Secretary of Agriculture to provide funding for the purchase of conservation 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 of $_____ for the acquisition by the **ENTITY** of conservation easements for the parcels listed on the Attachment. This Cooperative Agreement may be amended to obligate funds in Fiscal Year 2013 if the Cooperating Entity submits parcels that rank high enough to warrant the obligation of funds. The **ENTITY** must close on the easement acquisition and request payment of this amount in accordance with Part VII of this Cooperative Agreement before the dates in Table 2. The **ENTITY** must request payment in accordance with Part VII of this Cooperative Agreement no later than 23 months after the end of the fiscal year of fund obligation. Should the Cooperating Entity not meet the Closing Deadline or the Payment Request Deadline dates established in Table 2, any remaining funds may be de-obligated from this Cooperative Agreement unless the agreement is extended as provided for in paragraph XI.D.

Table 1

Fiscal Year	**Attachment with Associated Parcels**	**Funds Obligated**	**Fund Citation**	**Budget Object Code**
2013	A	**$[Funds Obligated]**	**[Fund Code]**	4115

Table 2

Fiscal Year of Fund Obligation	**Attachment with Associated Parcels**	**Closing Deadline**	**Payment Request Deadline**	**Attachment Expiration Date**
2013	A	March 31, 2015	August 31, 2015	September 30, 2015

B. This Cooperative Agreement is the authorizing document that obligates CCC funds for the acquisition of conservation easements by the **ENTITY**. Attachment A to this Cooperative Agreement specifies the properties on which FY 2013 CCC funds will be used. The Attachment will specify the

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properties on which CCC funds will be used within the **[STATE]** and will include a list with a detailed breakdown of the:

1. name of the landowner(s);

2. number of acres to be acquired;

3. the estimated Conservation Easement value;

4. estimated Federal contribution to the estimated Conservation Easement value, and

5. whether offered parcels have been approved for funding.

C. Attachments must include offered parcels and parcels considered as substitutions under Section IX B. 13. of this Cooperative Agreement. Parcels not included in the Attachment as of September 30th of the fiscal year of funding will not be eligible for funding.

D. However, nothing in this document obligates the United States or the **ENTITY** to purchase all or any of the Conservation Easement parcels listed in the Attachment.

V. FEDERAL CONTRIBUTION

The Federal contribution for the acquisition of each Conservation Easement acquired by the **ENTITY** shall be up to but not more than 50% of the appraised fair market value of the conservation easement. The United States' contribution cannot be used for closing and related administrative costs incurred by the **ENTITY** in acquiring the conservation easement. The Federal contribution for parcels must be based on an appraisal of the Conservation Easement performed by a certified general appraiser in accordance with either the Uniform Standards of Professional Appraisal Practices (USPAP) or the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) (Interagency Land Acquisition Conference, 2000) and NRCS appraisal standards and specifications.

VI. COOPERATING ENTITY'S CONTRIBUTION

A. 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. The Cooperating Entity must contribute in cash at least 25 percent of the purchase price (appraised fair market value minus the landowner donation) of the easement.

B. Before NRCS accepts the Conservation Easement and issues a payment, the **ENTITY** must self-certify on the NRCS Form 230, Confirmation of Matching Funds (Exhibit 1), 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 Conservation Easement, immediate family members, or organizations controlled by or funded by the Grantor of the Conservation Easement, either through formal or informal agreements.

C. the **ENTITY**'s share of purchase price of the easement must be a cash contribution. As part of its hare of the purchase price, the ENTITY may 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 when the CCC funds are to be paid. CCC funds shall be paid to the **ENTITY** when the United States is provided a copy of the recorded Conservation Easement and the **ENTITY** has paid the landowner(s). Where the **ENTITY** cannot obtain 100 percent of the funds to be paid at closing to the landowner(s) and requires the United States to make its payment at closing rather than on a reimbursable basis, the **ENTITY** may request a waiver for the United States to

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pay its share of the Conservation Easement purchase at closing. When a waiver is requested, the **ENTITY** shall notify NRCS at least 60 days prior to closing. If the waiver is approved, the United States will make payment to an authorized closing agent via electronic transfer. Upon receipt of the funds, the closing agent will sign a payment receipt form and return it to the United States. The closing agent will hold the funds in escrow for a period not to exceed 14 calendar days. If interest is earned on CCC funds, the closing agent must return any interest earned to the United States.

B. All Conservation Easements used by the **ENTITY** must be approved by NRCS prior to purchase of the conservation easement. All Conservation Easements or proposed deed provisions must be submitted to NRCS 45 days prior to the Cooperating Entity ordering the appraisal report of the first parcel for which the deed will be used.

C. To obtain payment of FRPP 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 2), 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 prior to closing when a payment is issued at closing, or after all the deeds have been recorded and the landowner has been paid, or on a quarterly basis for each quarter that Conservation Easements have been recorded and the landowner(s) have been paid.

D. At a minimum, the following information shall be included in, or attached to, the SF-270, before NRCS will accept the Conservation Easement and disbursing payment:

1. Name of the Cooperating Entity
2. Tax Identification Number (TIN) for the Cooperating Entity
3. Cooperative Agreement number
4. Conservation Easement numbers (if applicable)
5. Landowner (s) name(s), address and telephone number
6. Total amount of dollars paid the landowner for each conservation easement, specifying the CCC share and the non-CCC share of the Conservation Easement cost
7. Acres acquired for each Conservation Easement
8. Copy of the Conservation Easement deed for each parcel, if a reimbursement is requested then Copy must be of recorded deed with recording receipt.
9. NRCS Form 230, Confirmation of Matching Funds, for each easement
10. Copy of the American Land Title Association (ALTA) title commitment for each Conservation Easement advance and title insurance policy for each Conservation Easement reimbursement.

VIII. CONSERVATION EASEMENT REQUIREMENTS

A. The **ENTITY** shall ensure that conservation easements acquired under this Cooperative Agreement meet the following requirements to permit effective enforcement of the conservation easement for protection of agricultural:

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 agricultural use and related conservation values by limiting nonagricultural uses of the land;
3. Provide for the administration, management, and enforcement of the Conservation Easement by the **ENTITY** or its successors;

B. The **ENTITY** shall ensure that the Exhibit provided in the attached **Addendum 1** is signed by the landowner, **ENTITY,** and NRCS and is attached to conservation easements acquired under this Cooperative Agreement at the time of closing and recordation.

1. The paragraph below must be inserted at bottom of the FRPP funded Conservation Easement Deed immediately before the signature pages:

   The Conservation Easement is acquired with funds provided, in part, by the Farm and Ranch Lands Protection Program, ("FRPP")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). . All present and future use of the Conservation Easement is and shall remain subject to the terms and conditions described in the Minimum Conservation Deed Restrictions for Agricultural Preservation as in EXHIBIT [] which is appended to and made a part of this easement deed.*

C. The Exhibit referenced in the above paragraph B and provided in the Attached Addendum 1 contains the standard minimum conservation deed requirements promulgated by the chief under the authority in 7 CFR 191.2 (c) and shall:

1. Require management of highly erodible land on the property in accordance with a conservation plan that is developed utilizing the standards and specifications of the NRCS field office technical guide, and consistent with 7 CFR part 12. The following paragraphs will be included in all Conservation Easements that are acquired using FRPP funds and contain highly erodible land, exactly as produced below though the italics may be removed:

   As required by section 1238I of the Food Security Act of 1985, as amended, the Grantor, his heirs, successors, or assigns, shall conduct agricultural operations on highly erodible land on the Protected Property in a manner consistent with a conservation plan prepared in consultation with NRCS and the Conservation District. This conservation plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR part 12 that are in effect on the date of this Conservation Easement Deed. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation and is consistent with the NRCS Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Protected Property, with advance notice to the Grantor, in order to monitor compliance with the conservation plan.

   In the event of noncompliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the conservation plan, NRCS will inform Grantee of the Grantor's noncompliance. The Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the conservation plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, and (b) NRCS has worked with the Grantor to correct such noncompliance.,

   If the NRCS standards and specifications for highly erodible land are revised after the date of this Conservation Easement Deed based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised conservation plan. The provisions of this section apply to the highly erodible land conservation requirements of the

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Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

2. Where parcels are being enrolled in FRPP based on historical or archeological resources, certify that management, maintenance and oversight/monitoring of historic and archaeological properties shall follow the Secretary of Interior's Standards and Guidelines for Archeology and Historic Preservation or those of the State Historic Preservation Officer or American Indian Tribe, as appropriate, if the parcel includes contributing historic and archaeological resources. To contribute to the eligibility of farm or ranch lands for FRPP, the historic and archeological resources must be listed in or meet the National Register of Historic Places eligibility criteria or must be included on a State or Tribal register or inventory of historic properties. The deed must include a statement setting forth the historic and/or archaeological values being protected, identify an entity who will manage and protect the historic and archaeological resources, and briefly document the indentified entity's professional capacity to carry out the commitment to manage and protect the historic and archaeological resources. If the **ENTITY** does not have the expertise to meet these responsibilities and has acquired such expertise through a formal agreement with a historic preservation entity, this third-party must be identified in the easement deed;

3. Include the following "Right of Enforcement" provision exactly as produced below, though the italics may be removed and ENTITY's name added:

   Under this Conservation 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 **[ENTITY's name]** *,or its successors or assigns, fails to enforce any of the terms of this Conservation Easement, as determined in the sole discretion of the Secretary.*

4. Include the following "General Indemnification" provision exactly as produced below, though the italics may be removed:

   "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, and costs of actions, 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 Protected Property, which may arise from, but are not limited to, Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant, agreements contained in this Conservation Easement Deed, or violations of any Federal, State, or local laws, including all Environmental Laws."*

5. Include the following "Environmental Warranty" provision exactly as produced below, though the italics may be removed:

   *"**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*

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Law relating to the operations or conditions of the Property. 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 the 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 Protected Property, or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the Protected Property. Grantor's indemnification obligation shall not be affected by any authorizations provided by Grantee or the United States to Grantor with respect to the Protected Property or any restoration activities carried out by Grantee at the Protected Property; provided, however, that Grantee shall be responsible for any Hazardous Materials contributed after this date to the Protected Property 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."

6. Include a provision regarding condemnation, extinguishment, or termination of the Conservation Easement. The provision will provide notice that the United States' property interest may not be condemned, extinguished, or terminated without the explicit consent of the United States. The provision will require advance notice to NRCS of the initiation of any proceeding to terminate, condemn, or extinguish the Conservation Easement and that if the United States consents to such an action then part of the resulting proceeds will be owed to the United States;

7. Include provisions regarding the amount of impervious surfaces permitted on the Property, in accordance with the provisions of the NRCS Conservation Programs Manual, Part 519 in effect when this Cooperative Agreement was executed;

8. Include signature of the NRCS State Conservationist or responsible official as delegated by the State Conservationist on the Conservation Easement, accepting the property interest of the United States;

9. Address the following permitted uses of the Protected Property by the Grantor in the Conservation Easement. Other permitted uses may be added if they do not conflict with the conservation values of the Protected Property, as determined by NRCS.

    a. Agricultural Production - the production, processing, and marketing of agricultural crops for purposes consistent with the terms of the Conservation Easement.

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b. Forest Management and Timber Harvest - forest management and timber harvesting shall be performed in accordance with a written forest management plan consistent with the Conservation Easement. Parcels containing more than 40 contiguous acres or 20% of the easement area (whichever is greater) of forested land must have a forest management plan.

c. Non-developed Passive Recreation and Educational Activities - permitted if it does not impact the soils and the agricultural operations and is consistent with the purpose of the Conservation Easement.

d. Customary Rural Enterprises - permitted on the Protected Property and in the buildings constructed and maintained for the agricultural use of the Protected Property.

e. Agri-tourism - Low impact agri-tourism activities are permitted, such as farm tours, work experiences, field trips, petting zoos, corn mazes, and hay rides.

f. Roads - permitted if they are already in place or if new roads are necessary to carry out the agricultural operations on the Protected Property.

g. Fences - may be maintained and replaced and new fences installed if they are necessary for agricultural operations on the Protected Property or to mark boundaries of the Protected Property.

h. On Farm Energy Production —renewable energy production is allowed for the purpose of generating energy for the agricultural and residential needs of the Protected Property. Renewable energy sources must be built and maintained in accordance with any local zoning ordinance and applicable State and Federal law and be built and maintained within impervious surface limits and with minimal impact on the Protected Property; and.

10. Include at a minimum the following prohibited uses of the Protected Property and any other prohibited uses necessary to protect the conservation values of the Protected Property in the Conservation Easement.

a. The Conservation Easement will prohibit the following activities.

(1) Waste and Dumping – is prohibited. Composting and storage of manure and non-hazardous agricultural wastes produced on the farm or ranch is permitted; and

(2) Subdivision – is prohibited. Subdivision is only permitted where state or local regulations explicitly require subdivision to construct residences for employees working on the Protected Property.

b. The Conservation Easement will prohibit the following activities, though the prohibition may be subject to the qualifications stated below when written in the Conservation Easement.

(1) Industrial or Commercial Uses - are prohibited unless expressly permitted for agricultural purposes.

(2) Construction on the Protected Property – is prohibited, except for structures, building, and improvements built or placed within a designated building envelope that support the agricultural use of the Protected Property.

(4) Motorized Vehicle Use – is prohibited except to support agricultural use, forestry, habitat management, law enforcement and public safety, or conservation

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uses of the Protected Property, and residential and recreational uses permitted by the Conservation Easement.

(5) Granting of easements for utilities and roads – is prohibited when the utility or road will adversely impact the conservation values of the easement deed, including the land's use for agriculture.

(6) Surface Alteration – is prohibited unless it is in accord with general agricultural uses of the Protected Property and does not adversely impact the conservation values of the easement deed, including the land's use for agriculture; and

(7) Oil, Gas, or Mineral Exploration and Extraction – is not permitted on or from the Protected Property when the mineral rights are owned by the landowner and not leased by a third party, except for limited mining to the extent that the materials mined (e.g. sand, gravel, or shale) are used for agricultural operations on the Protected Property. In that case, extraction must be limited to a small, defined area or acreage and must not adversely impact the conservation values of the easement deed, including the land's use for agriculture.

If a third party owns or currently leases the oil, gas, or mineral rights:

i. the NRCS State Conservationist will conduct an assessment of each offered parcel to determine if the United States will accept the Conservation Easement, and

ii.the Conservation Easement will require that oil, gas, and mineral exploration and extraction is:

1. done with the least adverse impact possible on the conservation values of the Protected Property, including but not limited to the Protected Property's use for agriculture. This includes, but is not limited to impacts associated with any exploration and extraction related structures or access roads,

2. within the impervious surface limits of the Conservation Easement, and

3. carried out in accordance with state and local regulations.

D.. 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 FRPP and protect the conservation values of the Protected Property. The introduction to this section of the Conservation Easement must include a statement that all activities that are inconsistent with the purposes of the Conservation Easement are prohibited.

IX. RESPONSIBILITIES.

A. 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 conservation plan in accordance with 7 CFR part 12. To ensure that the conservation plan is implemented in accordance with 7 CFR part 12, the NRCS will be provided the opportunity to conduct periodic field visits on lands that are enrolled in the FRPP and associated lands owned or managed by the landowner which are also subject to 7 CFR part 12.

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

3. Prior to NRCS accepting the Conservation 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 and that an AD-1026 has been filed;

b. obtain approval of the Conservation Easement or Conservation Easement provisions 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 FRPP closing agent requirements, an executed NRCS Form 230, Confirmation of Matching Funds, and a copy of the title commitment.

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

5. NRCS shall certify payment for all conservation easements for parcels listed on each attachment acquired by the fund disbursement deadline for each attachment.

B. Those of the **ENTITY**

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

2. The **ENTITY** shall pay all costs of Conservation Easement procurement and will operate and manage each Conservation Easement in accordance with the **ENTITY** program, this Cooperative Agreement, and 7 CFR part 1491. The United States shall have no responsibility for the costs or management of the conservation easements purchased by the **ENTITY** unless the United States exercises its rights under a Conservation 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 conservation easements acquired pursuant to this Cooperative Agreement. 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 conservation 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 2401 of the Food, Conservation, and Energy Act of 2008. 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

NRCS Representative Initial_____

Recipient Representative Initial _____

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 address in each Conservation Easement in which CCC funds are used as part of the acquisition the permitted/prohibited uses set forth in Paragraph VIII of this Cooperative Agreement.

5. Prior to payment certification, the **ENTITY** shall ensure that all lands for which a Conservation Easement has been acquired will have a conservation plan, as described in Paragraph VIII of this Cooperative Agreement.

6. The **ENTITY** shall prohibit 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 2401 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110 – 246).

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

8. In acquiring Conservation 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 Conservation Easement or that any exceptions from this subordination requirement are approved by the NRCS and are consistent with the purposes of the Farm and Ranch Lands Protection Program. The **ENTITY** shall provide to NRCS a copy of the title commitment or title report 90 days before the intended closing date and any other requested documentation related to title 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 06/17/06 with the entity listed as the insured on the policy and the policy issued for an amount at least equal to the FRPP funds received for the acquisition.

9. 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 Conservation Easement on the Protected Property and NRCS accepting an interest in the Conservation 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. 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 Conservation Easement 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

NRCS Representative Initial_____

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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) 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;

(10) A copy of the recorded written access to the easement area, if available; and

(11) Copy of preliminary title commitment covering the proposed easement area.

b. The **ENTITY** must provide the appraiser with a Conservation Easement and receive a separate appraisal report for each Protected Property. The Conservation Easement provided to the appraiser will be consistent with the conservation easement requirements of Section VIII 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 completed appraisal report must be provided to NRCS within 90 days of closing the conservation easement. NRCS will conduct a technical review of the appraisal. The Conservation Easement will not be closed until the appraisal report has been accepted by the technical reviewer.

10. The **ENTITY** shall not use FRPP 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 FRPP 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 Conservation Easements which it holds as well as avoid the appearance of impropriety or actual conflicts of interests in its acquisition and management of conservation easements.

11. The **ENTITY** agrees that it will not at any time, when the **ENTITY** is named as a Grantee on the Conservation 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/monitor the Conservation 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/monitor the Conservation Easement.

12. The **ENTITY** may add substitute parcels to the Cooperative Agreement during fiscal year 2013 if NRCS determines the parcel is eligible for funding. Substitute parcels are those that are eligible for funding, but which have not been ranked high enough by NRCS to be funded at the current fund allocation levels. Substitute parcels will be listed on the Attachment and clearly marked as substitute. 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 a conservation easement on the next highest ranked substitute parcel. Substitute parcels cannot be added to the Attachment after September 30th of 2013

    a. Landowners associated with substitute parcels must

        (1)submit a Conservation Program Application (NRCS CPA-1200),

        (2) meet Adjusted Gross Income (AGI) eligibility and HEL/WC eligibility for the fiscal year of funding.

    b. Substitute parcels do not require a pending offer to be listed on the Attachment, however, prior to the substitute parcel being eligible for funding, there must be

        (1) a pending offer, and

        (2) the land must meet eligibility criteria.

    c. The State Conservationist may require substitute parcels to be reranked.

13. 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.

14. 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 (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 a conservation 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. Paragraphs 3, 6, 7, 8, 11, 12 and 14 of this Section shall survive 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 acquisition of the properties in the Attachments listing properties acquired with FRPP 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 FRPP 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.

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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. (PL 110-246) 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 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 Conservation Easements on all the parcels listed on Attachments A and B or the substitutions 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 Attachment expiration date for specific Conservation Easements must be sent to the State Conservationist a minimum of 60 days prior to the expiration date of the Attachment or these funds will be released from this obligation.

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 Part 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**. The Cooperative Agreement may be extended only if extenuating circumstances occur with the individual Conservation Easements for which an extension is requested.

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").

NRCS Representative Initial_____

Recipient Representative Initial _____

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.

Addendum 1 – Minimum Conservation Deed Restrictions For Agricultural Preservation

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-3030)

XII. 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

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

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

This action was authorized at an official meeting of the [ENTITY] on the ___ day of _____, 2013 at [LOCATION, STATE]. Attest: _____ Title: _____ Date: _____	Programs Funds: Authorized Name/Title Date FNM Funds: Available Name/Title Date Amount: $_____ Acct. Code: _____

NRCS Representative Initial_____

Recipient Representative Initial _____

Award Identifying Number: _____
NEST Agreement Number: _____

Attachment A- Fiscal Year 2013[1]

List of Pending Conservation Easement Offers with Obligation of FY 2013 Funds
This attachment must include offered parcels and parcels considered as substitutions under Section IX B. 13. of this agreement. Parcels not included in the attachment when funds are obligated will not be eligible for funding.
A copy of this Attachment will be uploaded into NEST within 14 days of the execution of the cooperative agreement

Landowner's Name	Total Acres	Estimated Conservation Easement Value	Estimated Federal Contribution (no greater than 50% of the Estimated Value)	NEST Parcel ID Number	Selected for Funding (check)
					[ ]
					[ ]
					[ ]
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Totals		**$** [Total Estimated Value]	[Total Estimated Contribution]		

[1] Funding obligated under this attachment will expire on September 30, 2015 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 Expiration date.

NRCS Representative Initial_____

Recipient Representative Initial _____

ADDENDUM 1
TO
FARM AND RANCH LANDS COOPERATIVE AGREEMENT # **[##-####-##-##]**
MINIMUM CONSERVATION DEED RESTRICTIONS FOR AGRICULTURAL PRESERVATION

1) The paragraph below must be inserted at bottom of the FRPP funded Conservation Easement Deed immediately before the signature pages:

> The Conservation Easement is acquired with funds provided, in part, by the Farm and Ranch Lands Protection Program, ("FRPP") 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. As required by 7 CFR 1491 *et seq* and as a condition of receiving FRPP funds, all present and future use of Protected Property is and shall remain subject to the terms and conditions described forthwith in this Addendum entitled Minimum Conservation Deed Restrictions for Agricultural Preservation in EXHIBIT ___ which is appended to and made a part of this easement deed.

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

EXHIBIT_____

MINIMUM CONSERVATION DEED RESTRICTIONS
FOR
AGRICULTURAL PRESERVATION

The Federal Farm and Ranch Lands Protection Program facilitated and provided funding through a Cooperative Agreement, for the purchase of a conservation easement (the Conservation Easement) on real property described in Exhibit ___ (the Protected Property) for the purpose of protecting agricultural use and related conservation values of eligible land by limiting nonagricultural uses of that land (16 U.S.C. §§3838h -3838i). 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 Conservation Easement is acquired to protect the agricultural use and related conservation values of eligible land by limiting nonagricultural uses of that land, 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 Conservation Easement protects ___ acres of Prime Farmland which is __% of the Protected Property [and habitat for [list initiative species]].] [and historic/archaeological resources (identify any specific resources being protected i.e. reference the listing in NRHP)]. The Parties further acknowledge that the Protected Property will be managed for long term agricultural viability.

Notwithstanding any other provision of the Conservation Easement, the Parties agree that all present and future use of the Protected Property is and shall remain subject to the following terms and conditions provided that if the Conservation 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. Conservation Plan. As required by section 1238I of the Food Security Act of 1985, as amended, the Grantor, his heirs, successors, or assigns, shall conduct agricultural operations on highly erodible land on the Protected Property in a manner consistent with a conservation plan prepared in consultation with NRCS and the Conservation District. This conservation plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR part 12 that are in effect on the date of this Conservation Easement Deed. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation that is consistent with the NRCS Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Protected Property, with advance notice to the Grantor, in order to monitor compliance with the conservation plan and as provided for in Section II paragraph 2.

In the event of noncompliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the conservation plan, NRCS will inform Grantee of the Grantor's noncompliance. The Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the conservation plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, and (b) NRCS has worked with the Grantor to correct such noncompliance.,

If the NRCS standards and specifications for highly erodible land are revised after the date of this Conservation Easement Deed based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised conservation plan. The provisions of this section apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection 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 State Conservationist must have been granted], of the Protected Property, excluding NRCS-approved conservation practices developed under the Conservation 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 Protected Property, this includes, but is not limited to, permitted 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 Grantees by this Conservation Easement.

[***Include the following if limited subdivision is permitted below***: In the event the Protected Property 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 limits among the subdivided parcels and ensure said impervious surface limitation(s) is/are clearly defined in the subdivided parcel's recorded instrument.

3. Prohibited Uses. Any activities inconsistent with the purposes of the conservation easement are prohibited. The following activities are prohibited, subject to the qualifications stated below:

(A) *Waste and Dumping* – Accumulation or dumping of trash, refuse, junk or toxic materials is not permitted on the Protected Property. 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 Protected Property.

(B) *Subdivision* – Separate conveyance of a portion of the Protected Property or division or subdivision of the Protected Property is prohibited, except where state or local regulations explicitly require subdivision to construct residences for employees working on the Protected Property. [Subdivision prohibition language

may be replaced with limited subdivision language from the FRPP policy manual or NRCS NHQ if all required conditions are met.]

(C) *Industrial or* Commercial *Uses* - Industrial or commercial activities on the Protected Property are prohibited except for the following:

(i) agriculture (including livestock production), equine activities, or forestry;

(ii) processing or sale of farm or forest products produced or partially produced on the Protected Property in permitted buildings;

(iii) small-scale incidental commercial or industrial operations compatible with activities set forth in Section I Paragraph 3(C)(i) 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 permitted buildings without material alteration to their external appearance.

(v) the sale of excess power generated incidentally in the operation of approved alternative energy structures and associated equipment or other energy structures approved by Grantee and NRCS.

(vi) temporary or seasonal outdoor activities or events ("Activities") that do not permanently alter the physical appearance of the Protected Property and that do not impair the conservation values of the Protected Property herein protected, except that such Activities involving 100 or more people will not exceed seven consecutive days unless Grantee gives its prior written approval of such Activities, which approval will take into consideration the number of people involved, the duration of such Activities, and any other aspects thereof that may have an impact on the conservation values being protected herein. Approval may be subject to the requirement that at the conclusion of the activity Grantor will restore the Property to its pre-existing condition.

(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 Protected Property* – 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 Conservation Easement and made a part hereof.

The boundaries of the Building Envelope(s) may be adjusted, provided that the Grantee and NRCS provides prior written approval of the adjusted boundaries. NRCS approval shall be conditioned on determining that the Building Envelope(s) will not be increased in size and the adjustment will provide equal or greater protection of the conservation values of the Protect Property.

Utilities to serve permitted buildings or structures, including on farm energy structures allowed under Section I Paragraph 4(G), and de minimis agricultural structures that neither individually nor collectively have an adverse impact on the agricultural use of the Protected Property may be built outside of the Farmstead Area with prior written approval of the Grantee provided that structures follow NRCS-approved conservation practices consistent with the Conservation Pan described in Section I Paragraph 1,.

(E) *Motorized Vehicle Use* – Motor vehicle use that is inconsistent with the preservation of agricultural use and the related conservation values, including but not limited to uses that contribute to soil erosion and have an adverse impact on soil health, is prohibited. Motor vehicle use for the protection of the

conservation values of the Protected Property and to support agricultural use, law enforcement, public safety, and residential purposes is permitted.

(F) *Granting of easements for utilities and roads* – The granting of easements for utilities and roads is prohibited when the utility or road will adversely impact the conservation values of the Protected Property, including its use for agriculture, as determined by the Grantee in consultation with NRCS.

(G) *Surface Alteration* – Grading, blasting, filling, or earth removal that will disturb the soil surface or materially alter the topography, surface or subsurface water systems, or wetlands of the Protected Property is prohibited, except as follows:

(i) dam construction to create ponds for agricultural use, fire protection, or wildlife enhancement**,** in accordance with an NRCS Conservation 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 permitted buildings, structures, roads, and utilities, or

(iv) agricultural activities conducted in accordance with the Conservation Plan described in Section I Paragraph 1.

(H) *Oil, Gas, or Mineral Exploration and Extraction* – Surface mining, subsurface mining, dredging on or from the Protected Property, or drilling for oil or gas on the Protected Property is prohibited, except for limited mining to the extent that the materials mined (e.g. sand, gravel, or shale) are used for agricultural operations on the Protected Property. In the case of mining for agricultural operations, extraction must be limited to a small, defined area or acreage and may not adversely impact the conservation values or the agricultural uses of the Protected Property.

If a third party owns or leases the oil, gas, or mineral rights at the time this conservation easement is executed, and their interests have not been subordinated to this conservation easement, the Grantor shall require, to the greatest extent possible, that any oil, gas, and mineral exploration and extraction conducted by such third party shall:

(i) be performed with the least adverse impact possible on the conservation values of the Protected Property, including but not limited to the Protected Property's use for agriculture. This includes, but is not limited to impacts to the Protect Property from any exploration and extraction related structures or access roads,

(ii) not exceed the impervious surface limits of the Conservation Easement, and

(iii) be carried out in accordance with state and local regulations.

4. Permitted Uses. The provisions of this Conservation Easement Deed and associated exhibits will not be interpreted to restrict the types of agricultural operations that can function on the Protected Property so long as the agricultural operations are consistent with the Conservation Plan required by Section I Paragraph 1. Further, permitted uses of the Protected Property include, the specific uses permitted in Section I Paragraph (3) (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 this Conservation Easement and the NRCS Conservation Plan described in Section I Paragraph 1.

(B) *Forest Management and Timber Harvest* - Forest management and timber harvesting is permitted, provided all forest management and timber harvesting must be 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 then-current, generally accepted best management practices for the sites, soils, and terrain of the Protected Property. In addition, if the property contains 40 contiguous acres of forest or 20% of the Protected Property 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 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, (ii) cutting of trees for trail clearing, (iii) cutting of trees for firewood, or for other domestic uses of 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 Passive Recreation and Educational Activities* – Non-developed passive recreational and educational activities are permitted if they do not negatively affect the soils and the agricultural operations and are consistent with the purpose of the Conservation Easement.

(E) *Construction and Maintenance of Roads* – New roads may be constructed if they are necessary to carry out the agricultural operations or other permitted uses on the Protected Property. Maintenance of existing roads documented on the Baseline Documentation Report is permitted.

(F) *Fences* - Fences may be maintained and replaced and new fences installed if they are necessary for agricultural operations on the Protected Property or to mark boundaries of the Protected Property.

(G) *On Farm Energy Production* –-renewable energy production is allowed for the purpose of generating energy for the agricultural and residential needs of the Protected Property. Renewable energy sources 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 Protected Property and consistent with the purposes of the Conservation Easement.

(H) *Other permitted Uses* – Other permitted uses may be allowed if they do not conflict with the conservation values of the Protected Property, as determined by NRCS.

5. Water Rights. Grantor retains all water rights necessary for present or future agricultural production on the Protected Property and may not transfer, encumber, lease, sell, or otherwise separate such quantity of water rights from title to the Protected Property.

[If Land Eligibility is based on the presence of historical or archaeological resources* or *the project received ranking points for the multifunctional benefits of farm and ranch land protection for historical and archaeological resources the Addendum must include the following clause:

6. Historic or Archaeological Resources. Existing archaeologically, culturally or historically significant features on the Protected Property 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 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 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 Conservation 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 Conservation 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, 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. Representatives of the United States may enter the Protected Property from time to time for purposes of inspection (including photographic documentation of the condition of the Protected Property) and enforcement of the terms of this Minimum Conservation Deed Restrictions For Agricultural Preservation after notice to Grantor or Grantor's representative, provided, however, in the event of an emergency, NRCS may enter the Protected Property to prevent, terminate or mitigate a potential violation of these restrictions. Notice to Grantor or Grantor's representative will be being 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, and costs of actions, 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 Protected Property, 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 Conservation 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 Protected Property. 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 the 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 Protected Property, or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the Protected Property. Grantor's indemnification obligation shall not be affected by any authorizations provided by Grantee or the United States to Grantor with respect to the Protected Property or any restoration activities carried out by Grantee at the Protected Property; provided, however, that Grantee shall be responsible for any Hazardous Materials contributed after this date to the Protected Property 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 Conservation Easement immediately vests real property interests in the Grantee and the United States, and may only be extinguished with the approval of the Grantee and the United States. Due to the federal interest in this Conservation Easement, the United States must consent to any condemnation action of the federal interest. If the State or local government proposes to condemn the Protected Property, NRCS must be notified immediately and the consent of the United States must be received by the condemning agency before any condemnation action may proceed.

In a sale or exchange of all or a portion of the Protected Property subsequent to an extinguishment or condemnation action, the United States' share of the proceeds shall be proportionate to its percentage of original investment. Grantee will use all its share of the proceeds from the sale of the Protected Property in a manner consistent with the conservation purpose of this Conservation Easement and the purposes of the Farm and Ranch Lands Protection Program. The United States' share shall be based on the appraised fair market value of the conservation easement at the time the easement is extinguished or terminated.

The fair market value of the Conservation Easement will be determined at the time the Conservation Easement is terminated, extinguished, or condemned by a complete summary appraisal that meets the Uniform Standards of Professional Appraisal Practice (USPAP) or Uniform Acquisition Standards for Federal Land Acquisition (UASFLA), approved by the Grantee and the United States of America, and completed by a _____[enter State] certified general appraiser. The fair market value of the Protected Property may not include any increase in value after the date of this Conservation Easement Deed that is attributable to improvements.

6. Amendment. This Conservation Easement deed may be amended only if, in the sole and exclusive judgment of the Grantee and United States, by and through the NRCS, such amendment is consistent with the purposes of this Conservation Easement and complies with all applicable laws and regulations,. The Grantee must provide timely written notice to NRCS of any proposed amendment(s). Prior to the signing and recordation of the amended Conservation Easement, such amendment(s) must be mutually agreed upon by the Grantee, Grantor, and United States, by and through the NRCS. The Grantee must provide to NRCS timely written notice of the proposed amendment.

GRANTOR CONVEYANCE AND APPROVAL
Grantor hereby acknowledges, approves, and conveys the foregoing Minimum Conservation Deed Restrictions for Agricultural Preservation 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 Conservation Deed Restrictions For Agricultural Preservation 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 Conservation Deed Restrictions For Agricultural Preservation 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 instrument 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 CONSERVATION DEED RESTRICTIONS FOR AGRICULTURAL PRESERVATION 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 Conservation Deed Restrictions For Agricultural.

_____

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_____

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.

Part 519 – Farm and Ranch Lands Protection Program

Subpart J – Exhibits

519.110 Form 230, "Confirmation of Matching Funds (2008 Farm Bill)"

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

Form 230
(Not an approved form)

The following information is required prior to federal Farm and Ranch Land Protection Program (FRPP) fund disbursement. The purpose of this form is to identify and confirm matching fund sources.

A. Appraised Fair Market Value of the Easement	
B. Conservation Easement Purchase Price (Amount Paid to the Landowner	
C. Cooperating Entity Cash Contribution Paid to the Landowner	
D. Federal Cash Contribution Paid to the Landowner	
E. Grantor (Landowner) Donation (part of the appraised fair market value not taken in cash to contribute to the conservation effort and reduce tax liability, landowner shall not donate any part of C or D back to the cooperating entity)	
* Under FRPP authorizing statute and regulations, the Cooperating Entity Cash Contribution Paid to the Grantor (Landowner) must be at least 50% of the Appraised Fair Market Value (A) if the Grantor (Landowner) Donation is 25% or less. The Grantor (Landowner) Donation may be counted as up to 50% of the Cooperating Entity's 50% Cash Contribution if the Grantor (Landowner) Donation is 25% of the Appraised Fair Market Value (A) or less. The Cooperating Entity's Cash Contribution Paid to the Grantor (Landowner) must be at least 25% of the Appraised Fair Market Value (A) if the Grantor (Landowner) Donation is between 25% and 50% of the Appraised Fair Market Value (A). The Cooperating Entity's Cash Contribution Paid to the Grantor (Landowner) must be at least 50% of the Purchase Price (B) if the Landowner Donation is more than 50% of the Appraised Fair Market Value (A).	

Recommended Contributions to Stewardship and Acquisition Funds	
Stewardship Fund (limited to 2% of the appraised fair market value not to exceed $20,000)	
Appraisal (limited by FRPP policy to the actual cost of the appraisal)	
Survey (limited by FRPP policy to the actual cost of the survey)	
Closing Costs (limited by FRPP policy to the actual cost of the closing)	
Deed Preparation Costs (limited by FRPP policy to the actual cost of the deed preparation)	
Total	

I certify that the information on this supporting form for Federal FRPP land 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 conservation easement purchase price). I understand that false certification has serious consequences and will likely result in ineligibility for the Farm and Ranch Lands Protection Program.

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

Signature: _____

Signature of Additional Grantor (if applicable): _____ Date: _____

I certify that the information on this form for Federal FRPP land 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 likely result in ineligibility of the entity for the Farm and Ranch Lands Protection Program.

Cooperating Entity Name (please print); _____

Authorized Official (please print); _____

Signature by Authorized Official: _____Date: _____

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 Farm and Ranch Lands Protection Program does not require a landowner donation or contributions to stewardship or acquisition funds.

NRCS Representative (please print): _____

Signature by NRCS Representative: _____Date: _____

EXHIBIT 3

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004

PAGE ____ OF ____ PAGES

1. TYPE OF PAYMENT REQUESTED
   a. *"X" one or both boxes* ☐ ADVANCE ☐ REIMBURSEMENT
   b. *"X" the applicable box* ☐ FINAL ☐ PARTIAL

2. BASIS OF REQUEST ☐ CASH ☐ ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6. EMPLOYER IDENTIFICATION NUMBER

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER

8. **PERIOD COVERED BY THIS REQUEST**
   FROM *(month, day, year)*
   TO *(month, day, year)*

9. RECIPIENT ORGANIZATION

Name:

Number and Street:

City, State and ZIP Code:

10. PAYEE *(Where check is to be sent if different than item 9)*

Name:

Number and Street:

City, State and ZIP Code:

11. **COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED**

PROGRAMS/FUNCTIONS/ACTIVITIES ►		(a)	(b)	(c)	TOTAL
a. Total program outlays to date *(As of date)*		$	$	$	$
b. *Less*: Cumulative program income					
c. Net program outlays *(Line a minus line b)*					
d. Estimated net cash outlays for advance period					
e. Total *(Sum of lines c & d)*					
f. Non-Federal share of amount on line e					
g. Federal share of amount on line e					
h. Federal payments previously requested					
i. Federal share now requested *(Line g minus line h)*					
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month				
	2nd month				
	3rd month				

12. **ALTERNATE COMPUTATION FOR ADVANCES ONLY**

a. Estimated Federal cash outlays that will be made during period covered by the advance	$
b. *Less:* Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested *(Line a minus line b)*	$

AUTHORIZED FOR LOCAL REPRODUCTION

(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

13.	CERTIFICATION	
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL	DATE REQUEST SUBMITTED
	TYPED OR PRINTED NAME AND TITLE	TELEPHONE (AREA CODE, NUMBER, EXTENSION)

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes 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 (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	*Entry*
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed,use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in- kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
13	Complete the certification before submitting this request.

Part 519 – Farm and Ranch Lands Protection Program

Subpart J – Exhibits

519.102 Specifications for Appraisals of Real Property for the Farm and Ranch Lands Protection Program

A. Background Information

(1) The United States of America, acting through the United States Department of Agriculture's Natural Resource and Conservation Service (NRCS) and [entity name] is considering purchasing a conservation easement to assist the landowner in protecting farm and ranch lands that contain prime, unique, or statewide and locally important soils or historic and archaeological resources from conversion to nonagricultural uses and preserves valuable farm and ranch lands for future generations These lands may be placed under a conservation easement through the Farm and Ranch Lands Protection Program (FRPP).

(2) All appraisals completed for this program must comply with Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA a.k.a. Yellow Book) as applicable, and appraisal instructions as issued by NRCS in a self-contained report format.

(3) For parcels that are products of cooperative agreements and amendments signed after May 23, 2008, the cooperating entity may opt for either of these two methods to determine the effect of the conservation easement on the subject property in accordance with these instructions:

(i) USPAP: A USPAP appraisal of the proposed easement area before placement of the easement and a USPAP appraisal 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.

(ii) Yellow Book: By completing an appraisal for market value as defined below of the larger parcel before the easement (before value) is placed and an appraisal for market value as defined below of the larger parcel as if the easement is in place (after value) as of the date of a current date. The difference between the before value and the after value is the price of the easement. 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. The valuation of the effect of imposition of the easement is based upon Federal rules, which considers any loss in value to the whole property as well as any increase in value of the whole property due to imposition of the easement.

(4) For parcels that are products of **cooperative agreements and amendments signed in fiscal year 2006, fiscal year 2007, and fiscal year 2008 before May 23, 2008**, all appraisals completed for this program must comply with USPAP, Yellow Book, and appraisal instructions as issued by NRCS.

Yellow Book: By completing an appraisal for market value as defined below of the larger parcel before the easement (before value) is placed and an appraisal for market value as defined below of the larger parcel as if the easement is in place (after value) as of the date of a current date. The difference between the before value and the after value is the price of the easement. 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. The valuation of the effect of imposition of the easement is based upon Federal rules, which considers any loss in value to the whole property as well as any increase in value of the whole property due to imposition of the easement.

(5) For parcels that are products of cooperative agreements and amendments signed in fiscal year 2006, all appraisals completed for this program must comply with USPAP, Yellow Book, and appraisal instructions as issued by NRCS, with an effective date of the appraisal and the technical review as of the date of execution of the cooperative agreement between the entity and USDA/NRCS.

Yellow Book: By completing an appraisal for market value as defined below of the larger parcel before the easement (before value) is placed and an appraisal for market value as defined below of the larger parcel as if the easement is in place (after value) as of the date of a current date. The difference between the before value and the after value is the price of the easement. 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. The valuation of the effect of imposition of the easement is based upon Federal rules, which considers any loss in value to the whole property as well as any increase in value of the whole property due to imposition of the easement.

- Conflicts between Yellow Book and USPAP are minimal. When there is conflict, Yellow Book takes precedence. It may be necessary to invoke the jurisdictional exception rule to USPAP to meet certain standards of the Yellow Book. The jurisdictional exception rule should never be invoked lightly and must include citation of the overriding Federal policy, rule, or regulation that requires it. Any jurisdictional exceptions not specifically cited in the Yellow Book must be discussed with the assigned review appraiser.

B. Appraiser Qualifications

All real property appraisers performing appraisals under this program must be State-certified general real property appraiser or obtain a temporary practice permit 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 and must be in good standing with the licensing authority where the credential was issued. Appraiser must have demonstrated competency in compliance with USPAP in conducting appraisals of agricultural properties with and without conservation easements of the requested type and must provide documentation of appraisal education courses attended including either eminent domain or conservation easements course completion for either appraisal methods stated in A(1), (2), or (3) and UASFLA (Yellow Book) course for any Yellow Book appraisal.

C. Purpose Of The Appraisal Reports

(1) Depending upon which of the approved appraisal methods has been selected by the entity the applicable purpose of the appraisal report must be stated in the report.

(i) **FOR YELLOW BOOK APPRAISALS**: The purpose of the appraisals is to provide an opinion of market value, as defined below, 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) as of a current date in a self-contained report format.

The appraiser must recognize that in a *before* and *after* appraisal, the partial interest being acquired is not actually being appraised. What is appraised is the larger parcel before and after the conveyance of the partial interest.

(ii) The purpose of two opinions of value is to establish the effect on value resulting from imposition of a conservation easement. The price of the easement is the *before* value of the larger parcel minus the after value of the property as encumbered by the FRPP 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 is required to begin the appraisal process. The appraisals must be completed in compliance with Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisitions, and appraisal instructions issued by NRCS.

(iii) **For the purpose of these appraisals, the Federal rules for acquisition will be used**.

(iv) The market value definition that will be stated and used in developing and reporting this assignment is the definition as stated in the Yellow Book:

- "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."

(v) 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.

(vi) No other definition of market value is acceptable for Yellow Book appraisals.

(2) **FOR USPAP APPRAISALS:** The purpose of the appraisals is to provide an opinion of market value, as defined below, of the proposed easement area before placement of the easement and a USPAP appraisal of the proposed easement area as if the easement is in place in a self-contained report format. The difference between these two values will be the effect of the easement on the subject property. The appraisals must be completed in compliance with Uniform Standards of Professional Appraisal Practice and appraisal instructions issued by NRCS.

(i) The market value definition that will be stated and used in developing and reporting this assignment is as follows:

- "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—
  - -- Buyer and seller are typically motivated.
  - -- Both parties are well informed or well advised and acting in what they consider their own best interests.
  - -- A reasonable time is allowed for exposure to the open market.
  - -- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.

-- 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."

(ii) No other definition of market value is acceptable for USPAP appraisals.

D Background For The Appraisal Report

(1) Prepare two opinions of value of the subject property before placement of the easement and after placement of the easement as stated above in a self-contained report format. The after condition or second appraisal will be based upon a hypothetical condition that the conservation easement is in place and the effects on value that may be created.

(2) Client is [entity name], unless otherwise directed by the client.

(3) Intended user must be identified as USDA/NRCS and any other specific organization or 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 entity that may be involved in the specific transaction consideration in determining the effect on value of the conservation easement of lands entering into the Farm and Ranch Lands Protection Program.

(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, tow lines, 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 if any portion of these irrigation water rights can be removed from the subject property or not. If the irrigation water rights can 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.

E. The Appraisal Report

(1) **Description of Work Product**

(i) The appraisals must meet the requirements of the Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisitions regulations as applicable and appraisal instructions issued by NRCS as a self-contained appraisal report.

(ii) The appraisal report may consist of a form report, a narrative report, or a combination of both. The appraisal report must be in compliance with Uniform Standards of Professional Appraisal Practice and Uniform Appraisal Standards for Federal Land Acquisitions as applicable and must use the following guidelines as stated in these standards.

(iii) **Restricted-use or summary reports are not acceptable.**

(iv) The contract appraiser must personally inspect the subject property and comparable sales.

(v) 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.

(vi) The Uniform Residential Appraisal Report (URAR) **is not** acceptable.

(vii) Reports must contain a table of contents and sequentially numbered pages, including addenda. Reports may contain handwritten page numbers.

(viii) 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.

(ix) 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 will be discussed with the technical review appraiser who will keep the client advised of such discussions.

(x) The effective date of the appraisal report is the date of the site visit by the appraiser.

(xi) The appraisals must be in typewritten or legible ink print form or in automated or computerized forms.

(xii) Only reports completed and submitted on 8½-inch by 11-inch paper will be accepted.

(xiii) The appraisal report must be bound in a durable report cover with appropriate identification.

(xiv) The appraiser must provide three originals of the appraisals to the specific organization or entity that may be involved in the specific transaction. Reference the above instructions, including exhibits, for details on appraisal reports, appraisal forms required, and required methodology and supporting documentation.

(2) Required Elements for FRPP Appraisals

(i) Part 1 Introduction

- Title Page
- Letter of Transmittal
- Table of Contents
- Appraiser's Certification

-- 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]
Print Name
Printed Name and Professional Accreditation
State Certification #"

- -- 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]
  Print Name
  Printed Name and Professional Accreditation
  State Certification #"

(ii) Summary of salient facts

(iii) 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:

- Identify the photographed scene. Indicate direction of view, vantage point, and other pertinent information. An aerial photo should be used to show the location of the photos.
- The name of the photographer
- The date the photograph was taken

(iv) Statement of assumptions and limiting conditions.

- All appraisal reports submitted to the 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.

- 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.
- 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. The use of any other hypothetical conditions is not permitted. The use of an uninstructed 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. Do not include limiting conditions that significantly restrict the application of the appraisal.
- 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.

(v) Scope of the appraisal

- 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.
- 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.

(vi) Purpose of the appraisal will be as stated in C above

(vii) Summary of the appraisal problem

(3) **Factual Data**

(i) Legal description

(ii) Property data

- Site
- Improvements
- Fixtures, livestock, and forage production structures and facilities
- Use history
- Sales history
  - -- **For Yellow Book appraisals** include a 10-year record of all sales of the appraised property and offers 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.
  - -- **For USPAP appraisals** include a 3-year record of all sales of the appraised property and offers 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.
- Rental history.

-- A 3-year rental history is required. An unsupported statement that the rent does not represent market or economic rent is unacceptable.

- Assessed value and annual tax load.
- Zoning and other land use regulations.
  -- 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.
- 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.

(4) **Data Analysis and Conclusions before Acquisition**

(i) Analyses of highest and best use

- **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."
  -- 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 parcel(s).
- **FOR USPAP APPRAISALS**: The contract appraiser may refer to definitions as found in "The Dictionary of Real Estate Appraisal."
- **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.
  -- 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.
  -- If speculation or investment is the highest and best use of the property, describe and explain its interim and most probable ultimate use.
  -- 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.
  -- Market value cannot be predicated upon potential uses that are speculative and conjectural.
  -- 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.

(ii) Land valuation

(iii) Value estimate by the cost approach

- 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.

(iv) Value estimate by the sales comparison approach

- 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.
- 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.
- When supportable by market evidence, the use of quantified adjustments is preferred. Percentage and dollar adjustments may and often should be combined. Resort to qualitative adjustments only 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.
- Include a sales adjustment chart summarizing the adjustments and showing the final adjusted sale prices and how the sales compare with the subject property.

(v) The documentation of each comparable sale must include:

- Parties to the transaction
- Date of transaction
- Confirmation of the transaction
- Confirm the transaction with the buyer, seller, broker, or other person having knowledge of the price, terms, and conditions of sale
- Buyer motivation
- Location
- Size
- Legal description
- Property rights conveyed
- Consideration
- Financing terms
- Verify if the sale was an arm's length or distressed sale
- Improvements
- Physical description
  -- Describe topography, vegetative cover, water influence, improvements, irrigation water, soils, and other characteristics.
- Non-realty items
- Economic characteristics
- Zoning
- Current use
- Topographic map
- Photographs

- 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 official in the form of a supplemental appraisal instruction. There must be no waiver of the requirement for inspection of the appraised property.
- Include a list of the sales considered but not actually used in the addenda. Cite pertinent facts such as date, size, buyer, seller, price, terms, and location, and explain why each sale was not used.
- 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.

(vi) Value estimate by the income approach

- All data must be market supported

(vii) Correlation and final estimate

- The contract appraiser must avoid making a summation appraisal.
- 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.

(5) **Factual Data after Acquisition**

(i) Legal description

- 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.
- 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.

(ii) Neighborhood factors

(iii) Property data

- Site
- Improvements
- Fixtures
- History
- Assessed value and annual tax load
- Zoning and other land use regulations

(6) **Data Analysis and Conclusions After Acquisition**

(i) Analysis of highest and best use

(ii) Land valuation

(iii) Value estimate by cost approach

(iv) Value estimate by sales comparison approach

(v) Value estimate by income capitalization approach

(vi) Correlation and final value estimate

(7) **Acquisition Analysis**

(i) Recapitulation

- 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.

(ii) For Yellow Book appraisals only: Allocation and explanation of damages.

- Briefly explain any damages to the remainder property.

(iii) For Yellow Book appraisals only: Explanation of special benefits.

- Identify any special benefits accruing to the remainder.

(8) **Exhibits and addenda**

(i) Location map

- 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.
  - -- Area Map.—This is a small-scale map showing the general location of the subject market area.
  - -- Neighborhood Map.—This map shows the appraised property and its immediate neighborhood.
  - -- 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.

(ii) Comparable data maps

- 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.

(iii) Detail of comparative data

- 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.

(iv) Plot plan

(v) Floor plan

(vi) Title evidence report

- Include a copy of the preliminary title report for the non-Federal land if available.

(vii) Other pertinent exhibits

- Present additional data such as documents and charts pertinent to the valuation and referred to in the body of the appraisal. Exhibits may include:
  - -- A copy of the conservation easement deed.
  - -- 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.
  - -- Property owner permission to appraise.

(ix) Qualifications of appraiser

- Include the qualifications of all contract appraisers or technicians who made significant contributions to the completion of the appraisal assignment. The contract appraisers must provide evidence of compliance with the certification requirements of the State or States where the properties are located.

F. Appraisal Reviews

All appraisal reports are subject to a technical appraisal review conducted for compliance with appraisal instructions, UASFLA, and USPAP as applicable prior to acceptance by NRCS as determined by NRCS. All appraisal reports will have, as a minimum, an administrative appraisal review conducted by NRCS on each appraisal report in accordance with Subpart G, Section 519.62(F).

G. Format for Supplemental Appraisal Reports

Supplements or amendments to appraisal reports, such as for updating value estimates, 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.

(i) Title Page.—Include the same information as on the original appraisal report. Label the report as a "Supplemental Appraisal Report."

(ii) Summary of Facts.—Include:
- Owner's name or other identification of the property
- Size
- Highest and best use
- New opinion of value
- Valuation date is the effective date of the original report

(iii) **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.

(iv) **Changes**.—Explain the reason for the appraisal supplement such as, to update an opinion of value due to survey acres, amend a previous appraisal report, add additional support or explanation, or other.

(v) **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, followed by the contract appraiser's signature.

(vi) **Certification as required in Section E(2) of this Exhibit**.

(vii) **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.

(viii) **Binding**.—If the supplemental appraisal report comprises more than four pages, it must be bound in a durable report cover with appropriate identification.

Part 519 – Farm and Ranch Lands Protection Program

Subpart J – Exhibits

519.105 Technical Appraisal Review Specifications

TECHNICAL APPRAISAL REVIEW SPECIFICATIONS FOR APPRAISALS OF REAL PROPERTY FOR THE FARM AND RANCH LANDS PROTECTION PROGRAM (FRPP)

A. Background Information

The United States of America, acting through the United States Department of Agriculture's Natural Resources Conservation Service (NRCS) is considering purchasing an easement to assist the landowner in protecting privately owned land on a farm or ranch by protecting the agricultural use and related conservation values and limiting non-agricultural use of the property. Eligible land includes cropland, rangeland, grassland, pasture land, and forest land provided the forested acreage does not exceed two-thirds of the easement acreage. These lands may ultimately be placed under a conservation easement using the FRPP of NRCS.

All appraisal reviews completed for this program must comply with Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as applicable, and appraisal instructions issued by NRCS. The reviewer must verify with the client the date of the cooperative agreement the appraisal was completed under to establish the requirements which the appraisal and review are to be completed to.

B. Review Appraiser Qualifications

Review appraisers must be State-certified general real property appraisers and be in good standing with the licensing authority where the credential was issued. The review appraiser must have demonstrated competency in compliance with USPAP in conducting appraisal reviews of agricultural properties with and without conservation easements of the requested type. All reviewers must provide documentation of appraisal education courses attended including eminent domain or conservation easements courses, at least 40 hours of training in conducting technical reviews and UASFLA (Yellow Book) for Yellow Book reviews must be provided by the review appraiser in the review report.

C. Purpose of the Appraisal Review Reports

(1) **FOR YELLOW BOOK APPRAISALS:** The purpose of the technical appraisal review report is to provide an opinion of the acceptability of the appraisals that provide a 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) as of the date of execution of the cooperative agreement between the entity and USDA/NRCS minus any adjustments for excess irrigation water to arrive at the effect on value of the easement. The appraisals and technical review must be completed in compliance with Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisitions and NRCS instructions. For the purpose of these appraisal reviews, the Federal rules for acquisition will be used.

(i) The purpose of two opinions of value is to establish the effect on value resulting from imposition of a conservation easement. A key concept in this appraisal process is defining the larger parcel, which is required to begin the appraisal process.

(ii) The following market value definition that will be used in developing and reporting this assignment is the definition as stated in the Yellow Book:

(iii) "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."

(iv) **No other definition of market value is acceptable for Yellow Book appraisals.**

(2) **For USPAP Appraisals**: The purpose of the appraisals is to provide an opinion of market value, as defined below, of the proposed easement area before placement of the easement and a USPAP appraisal of the proposed easement area as if the easement is in place in a self-contained report format. The difference between these two values will be the effect of the easement on the subject property. The appraisals must be completed in compliance with Uniform Standards of Professional Appraisal Practice and appraisal instructions issued by NRCS.

The following market value definition will be used in developing and reporting this assignment:

- "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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby—
  - -- Buyer and seller are typically motivated.
  - -- Both parties are well informed or well advised and acting in what they consider their own best interests.
  - -- A reasonable time is allowed for exposure to the open market.
  - -- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
  - -- 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.
- No other definition of market value is acceptable for USPAP appraisals.
- A separate technical appraisal review report of each appraisal report will be conducted if two or more appraisals have been requested.

D. Scope of Work

(1) The scope of work is a desk technical review to assure the appraisal meets the definition of appraisal as required, examine the appraisals to assure that they meet applicable appraisal requirements, which include USPAP, UASFLA, as applicable to the appraisal assignment, and appraisal instructions issued by NRCS. The technical appraisal review report must comply with USPAP Standard 3, UASFLA, and appraisal instructions issued by NRCS and must be typewritten and dated and signed

by the reviewer. All items contained in Standard 3 of USPAP must be documented by the review appraiser in the technical appraisal review report. The appraisal reviewer will be required to make a determination as to the acceptability of the appraisal in accordance with instruction provided to the appraiser and these instructions.

(2) The review appraiser may be instructed to express their own opinion of value. This determination will be made on a case by case basis by the authorized official and will be included in any work order.

(3) The review appraiser will determine if the appraisal is approved or not acceptable.

(4) If the review appraiser determines the appraisal report is approved, the review appraiser will set forth in the review report the recommended value, if the appraisal report complies with the assignment standards, adequately supports the value estimate, complies with contract requirements and for Yellow Book appraisals specifically, documents any damages or benefits to any remaining property.

(5) If the review appraiser determines the appraisal report is not acceptable, the review appraiser will provide the NRCS State contact with the reasons the appraisal report was not acceptable in the appraisal review report. The NRCS State contact will determine if the appraiser should be contacted, and determine if the appraisal report should be returned for corrections or if a new appraisal should be ordered. The review appraiser may be instructed to work with the appraiser to obtain an acceptable appraisal in an advisory role. If the review appraiser does not approve the appraisal, the transaction closing will not take place. The NRCS State office will notify the NHQ staff appraiser when a technical report has been determined not acceptable after any corrections were made to the original appraisal report. The NHQ staff appraiser will review annually a minimum of 10 percent of the State's technical review reports for compliance with NRCS appraisal standards.

(6) ***The review appraiser must obtain a copy of the listed standards at their own expense and have them available during any technical review for reference.***

(i) Not Approved

- If, after diligent documented efforts have been made to get the needed support and improvements, the appraisal report still does not meet acceptable standards and the value estimate is not adequately supported, the review appraiser may disapprove or reject an appraisal report. Rejection indicates particular problems of integrity. The review appraiser must clearly show why the appraisal report is inadequate.
- Ultimate disapproval of a contract appraisal report because, in the review appraiser's opinion, the value estimate is unsupported or not supported strongly enough, does not constitute "rejection" for contract payment purposes if the contractor has complied with the contract specifications.
- Recommending a second appraisal to confirm, support, or replace an unapproved appraisal report does not constitute rejection. If, however, the second report supports a significantly different value estimate and that report is ultimately approved, this effectively disapproves the previous appraisal report(s).
- No appraisal should be "rejected" unless it is in violation of appraisal principles and standards, agency or departmental regulations or directives, is inconsistent with facts, or asserts unsupported conclusions.
- Appraisals will not be rejected and fee withheld unless the report clearly and flagrantly does not comply with the appraisal specifications.

(ii) Limitations

- The review appraiser may not change an appraisal report, except for minor mathematical or typographical errors, and must call those minor changes to the appraiser's attention. No one, except the original appraiser, is permitted to edit or otherwise revise the original appraisal report.
- The review appraiser may not substitute personal judgment for that of the appraiser, nor dismiss careful appraisal judgment solely because it cannot be supported by conclusive market data. However, the review appraiser may question the appraiser's judgment when it is illogical, unreasonable, not supported by data cited, or is inconsistent with other data.
- The review appraiser must not allow agency goals or adversarial pressure to influence the reviewer's opinion of an appraisal report's value estimate. In addition, the review appraiser's personal opinion regarding the proposed action must not influence the review process.
- The review appraiser must not attempt to influence the appraiser's judgment or direct the appraiser toward a value estimate. The only effort should be to obtain a properly supported value estimate based on factual evidence and valid analysis of all facts available through use of approved appraisal approaches and techniques. Minor technical nonconformance with UASFLA and the USPAP should not be the cause of rejection of an appraisal report unless the deficiencies affect the reliability of the value estimate.

(7) **UASFLA and USPAP Conflicts**: Conflicts between UASFLA and USPAP are minimal. When there is conflict, UASFLA takes precedence. It may be necessary to invoke the jurisdictional exception rule to USPAP to meet certain standards of the UASFLA. The jurisdictional exception rule should never be invoked lightly and must include citation of the overriding Federal policy, rule, or regulation that requires it.

E. Background for the Appraisal Review Report

(1) Client is USDA/NRCS and or (entity name).

(2) Intended user is USDA/NRCS and or (entity name) unless otherwise directed by the client.

(3) Intended use will be for USDA/NRCS determination of acceptability of the appraisals for use in consideration in determining the effect on value of the easement for lands entering into FRPP.

(4) Property rights to be appraised will be surface rights, 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 must be clearly identified in both the before and after condition. The value of any marketable standing timber that could be economically harvested must be considered by a timber cruise and included in any valuations. Other permanent plantings that are located on the subject property must be appraised and included in any valuations. Any irrigation equipment such as pivot sprinklers, moveable pipe, tow lines, etc. that are located in the proposed easement area must be excluded from the valuation.

(5) If irrigation rights are included in the easement area, documentation provided by NRCS must identify the volume of irrigation water rights to be retained for the subject property as necessary to ensure the function of the farmland/ranchland operation and other agricultural conservation values. This volume must 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 must be described and valued in the appraisal. The appraiser must document if any portion these irrigation water rights can be removed from the subject property or not. If the irrigation water rights can be removed from the property, the appraiser must 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.

(6) A copy of the work order to the appraiser, appraiser instructions, and all related information will be provided to the review appraiser by the Agency.

(7) All technical appraisal reviews are subject to a review for compliance with the applicable instructions by NRCS/NHQ.

(10) The effective date of the technical review will be the effective date of the appraisal.

(11) The review appraiser may use jurisdictional exceptions when completing the technical review of Yellow Book appraisals when compliance with part or parts of USPAP is contrary to law or written public policy applicable to the assignment.

(12) Technical review reports must be completed and submitted on 8.5-inch by 11-inch paper.

(13) Technical review reports must contain a table of contents and sequentially numbered pages, including an addenda.

(14) The technical appraisal reports must be in typewritten, automated, or computerized forms.

(15) The review appraiser must document whether the analysis and documentation contained in the appraisals supports the opinion of value arrived at by the appraiser.

(16) The technical review format must be as shown in Exhibit 1.

Exhibit 1

Technical Appraisal Review Report

Appraisal Review of _____[*property*]_____

Prepared by _____[*name, title, unit*]_____

This technical appraisal review report is presented in four sections: (1) Appraisal Report Summary, (2) Appraisal Review Purpose, Scope, and Intended Use, (3) Reviewer's Analysis, Comments, and Conclusions, and (4) Reviewer's Certification.

For Yellow Book Appraisals: As a result of my review, I [*approve* or *disapprove*] the appraisal report that concludes an 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]_____

Print Name _____

Printed Name and Professional Accreditation

State Certification # _____

For USPAP Appraisals: As a result of my review, I [*approve* or *disapprove*] the appraisal report that concludes an opinion as of ___[date]_____, the market value of the subject parcel before conveyance of the partial interest is $_____, and the market value of the subject parcel after conveyance of the partial interest is $_____.

By: ___[signature]_____

Print Name _____

Printed Name and Professional Accreditation

State Certification # _____

Identify type of value such as market, investment, or other value, and identify and give estimated contributory values for major components such as land, timber, improvements, damages, and benefits.

Any extraordinary assumption or hypothetical condition of the appraisal report or the appraisal review report must be recited here.

Section 1: Appraisal Report Summary

Each must be completed from information in the appraisal report. If the assignment required no extraordinary assumptions, jurisdictional exceptions, or hypothetical conditions, state so.

Owner of Record.

a. Estate Appraised.
State the ownership interest as fee, leased fee, or partial interest and reference the specific title document or land status report. If the estate appraised is subject to any reservations, outstanding rights, or other encumbrances, state them briefly here and fully in Section 3.(a).

b. Legal Description.
Identify the survey and land description verification.

c. Property Characteristics.
Provide a brief overview of the significant physical, legal, and location characteristics of the property.

d. Larger Parcel Determination.

e. Extraordinary Assumption or Hypothetical Conditions.
Identify the source of the written instructions.

f. Highest and Best Use or Permitted Use.

g. Date of the Appraisal Report.

h. Date of Appraisal.

i. Appraiser.

j. Value (valid through _____).

Section 2: Appraisal Review Process

a. Client and Intended Users.

b. Intended Use.

c. Purpose of the Review Assignment.

1. FOR YELLOW BOOK APPRAISALS: The purpose of the technical appraisal review report is to provide an opinion of the acceptability of the appraisals that provide a 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) as of the date of execution of the cooperative agreement between the entity and USDA/NRCS minus any adjustments for excess irrigation water to arrive at the effect on value of the easement. The appraisals and technical review must be completed in compliance with Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisitions, and NRCS instructions. For the purpose of these appraisal reviews, the Federal Rules for acquisition must be used.

The purpose of two opinions of value is to establish the effect on value resulting from imposition of a conservation easement. A key concept in this appraisal process is defining the larger parcel, which is required to begin the appraisal process.

2. FOR USPAP APPRAISALS: The purpose of the appraisals is to provide an opinion of market value, as defined below, of the proposed easement area before placement of the easement and a USPAP appraisal of the proposed easement area as if the easement is in place in a self-contained report format. The difference between these two values will be the effect of the easement on the subject property. The appraisals must be completed in compliance with Uniform Standards of Professional Appraisal Practice and appraisal instructions issued by NRCS.

d. Scope of Work.
Describe work the reviewer did with the property before the appraisal, knowledge of any other appraisals that you returned or reviewed, property and comparable property inspection, sale verification, additional data and information procured, analytical methods applied, and what standards were followed. If the appraiser revised the appraisal during this review, at your request, describe the extent of the revision process. Any analytical work or support documents must be retained in the reviewer's work file.

Section 3: Reviewer's Analysis, Comments, and Conclusions

The purpose of this section is to report the reasons and provide support for the reviewer's conclusions and explain discrepancies and disagreements. This section should be written in a detailed narrative format that clearly achieves the standards found in UASFLA Part C and USPAP SR 3-2(d). What follows is an outline of substance to be considered for the narrative.

a. Present your opinion of the adequacy to which the appraiser followed appraisal instructions, including value definition, sales verification, extraordinary assumptions and hypothetical conditions, hazardous material conditions, estate appraised, legal description used, and general specifications followed.

b. Analyze and describe adequacy and appropriateness of appraiser's larger parcel determination.

c. Analyze and describe adequacy and appropriateness of appraiser's highest and best use determination. Comment whether an economic analysis was appropriate and carried out correctly. Compare subject and sales for consistency of highest and best use; compare subject zoning and land use regulations with appraiser's analysis of legal property uses; explain reasons of agreement or disagreement with highest and best use conclusion.

d. Analyze and describe adequacy of appraiser's analysis of previous sale of subject property.

e. Review and describe adequacy and appropriateness of valuation approaches selected.

f. Review and describe adequacy of treatment of contributory values of minerals, water, timber, improvements, personal property, and intangibles.

g. Review and describe appropriateness of sale data stratification, review methods and accurateness of sales analysis, adjustments to sales, and value indications obtained from sales.

h. Review for reasonableness and accuracy all assumptions and data in the cash flow analysis of the income approach and analyze for appropriateness the market extracted rate applied to the subject cash flow. Ensure the appropriateness of computer software used in sales, income, and statistical analysis.

i. Explain and conclude as to the reasonableness and appropriateness of the overall appraisal methods used and support presented. State whether the appraisal report is approved or disapproved. If other than approved, summarize the principal reasons for your action.

Section 4: Reviewer Certification

The italic words need to be changed for the circumstances and reviewer.

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analysis, opinions, and conclusions in this review report are limited only by the assumptions and limited conditions stated in this review report and are my own personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement on this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, and conclusions in this review or from its use.
- My analysis, opinions, and conclusions were developed and this review report was prepared in conformity with the NRCS appraisal instructions and appraisal review instructions, the *Uniform Standards of Professional Appraisal Practice (for USPAP appraisals as applicable),* and the *Uniform Appraisal Standards for Federal Land Acquisitions (for Yellow Book appraisals as applicable).*
- My report preparation and presentation conforms to the requirements of the Code of Professional Ethics and Standards of [*applicable professional organizations*].
- I am a member of the [*applicable professional organizations*] and am current on all continuing education requirements through [*date*].

- I [*have or have not*] made a personal inspection of the subject property under review.

- [*Name of professional or no one*] provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.

_____ _____

Reviewer Date of Review

General Certification *Number and State and expiration date when required by State.*

_____

Title

Attach Qualification Statement for the Reviewer.

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-3030

U.S. DEPARTMENT OF AGRICULTURE

REPRESENTATIONS REGARDING FELONY CONVICTION AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

Note: You only need to complete this form if you are a corporation. A corporation is any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §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 confirm applicant status concerning entity conviction of a felony criminal violation, and/or unpaid Federal tax liability status.

According to the Paperwork Reduction Act of 1985 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 for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 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.

1. APPLICANT'S NAME	2. APPLICANT'S ADDRESS *(Including Zip Code)*	3. TAX ID NO. *(Last 4 digits)*

4A. Has the Applicant been convicted of a felony criminal violation under Federal or State law in the 24 months preceding the date of application? ☐ YES ☐ NO

4B. Has any officer or agent of Applicant been convicted of a felony criminal violation for actions taken on behalf of Applicant under Federal or State law in the 24 months preceding the date of application? ☐ YES ☐ NO

4C. Does the Applicant have 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? ☐ YES ☐ NO

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA.

PART B – SIGNATURE

5A. APPLICANT'S SIGNATURE (BY)	5B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY	5C. 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.