

DM 9500-012
United States
Department of
Agriculture
Office of the Chief
Information Officer

GRASSLAND RESERVE PROGRAM
DM 9500-012

Grassland Reserve Program

Table of Contents

Chapter 1 General Provisions	1
1. OVERVIEW AND AUTHORITIES.....	1
2. BACKGROUND.....	1
3. PROGRAM PURPOSE	1
Part 1 Responsibilities	2
3. NATIONAL RESPONSIBILITIES.....	2
4. STATE LEVEL RESPONSIBILITIES.....	3
5. SERVICE CENTER LEVEL RESPONSIBILITIES	3
6. LOCAL NRCS REPRESENTATIVE RESPONSIBILITIES	3
7. FSA COUNTY COUNTY COMMITTEE (COC) RESPONSIBILITIES	3
8. COUNTY EXECUTIVE DIRECTOR (CED) RESPONSIBILITIES	3
9. ROLE OF THE STATE TECHNICAL COMMITTEE.....	4
10. PARTNERS AND AGREEMENTS	4
11. RESTRICTIONS ON USDA EMPLOYEES.....	5
12. OUTREACH AND MARKETING.....	5
Chapter 2 Ranking Criteria.....	7
1. OVERVIEW	7
2. PRIORITY FOR EXPIRING CONSERVATION RESERVE PROGRAM (CRP).....	7
3. ESTABLISHING RANKING CRITERIA.....	7
4. RANKING CRITERIA OVERVIEW.....	8
5. RANKING PROCESS.....	8
6. NATIONAL AND REGIONAL RANKING POOLS	9
Chapter 3 Application Process and Eligibility Requirements	10
Part 1 Application Process.....	10
1. OVERVIEW	10
2. APPLICATION.....	10
3. APPLICATION/RANKING VERIFICATION	11
4. TENTATIVELY APPROVED APPLICATIONS	11
5. APPLICATIONS NOT TENTATIVELY APPROVED.....	12
7. LANDOWNER ELIGIBILITY.....	12
8. ADJUSTED GROSS INCOME (AGI) ELIGIBILITY	13
9. CONSERVATION COMPLIANCE.....	13

10.	LAND ELIGIBILITY	13
11.	INCIDENTAL LAND	13
12.	INELIGIBLE LANDS	14
13.	NOTIFICATION OF INELIGIBILITY	14
Part 2 GRP Management Plan		16
14.	GRP MANAGEMENT PLAN OVERVIEW	16
15.	PERMITTED ACTIVITIES	16
16.	PROHIBITED ACTIVITIES	18
17.	MAINTENANCE AND MANAGEMENT REQUIREMENTS.....	19
Chapter 4 Rental Contracts.....		20
1.	OVERVIEW	20
3.	LAND UNDER LEASE FOR GAS, OIL, EARTH OR MINERAL RIGHTS	20
4.	GRP RENTAL CONTRACT.....	21
5.	NOTIFICATION.....	21
6.	CAUTIONARY NOTES.....	21
7.	ACREAGE DETERMINATION	22
9.	RENTAL CONTRACT CORRECTIONS	22
10.	ERRONEOUS ACREAGE DETERMINATIONS	22
11.	CONTRACT REVISIONS	22
12.	REVISIONS TO THE GRP MANAGEMENT PLAN	23
13.	LOSS OF CONTROL OF LAND BY OWNER.....	24
14.	LOSS OF INTEREST BY OWNER OR OPERATOR.....	24
15.	COUNTY COMMITTEE ACTION	24
16.	PARTICIPANT GAINS CONTROL OF LAND	24
17.	REVISION BECAUSE OF INHERITANCE	25
18.	SUCCESSOR – IN - INTEREST.....	25
19.	FULL OR PARTIAL SUCCESSION	25
20.	RESPONSIBILITIES OF ELIGIBLE SUCCESSORS	26
21.	OTHER REVISIONS.....	26
22.	COUNTY COMMITTEE RESPONSIBILITIES.....	26
23.	GAIN OF CONTROL OF GRP LAND BY A FEDERAL AGENCY	27
24.	FSA FARM LOAN PROGRAM	27
25.	RENTAL CONTRACT TERMINATION.....	27
26.	PENALTIES AND INTEREST	28
27.	REQUESTS FOR WAIVER OF REFUNDS.....	29
28.	LAND ACQUIRED UNDER EMINENT DOMAIN	30

29.	CONVERSION OF A GRP OR CRP RENTAL CONTRACT TO AN EASEMENT	30
30.	OFFICIAL ADMINISTRATIVE RENTAL CONTRACT FILE	30
Chapter 5 Easement Enrollment and Acquisition		31
Part 1 Enrollment and Compensation		31
1.	OVERVIEW	31
2.	SELECTION FOR ENROLLMENT	31
3.	LETTER OF TENTATIVE SELECTION	31
4.	DETERMINING EASEMENT COMPENSATION	31
5.	HAZARDOUS MATERIALS	33
6.	MAKING THE OFFER TO THE LANDOWNER	33
7.	OBLIGATION OF EASEMENT FUNDS	34
8.	LEGAL BOUNDARY SURVEY	34
9.	BASELINE INVENTORY REPORT	35
Part 2 Easement Closing		36
10.	TITLE INSURANCE	36
11.	EASEMENT PREPARATION	37
12.	PRELIMINARY TITLE OPINION	37
13.	CLOSING INSTRUCTIONS	37
Part 3 Easement Title Transfer to Third Parties		39
Chapter 6 Payment Process		41
1.	OVERVIEW	41
3.	FUND OBLIGATION	41
4.	EASEMENT PAYMENTS	42
5.	RENTAL CONTRACT PAYMENTS	42
6.	COST SHARE PAYMENTS	43
7.	ADMINISTRATIVE PROVISIONS	43
8.	PAYMENT OPTIONS	44
Chapter 7 Restoration Agreements		45
1.	OVERVIEW	45
2.	APPLICATIONS	45
3.	RESTORATION AGREEMENT DURATION	45
4.	COST SHARE FUNDS	45
5.	TECHNICAL ASSISTANCE	46
6.	RESTORATION REQUIREMENTS	46
7.	RESTORATION PRACTICES	47

8.	ELIGIBLE PRACTICES	47
9.	INELIGIBLE PRACTICES	48
10.	PRELIMINARY RESTORATION PLAN	48
11.	RESTORATION PLAN.....	49
12.	MAINTENANCE AND MANAGEMENT	51
Chapter 8 Monitoring, Compliance and Enforcement.....		52
1.	OVERVIEW	52
2.	CONTRACTUAL ARRANGEMENTS	52
Part 1 Rental Contract Compliance.....		52
3.	RENTAL CONTRACT SAMPLING	52
4.	RENTAL CONTRACT COMPLIANCE.....	53
5.	RENTAL CONTRACT NONCOMPLIANCE CASES.....	53
6.	EXAMPLES OF NONCOMPLIANCE	53
7.	PARTICIPANT'S GOOD FAITH EFFORT	54
8.	GOOD FAITH EFFORT NOT DETERMINED.....	54
9.	GRP RENTAL PAYMENT REDUCTIONS.....	55
Part 2 GRP Conservation Easement Monitoring		55
10.	LANDOWNER NOTIFICATION	55
11.	EASEMENT MONITORING CHECKLIST	56
12.	MONITORING THE EASEMENT	56
13.	LAND OWNERSHIP VERIFICATION.....	57
Part 3 Easement Enforcement.....		57
14.	PREVENTING VIOLATIONS.....	58
15.	SUSPECTED VIOLATIONS	58
16.	EASEMENT VIOLATION DETERMINATIONS.....	59
17.	LANDOWNER NOTIFICATION	60
18.	REMEDIATION COMPLIANCE	61
19.	JUDICIAL PROCESS	61
20.	LANDOWNER PERSONAL LIABILITY	62
Chapter 9 Cooperative Agreements.....		63
1.	OVERVIEW	63
2.	ELIGIBLE ENTITY	63
3.	COOPERATIVE AGREEMENT PURCHASE PRICE.....	64
4.	COOPERATIVE AGREEMENT REQUIREMENTS.....	64
5.	GRP MANAGEMENT PLAN.....	65

6.	HISTORIC OR ARCHAEOLOGICAL RESOURCES	65
7.	HAZARDOUS MATERIALS RECORDS SEARCH AND INSPECTION.....	65
8.	ELIGIBLE ENTITY RESPONSIBILITIES.....	65
9.	APPRAISAL.....	66
10.	EASEMENT DRAFTING	66
11.	EASEMENT MONITORING.....	66
12.	EASEMENT VIOLATIONS	66
13.	COOPERATIVE AGREEMENT FUND OBLIGATION	67
14.	COOPERATIVE AGREEMENT EXTENSIONS.....	67
15.	COOPERATIVE AGREEMENT PAYMENTS	67

Appendix A Appraisal

Appendix B Cooperative Agreement

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL MANUAL		Number: 9500-012
SUBJECT: Grassland Reserve Program	DATE: December 13, 2010	
	OPI: Natural Resources Conservation Service	

Chapter 1 General Provisions

1. OVERVIEW AND AUTHORITIES

This chapter provides general information about the Grassland Reserve Program (GRP), sources of program authority, and explains the roles and responsibilities for the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA). FSA automation instructions are in FSA Handbook 2-CONSV.

The GRP is administered jointly by the Chief, Natural Resources Conservation Service (NRCS) and the Administrator, Farm Service Agency (FSA). The GRP is a voluntary program. The GRP is authorized by 16 U.S.C. 3838n – 3838q. The GRP regulations are at 7 CFR part 1415. USDA is authorized to enroll privately-owned and tribal lands under rental contracts or conservation easements.

2. BACKGROUND

Grasslands provide both ecological and economic benefits. The importance of grasslands lies not only in the areas they cover, but also in the diversity of environmental benefits they produce. The lands provide forage for livestock, water for urban and rural uses, flood protection, wildlife habitat, purification of air, and carbon sequestration. The lands also provide aesthetic values and open space.

Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices and operations related to the production of forage and seeding, subject to certain restrictions during nesting seasons of bird species that are in significant decline or are protected under Federal or State law.

3. PROGRAM PURPOSE

The purpose of the GRP is to provide assistance to landowners and operators to protect grazing uses and related conservation values on eligible private range and pasture lands. The program emphasizes support of grazing operations, maintaining and improving plant and animal biodiversity, and protecting grasslands and shrublands under threat of conversion to cropping, urban development, and other non-grazing uses.

Enrollment options available to interested eligible landowners or operators are listed in Table 1.

TABLE 1: Enrollment Options

ENROLLMENT OPTION	DURATION	ELIGIBLE APPLICANT
Rental Contract	10, 15, or 20 years	Private Landowners and/or Operators
Permanent Easement held by the United States	Perpetuity or the maximum length allowed by state law	Private Landowners or Indian Tribes
Restoration Cost-Share Agreement associated with a rental contract or conservation easement held by the United States	Length of time to complete scheduled restoration practices.	Private Landowners, Indian Tribes and/or Operators who are enrolled in a rental contract or easement held by the United States
Cooperative Agreement with Eligible Entity holding Permanent Easement	Perpetuity or the maximum length allowed by state law	Eligible Entity with Private Landowners or Indian Tribes

Part 1 Responsibilities

3. NATIONAL RESPONSIBILITIES

National leadership is provided by the Chief, NRCS, and the Administrator, FSA, and their designees. Specific agency responsibilities are detailed in a Memorandum of Understanding <http://www.nrcs.usda.gov/programs/GRP>.

NRCS and FSA at the national level jointly develop and evaluate program policy and direction, monitor program implementation, ensure that GRP information is made available to the public, formulate budgets, and coordinate national GRP funding allocations to achieve national program objectives. Obligations are tracked at the national level to ensure 60% of the funding supports easements and 40% of the funding supports rental contracts over the life of the Farm Bill.

NRCS develops the allocation formula with FSA concurrence. The allocation formula is based on resource-based factors, resource quality factors, and regional equity. Resource-based factors represent the resource and demographic criteria used to establish basic infrastructure needs in a given state. These factors relate to customer and partner needs as well as land use. Resource quality factors relate to emerging ecological value issues as indicated by federally-listed threatened and endangered species and federal candidate species. Additional performance based factors related to improving program implementation may be added as determined by the NRCS Chief and the FSA Administrator. The allocation formula may be modified periodically to change the emphasis of any factor(s) in order to address a particular natural, regional or state resource concern.

4. STATE LEVEL RESPONSIBILITIES

The agencies jointly establish state-level program procedures and guidelines for implementing the program, including establishing state priorities and ranking criteria for project selection based on input from the State Technical Committee. Figure 1 provides a sample format for an agreement on specific responsibilities. Each state will complete and sign an agreement.

5. SERVICE CENTER LEVEL RESPONSIBILITIES

GRP applications may be accepted by either FSA or NRCS at the USDA Service Center. NRCS will maintain GRP records and reports sufficient for monitoring and compliance purposes, and advise FSA State Offices of compliance and enforcement issues on rental contracts. NRCS will engage the Office of General Counsel (OGC) on easement enforcement issues. Jointly, the agencies conduct program education and outreach.

6. LOCAL NRCS REPRESENTATIVE RESPONSIBILITIES

At the local or county level, NRCS will coordinate with FSA County Executive Director, complete ranking form with input from the landowner, and provide the FSA County Executive Director maps and the easement closing date to finalize crop base reduction. NRCS will complete the field check to ensure ranking score is accurate, ensure that National Environmental Policy Act requirements are met, complete program and land eligibility determinations, forward application ranking data to the NRCS State Office and maintain supporting documentation locally. All grazing management planning activities will be completed in accordance with the National Planning Procedures Handbook and practices will meet standards and specification contained in the Field Office Technical Guide.

7. FSA COUNTY COUNTY COMMITTEE (COC) RESPONSIBILITIES

COC is responsible for determining if a violation has occurred and enforcement of rental contract violations. COC will examine compliance reports given by NRCS and notify participants where violations occur. COC assigns penalties, interest, and liquidated damages for rental contracts. The official rental contract file is maintained by COC.

8. COUNTY EXECUTIVE DIRECTOR (CED) RESPONSIBILITIES

The CED will advise FSA State Office of compliance and enforcement issues relating to rental contracts. Additional responsibilities of the COC may be delegated to the County Executive Director. These responsibilities include:

- a. Coordination with the NRCS District Conservationist or designated local NRCS representative;
- b. Making landowner eligibility determinations for tentatively approved easement and rental contract applications;

- c. Issuing GRP payments for rental contracts, restoration agreements, conservation easements, and cooperative agreements;
- d. Performing administrative functions associated with the county claim control record, including verifying signatures, tracking and reporting easement and rental contract payments;
- e. Maintaining official administrative records for rental contracts;
- f. Issuing tentative Letters of Acceptance for rental contract applicants;
- g. Making acreage determinations for rental contract applications;
- h. Executing the rental contract ([CCC-920](#)) on behalf of CCC; and
- i. Completing annual payments for rental contracts, approval, modification and termination of rental contracts.

9. ROLE OF THE STATE TECHNICAL COMMITTEE

The State Technical Committee serves in an advisory capacity to USDA. The NRCS State Conservationist serves as committee chair. The FSA State Executive Director serves as a member of the State Technical Committee. Federal, state and nongovernmental organizations with appropriate expertise may be invited to serve in an advisory capacity on the State Technical Committee, provide recommendations for ranking priority criteria, identify program opportunities, and provide assistance or information to NRCS for GRP management planning for grassland birds and animals with declining populations (e.g., sage grouse).

The State Technical Committee provides advice on the ranking criteria and process, eligible practices, practice payment rates, and program outreach. States may establish additional priorities to address state issues.

10. PARTNERS AND AGREEMENTS

Partnerships may be established at the national, regional, or state level to implement components of the program, leverage of non-Federal funds, meet additional conservation objective that are compatible with GRP, and assist USDA with the acquisition of easements, rental contracts, and development of restoration agreements. USDA must ensure that GRP objectives are fully met, and that USDA is the final authority regarding the use of GRP funds.

Conservation districts may participate by assisting with identifying priority areas in their District, providing input to the State Technical Committee, assisting with the development of average costs for practices at the county or local level, assisting with the development and

implementation of grazing management plans, reviewing the grazing management plan and contract support document, providing assistance, through cooperative agreements or other mechanisms, in areas of GRP implementation where it is determined by NRCS to be in the best interest of the program, and assist with local education and outreach efforts.

USDA may enter into agreements with private organizations, local government agencies, Tribal governments, federal or state agencies, conservation districts, and other cooperating partners to assist with easement management and monitoring, outreach, and program implementation assistance. Agreements will be specific enough to accurately and specifically track program expenditures and accomplishments. Agreements may include, but are not limited to, accepting applications, conservation and restoration planning, easement acquisition functions such as easement boundary delineation, or closing agent functions, and implementing restoration agreements, and monitoring activities.

11. RESTRICTIONS ON USDA EMPLOYEES

USDA employees are prohibited from servicing GRP conservation easements, rental contracts, or restoration agreements on land owned or operated by the employee or members of the employee's immediate family, on land in which they or members of their immediate families have a financial interest or where there is an appearance of or actual conflict of interest. In such situations, the NRCS State Conservationist will designate an NRCS employee to provide assistance.

12. OUTREACH AND MARKETING

NRCS and FSA will ensure that marketing efforts reach potential GRP participants, including limited-resource farmers and ranchers, beginning farmers and ranchers, Tribal Nation/Alaska Natives, and socially disadvantaged owners of eligible land. Strategies to reach all potential participants may include, but are not limited to, print, televised or other electronic media, contact with special-interest groups that serve limited resource and socially disadvantaged landowners, notices to non-traditional groups, door-to-door contact, and partnering with others.

Special outreach will be made to eligible producers with historically low participation rates, including but not restricted to, historically underserved producers, Indian Tribes, Alaska Natives, and Pacific Islanders. NRCS will evaluate the effectiveness of its outreach efforts. The comments and feedback related to outreach will be provided to the NRCS Outreach and Advocacy staff for further evaluation, in an effort that NRCS outreach can be viewed as a continuing and evolving process.

The purpose of outreach is to provide services to all people in a manner that improves their understanding of USDA programs and services, increases their participation in USDA programs, and encourages them to participate in resource planning and the decision-making process.

Procedures for program information and outreach will adhere to agency policy. Information

includes those activities to develop, produce, and deliver general news, knowledge, and facts about the program. Information is delivered extensively to a wide audience. NRCS will use all available media to provide information on ranking period information, eligible conservation activities, payment rates, and program descriptions.

Outreach includes those activities to develop, produce, and deliver general news, knowledge, and facts about the program to a specific audience. Outreach efforts are typically aimed at producers who have been historically underserved, have not historically participated in conservation programs, or who require special emphasis or accommodations. The intent of outreach activities is to assure that the targeted producers are aware and informed of program opportunities and have access to program participation

Special emphasis will be made in all information activities to provide conservation assistance and program outreach, and access to limited resource farmers and ranchers , socially disadvantaged farmers or ranchers, small-scale farmers or ranchers , beginning farmers or ranchers, tribal members, Alaska Natives, Pacific Islanders, producers with disabilities, and other producers with historically low participation rates in conservation programs. Special outreach efforts could include, but should not be limited to, providing special accommodations, assuring that producers are aware, informed, and have access to information and assistance, such as using language spoken by the intended audience and using appropriate media sources to reach the intended audience.

USDA will ensure that outreach is provided so as not to limit participation because of size or type of operation, or production system, including specialty crop and organic production. The NRCS State Conservationist and FSA State Executive Director will seek advice from the State Technical Committee to establish the process whereby the most desirable lands can be identified and potential participants be advised of the enrollment opportunities available under GRP.

Chapter 2 Ranking Criteria

1. OVERVIEW

NRCS State Conservationists with advice from the State Technical Committee will rank applications for enrollment in the GRP based on:

- a. Support of grazing operations;
- b. Protection of grassland, land that contains forbs, and shrubland at the greatest risk from the threat of conversion to uses other than grazing;
- c. Plant and animal biodiversity; and
- d. Leveraging of non-Federal funds for GRP conservation easements held by eligible entities;

2. PRIORITY FOR EXPIRING CONSERVATION RESERVE PROGRAM (CRP)

Enrollment of eligible CRP lands whose contracts are within one year of the scheduled expiration date will be given priority through the ranking process. No more than 10% of the total GRP enrollment acres each year may be expiring CRP lands. This will be monitored by the NRCS Easement Program Division (EPD).

Applicants seeking GRP enrollment for their eligible CRP grasslands may offer the land for the easement or rental contract enrollment option. In addition to meeting the land eligibility requirements, the land must be under significant threat of conversion to uses other than grazing, and be determined by USDA to have high ecological value as determined by the Environmental Benefits Index score. The following factors will be used to determine the ecological value of expiring CRP land:

- a. Grassland productivity;
- b. Water quality and quantity impacts;
- c. Plant and animal species abundance and diversity;
- d. Sustainability of the grassland or shrubland ecosystem; and
- e. Parcel size and landscape connectivity to other conserved lands.

3. ESTABLISHING RANKING CRITERIA

The ranking process enables the NRCS State Conservationist, in coordination with the FSA State Executive Director, to prioritize enrollment offers by determining the projects that most

merit enrollment. Ranking does not vest any right or entitlement to funding by an applicant. The NRCS State Conservationist, with advice from the State Technical Committee, establishes a weighted ranking process to prioritize all eligible applications considering the national factors described above and any additional state criterion. The NRCS State Conservationist will develop a form to record the ranking criteria and develop a process to collect data, rank the applications, and select projects for funding. These state developed ranking forms will be made available to the public through the state's webpage.

4. RANKING CRITERIA OVERVIEW

The ranking criteria for conservation easements and rental contracts will emphasize:

- a. The environmental benefits of enrolling the land;
- b. Cost effectiveness of enrolling the land so as to maximize the environmental benefits per dollar expended;
- c. Whether the landowner or others are offering to contribute financially to the enrollment to leverage federal funds;
- d. Protection of grazing uses and related conservation values; and
- e. The productivity of the land.

Additional criteria may be applied at the state level, as agreed upon by the State Technical Committee.

5. RANKING PROCESS

After accepting an application, the District Conservationist or NRCS representative will complete the ranking worksheet with the landowner present. A site visit is not required to complete the initial ranking worksheet. Initial ranking data will be submitted to the NRCS state office for state-wide compilation.

The NRCS State Conservationist, in coordination with the FSA State Executive Director, shall set a cutoff date and tentatively approve applications for funding based on the highest ranked applications and available funding. If available funds are insufficient to accept an offer in its entirety, then the applicant may choose to reduce the acreage amount offered, provided that the application ranking score is not reduced below that of the score of the next available application on the ranking list. If the applicant is not interested in reducing the acres offered, a lower ranked application may be selected.

Easement and rental contracts may be ranked in separate pools if the same criteria are used. If an application is made for both conservation easement and rental contract, the producer must decide which application has preference prior to funding selection. Separate ranking pools may also be established to address specific conservation issues raised by state,

regional, and national conservation priorities. USDA may emphasize enrollment of unique grasslands or specific geographic areas of the State, such as areas with endangered or declining species.

After the producer has been ranked and tentatively selected for funding, the District Conservationist or NRCS representative will coordinate and conduct a site visit to verify the ranking worksheet information and determine land eligibility. Final approval for funding of the application is contingent on the site visit and the application meeting eligibility criterion.

Once funding levels have become exhausted, unfunded, eligible applications will remain on file until additional funding becomes available or the applicant chooses to be removed from consideration.

6. NATIONAL AND REGIONAL RANKING POOLS

USDA may establish ranking pools for issues raised by state, regional and national conservation priorities. USDA may hold funds in reserve for national or regional ranking pools.

Chapter 3 Application Process and Eligibility Requirements

Part 1 Application Process

1. OVERVIEW

GRP is available to private landowners and operators of eligible land in all states, territories, and possessions of the United States. Eligible entities may submit parcels through the process outlined in Chapter 9. Landowners may submit applications for easements and rental contracts. Operators may submit applications for rental contracts only when they can provide written evidence of control of the property or the land, for the duration of the rental contract. The easement or rental contract requires that the project area is maintained in accordance with GRP goals and objectives for the duration of the term of the easement or rental contract, including the conservation, protection, enhancement, and, if necessary, restoration of the grassland functions and values.

GRP is a continuous sign-up program. The NRCS State Conservationist in coordination with the FSA State Executive Director establish cut-off periods to rank and select applications. These cut-off periods will be available in program outreach materials provided by the local USDA Service Center. Perspective applicants receive a program fact sheet with applicant requirements for enrolling in GRP, and a copy of the current GRP rental contract, or a copy of the current conservation easement deed.

2. APPLICATION

Individuals interested in GRP participation must complete an application available on [eForms](#). Applications are accepted by NRCS or FSA at the local USDA Service Center. Applications will remain on file in the administrative county until they are funded or the applicant chooses to be removed from consideration.

Rental contract applicants will receive a copy of the rental contract, [CCC-920](#) and [CCC-920 appendix](#) dated 08-25-09, a copy of the applicable rental rates by county as found in [FSA Notice 22](#), and a copy of the GRP fact sheet.

When the application is for a permanent easement, the applicant will receive a copy of the [Agreement for the Purchase of Conservation Easement \(NRCS-LTP-50\)](#) and a copy of the [GRP Conservation Easement Deed \(NRCS-LTP-60\)](#) from NRCS. Landowners must provide clear title and written recorded access rights, and the all existing cropland base and allotment history will be permanently retired. When mortgages and other liens exist, they will be subordinated to the conservation easement deed.

When the rental contract or conservation easement application includes restoration cost-share, a [Long Term Agreement \(AD-1154\)](#) will be included.

3. APPLICATION/RANKING VERIFICATION

Following the cut-off date, applications that ranked highly and could be potentially funded will be examined for landowner and land eligibility. NRCS will ensure that site visits are conducted to:

- a. Verify that the ranking worksheet is consistent with actual field conditions;
- b. Make land eligibility determinations;
- c. Verify the absence of offsite and onsite conditions that would preclude successful enhancement, restoration or maintenance of the functions and values;
- d. Complete the hazardous substance checklist. If any hazardous material or potential presence is noted, the site may not be eligible for GRP;
- e. Complete Endangered Species Act (ESA) assessments and begin section 7 consultation with FWS, as applicable;
- f. Conduct National Historic Preservation Act (NHPA) assessments and complete required documentation as applicable; and
- g. Examine the likelihood of successful restoration, if applicable, and if the resultant grassland and shrubland values merit inclusion of such land, taking into consideration the cost of such restoration.

Based on findings during site visits, NRCS may need to re-rank the application and generate another ranking list. Any application found ineligible will receive a detailed letter explaining the reasons for ineligibility and, if applicable, any actions that may be taken to make the property eligible.

4. TENTATIVELY APPROVED APPLICATIONS

Tentative approval means that USDA will move forward with the GRP enrollment process. Based on the verification of the ranking list, the NRCS State Conservationist and the FSA State Executive Director shall tentatively approve applications for funding based on the highest ranked applications and available funding. NRCS will provide a list of tentatively approved applicants to FSA. FSA will notify rental applicants and NRCS will notify easement applicants in writing of their tentative approval into the program. The letter notifies the applicant of the intent to continue the enrollment process unless otherwise notified by the applicant.

The letter explains that tentative approval does not bind USDA to enroll the proposed project in GRP, nor does it bind the landowner to continue with enrollment in the program. The actual wording of the letter will depend upon the enrollment type of the selected application the actions necessary for the application to be considered enrolled in the program and funds

obligated.

5. APPLICATIONS NOT TENTATIVELY APPROVED

Applications not selected for funding may be deferred to the next funding period. All applicants will be notified in writing of their status within 30 days of USDA's decision. FSA will notify rental agreement applicants and NRCS will notify easement applicants. The notification will request that applicants who do not wish to continue to be considered for GRP notify the local USDA service center office within 15 days of receipt of the letter. If applications are carried forward into the next fiscal year, they will be considered applications for that fiscal year enrollment, renumbered and ranked accordingly.

6. SIGNATURE AUTHORITY

All applications and forms will be signed by landowners of record. Operators who demonstrated control of the property for the length of the contract will have written concurrence from the landowner. When there is a dispute between a landlord and operator the rental contract shall not be approved until the dispute is resolved without USDA involvement.

7. LANDOWNER ELIGIBILITY

GRP applicants must be the legal owners of a proposed easement area or be the owner or have written evidence of control for the length of the GRP rental contract for the proposed rental contract area. All applicants must complete the following:

- a. Complete [CCC-505](#), Base Reduction Certification;
- b. Sign [AD-1026](#), Highly Erodible Land/Wetland Conservation Determination;
- c. Complete form [CCC-926](#), Adjusted Gross Income (AGI) Certification;
- d. Complete forms [CCC-901](#) or [CCC-902](#), Member's Information for legal entity and joint operations only;
- e. Implement the GRP management plan approved by NRCS to conserve, protect, and enhance the viability of the grassland enrolled into the program;
- f. Grant NRCS and FSA, or their representatives, a right of ingress and egress to the conservation easement or rental contract area for monitoring purposes; and
- g. Comply with the terms of any associated conservation easement, rental contract or agreement;

In addition easement applicants must provide a copy of the current land deed to NRCS. FSA will work with customers to gather additional information, if needed, to complete the Service

Center Information Management System (SCIMS) record.

8. ADJUSTED GROSS INCOME (AGI) ELIGIBILITY

Participants must be eligible for GRP payments in accordance 7 CFR Part 1400. Persons or entities that have a 3 year average adjusted gross income exceeding \$1 million are not eligible to receive program benefits unless at least 2/3 of the adjusted gross income is derived from farming, ranching, or forestry operations. Any GRP easement acquisition or rental contract payment will be reduced by an amount commensurate with the percentage ownership of any AGI ineligible member of a legal entity.

9. CONSERVATION COMPLIANCE

Landowner eligibility is subject to the provisions of the Highly Erodible Land and Wetland Conservation provisions of the Food Security Act of 1985, as amended, 16 U. S.C 3801 et seq. Persons who are in violation of the Highly Erodible Land and Wetland Conservation provisions shall not be eligible to participate in GRP. If the person is reinstated for USDA program benefits, they shall regain eligibility to participate in GRP rental contract.

10. LAND ELIGIBILITY

NRCS will conduct an onsite evaluation to determine land eligibility for tentatively funded applications. There is no limitation on the minimum or maximum amount of land that a participant may offer to be enrolled in the program. Eligible land includes:

- a. Privately owned lands, which include Tribal lands;
- b. Grassland, land that contains forbs, or shrubs (including rangeland and improved pastureland) for which grazing is the predominant use; or
 - (1) Land located in an area that has been historically dominated by grassland, forbs, and shrubs, is compatible with grazing uses; and
 - (2) Land that has potential to provide habitat for animal or plant populations of significant ecological value if the land is retained in the current use and condition of the land or restored to a natural condition or contains historical or archeological properties (including, but not limited to sites, buildings, structures, objects, and landscapes, including properties of traditional religious and cultural importance to an Indian tribe or Native Hawaiian organization (see Section 101(c)(6) of the National Historic Preservation Act (NHPA)) listed in or eligible for listing in the National Register of Historic Places or addresses issues raised by state, regional and national conservation priorities.

11. INCIDENTAL LAND

Incidental lands, such as a rock outcrop or pond, may be included in the easement area to

allow for the efficient administration of the project area. NRCS EPD must be consulted if the incidental land exceeds 10% of the enrolled. Incidental land includes relatively small areas that are part of the land unit that contributes to grassland functions and values or assists in the practical administration of a GRP easement. Land on which corrals, barns, pens, and energy or water supply structures exist may be eligible as incidental land when such structures are necessary to the grazing operation of the offered property.

Rental contract land area determination is made using FSA measurement services and may include ponds.

12. INELIGIBLE LANDS

Land will not be enrolled if the functions and values of the grasslands are already protected under an existing contract, easement, or deed restriction or if the land is already in ownership by an entity whose purpose is to protect and conserve grassland and related conservation values. This land becomes eligible for enrollment when the existing contract, easement or deed restriction expires or is terminated within the next 12 months. Ineligible lands include:

- a. Publicly-owned lands and subsidiaries of publicly owned lands;
- b. Land already under ownership by an entity whose purpose is to protect and conserve grassland and related conservation values;
- c. Land that has easements or right of ways that would adversely affect the benefits of GRP;
- d. Land without right of access;
- e. Deed restrictions that prohibit the grazing use of the land or that would defeat any of the purposes of GRP;
- f. Land under an active Environmental Quality Incentive Program (EQIP) contract; or
- g. Land under an existing conservation easement, contract, or deed restriction that already provides protection for the grassland resources.

Landowners will be notified if their land is not eligible and will receive a letter explaining the reasons for ineligibility and, if applicable, any actions they may take to make their land eligible. NRCS State Conservationists may waive the contract period after practices are installed on an active EQIP contract, thereby making those lands eligible for GRP.

13. NOTIFICATION OF INELIGIBILITY

If at any time in the application process the landowners or operators are found to be ineligible for GRP they will be notified in writing of their status and advised of their appeal rights per agency handbooks. Notification of Ineligibility, with information on appeal rights, will be

given by NRCS if the lands are not eligible. FSA will inform producers on appeal rights related to AGI, person determination and payment limitation ineligibility.

Part 2 GRP Management Plan

14. GRP MANAGEMENT PLAN OVERVIEW

All GRP easements and rental contracts require a GRP management plan. The GRP management plan describes the grazing management system consistent with the prescribed grazing standard contained in the NRCS Field Office Technical Guide (FOTG). It includes a description of the grazing management system, permissible and prohibited activities, any associated restoration plan or conservation plan, if applicable, and a description of USDA's right of ingress and egress. Within 90 days after the site visit, NRCS will develop a GRP management plan with the landowner in accordance with the FOTG standards and specifications for required practices. A GRP management plan is required before any applications can be enrolled.

A conservation plan may be developed in place of the GRP management plan that includes a schedule of operations for the implementation and maintenance of practices including a description of the grazing management system, permissible and prohibited activities, applicable information on species in the local area that are in significant decline, and a description of USDA's right of ingress and egress. The GRP management plan may include implementation of practices addressing resource concerns identified in the ranking criteria.

15. PERMITTED ACTIVITIES

- a. Grazing. The program participant reserves the right to graze the land in a manner that is consistent with maintaining the viability of grass, shrub, forb, and wildlife species indigenous to the locality. The District Conservationist or local NRCS representative will provide technical assistance to the participant to develop a GRP management plan that shall integrate grazing and forage management practices to protect and enhance grassland and shrubland functions and values. If pre-enrolled grassland and shrubland functions and values do not meet FOTG standards restoration practices may be required. Grazing related activities such as fencing and livestock watering, brush management and prescribed fire are permitted.
- b. Haying, Mowing and Seed Production. Haying, mowing and harvesting of seed will be permitted, except on designated areas during nesting and brood-rearing seasons for birds whose populations are in significant decline, as determined by NRCS State Conservationist with advice from the State Technical Committee. The designated areas to be protected, and the period those areas will be protected, must be identified in the GRP management plan.
- c. Fire Pre-Suppression. Construction and rehabilitation of fire breaks, and the use of prescribed fire to reduce wildfire hazard is permitted, except on designated areas during nesting and brood-rearing seasons for birds with significant declining populations as determined by NRCS State Conservationist with advice from the State Technical Committee. Burning activities and areas must be identified in the GRP management

plan. Prescribed burning may be used to establish or maintain grassland and shrubland functions and values and other management activities necessary to carry out routine grazing operations.

- d. Recreational Uses. The program participant reserves the right to undeveloped recreational uses, including hunting, fishing, bird watching, and the leasing of such rights for economic gain, pursuant to applicable state and federal regulations that may be in effect at the time. This right is granted as long as that usage does not adversely affect the land for the purposes identified by the easement or rental contract, as determined by USDA and as described in the GRP management plan. The participant retains the right to prevent trespass and control access by the public according to state and federal law.
- e. Subsurface Resources. If a third party owns the oil, gas, geothermal resources, or minerals on a potential GRP easement, NRCS will inquire if there is a lease. The owner(s) of these subsurface rights may waive their rights, allowing the easement acquisition to proceed. If there are other ownerships and it is not possible to waive subsurface rights or any prior reservations or conveyances, a mineral assessment must be conducted. NRCS will consult with a geologist to perform a mineral assessment that identifies any subsurface resources reserved, whether there are any conveyances, potential production techniques, impacts from exploration, development and production. If the mineral assessment finds an extremely low potential for development of minerals on the site, NRCS will proceed with acquisition by completing a Certificate of Use and Consent. If there are subsurface resources that could be developed and NRCS determines that such development would adversely affect the conservation values of the easement, USDA will not enter into an easement on that land. GRP rental contracts are subject to termination or modification if subsurface minerals are developed.
- f. Renewable Energy. Installation of renewable energy sources for power generation is authorized provided their placement is consistent with the grazing uses and other conservation values of the program. Facilities for on-site generation to primarily power the grazing operation can be reserved. The opportunity to place generating stations on GRP lands is not a guaranteed right. GRP rental contracts must be terminated before installation of renewable energy or related infrastructure.

USDA will not authorize any wind power generating facilities (on farm or off farm) on GRP conservation easements unless USDA determines, based on a site specific National Environmental Policy Act (NEPA) environmental analysis (EA or EIS), that there will be no adverse effect on threatened, endangered or other at-risk species, migratory wildlife, or related natural resources, cultural resources or the human environment or when the impacts of such facilities can be mitigated to a level of non-significance. Furthermore, USDA will only authorize commercial power generation facilities after evaluating whether a reasonable alternative exists; whether there is a compelling public need; whether the purposes for which the GRP acreage was acquired can be maintained, and the degree to which the footprint of the facility and related infrastructure impacts the nature of the grazing lands and other conservation values obtained through the contract or easement. USDA will not authorize the installation of wind power generation facilities in situations where reasonable alternatives

exist. USDA will follow the [Wind Turbine Advisory Committee recommendations](#) developed by the United States Fish and Wildlife Service (FWS) on avoiding and minimizing wildlife impacts from wind turbines. USDA will assess potential wildlife impacts in coordination with FWS and the appropriate state fish and wildlife agency before authorizing any wind power generation facilities (on-farm or off-farm) on GRP lands.

For all types of renewable energy sources for power generation, NRCS may authorize the installation of these types of activities provided they are consistent with the grazing uses and other conservation values of the program. Additionally, NRCS will not authorize the installation of renewable energy power generating facilities, such as solar panel arrays, unless NRCS determines that there will be no effect on threatened, endangered or at-risk species, migratory wildlife, or related natural resources, cultural resources or the human environment or when the impacts of such facilities can be mitigated to a level of non-significance.

16. PROHIBITED ACTIVITIES

Prohibited activities on enrolled lands have been determined by USDA to be non-compatible with protecting, conserving and enhancing grassland resources. The prohibited activities identified in the GRP easement deed and rental contract include:

- a. Production of crops, other than hay. Planting of non-perennial crops, fruit trees, vineyards or other agricultural commodities is inconsistent with maintaining grazing land. Harvesting crops, other than hay, for human or domestic animal consumption or any agricultural commodity is prohibited. Operation of the land, including planting and harvesting of crops, is under the control of the program participant until the GRP easement is recorded or the rental contract is approved. Any annual crops planted before the easement is recorded and rental contract or restoration agreement is approved can be harvested. Cropland contemplated for GRP must be restorable to grasslands or shrublands for sustainable grazing.
- b. Development. Expansion of existing residential facilities or the addition of new houses is prohibited. This includes subdivision of lots for resale and future housing development. No portion of the property shall be paved or otherwise covered with impervious material. Development of roads or other transportation systems that fragment the GRP acreage, modify topography, or otherwise diminish the grazing and ecological values of the area is prohibited. Existing roads and existing utilities may be maintained, repaired, removed or replaced at their current location. New roads necessary to conduct common grazing practices may be constructed when NRCS determines they are needed.
- c. Mining. Extraction of soil, sand, gravel, mineral, oil, gas, or any other surface mining activity, including mining for peat and other organic materials is generally prohibited. Subsurface exploration and extraction may be conducted when NRCS determines that the methods used will result in a temporary disturbance, and the activities are consistent with conserving and maintaining the viability of the grassland conservation values.
- d. Trash Dumping. Dumping, collecting, recycling, or storing of trash, refuse or waste is

prohibited, except that animal waste may be applied as fertilizer at rates recommended in the GRP Management plan. Sewage sludge is not allowed.

- e. Hazardous Waste. Sites containing hazardous materials that have, or potentially will cause contamination that would affect the conservation values of the easement, will not be enrolled in GRP, unless NRCS, in consultation with OGC, determine that landowner can take actions that will allow the acquisition to continue. See Chapter 5 part 5. Hazardous materials include petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous substances, toxic substances, radioactive materials, infectious materials, and any other substance that may pose a hazard to human health or the environment. Disposal of hazardous waste or disposal of oil field/mining by-products on the property is prohibited.
- f. Other Activities. The NRCS State Conservationist, with advice from the State Technical Committee, may determine additional activities that would adversely affect grassland and shrubland functions and values on the site.

17. MAINTENANCE AND MANAGEMENT REQUIREMENTS

Program participants are responsible for implementing the conservation practices and measures identified in the GRP management plan on conservation easements and rental contracts.

The GRP management plan describes the implementation of the grazing management system and activities in accordance with practice standards contained in the FOTG including any associated restoration or conservation practices, as required. All costs involved in maintenance of fences, watering facilities, and management practices in the GRP management plan shall be the responsibility of the program participant.

Chapter 4 Rental Contracts

1. OVERVIEW

FSA is responsible for administering the process for GRP rental contracts. The following section provides a general guide of the GRP rental contracting process. Additional instruction on automation is available through [FSA Notices](#).

2. PROCESSING RENTAL CONTRACTS

Applications are tentatively approved after the parcels have been ranked and the final ranking list has been approved by the NRCS State Conservationist in consultation with the FSA State Executive Director. FSA will send the applicant a letter of tentative approval, providing the applicant 30 days to contact NRCS for development of a GRP management plan and to supply the final documents for eligibility determinations to FSA. FSA will notify NRCS and the applicant within 30 days if at any time the applicant or land is determined to be ineligible for continued enrollment in the program.

3. LAND UNDER LEASE FOR GAS, OIL, EARTH OR MINERAL RIGHTS

Eligible land on which gas, oil, earth, or other mineral rights exploration has been leased or is owned by someone other than the person interested in enrolling acreage may be offered for GRP.

- a. If the person exercises the right to extract minerals from the land that is subject to GRP, COC shall:
 - (1) Terminate GRP rental contract on the affected acres;
 - (2) Waive refund of annual rental payments and liquidated damages;
 - (3) Require refund of cost share payments; and
 - (4) Advise the GRP participant that the land may be reoffered in a subsequent signup if the land meets all other eligibility requirements.
- b. If a person enters into a mineral rights lease or sells the mineral rights after the land is accepted in GRP, and during the CCC-920 period the lessor or owner of the mineral rights exercises the right to extract minerals, etc., from land that is subject to CCC-920, COC shall:
 - (1) Terminate CCC-920 on the affected acres;
 - (2) Obtain refund of payments and liquidated damages according to paragraphs 25 and 26; and

- (3) Advise the GRP participant that the land may be reoffered in subsequent signups if the land meets all other eligibility requirements.
- c. If exploration of minerals is performed by sampling to determine whether mining is feasible, COC shall not terminate CCC-920 or reduce annual payments if:
 - (1) The exploration of minerals by sampling is completed within date specified by COC; and
 - (2) Any disturbed cover is re-established at the GRP participant's expense the land will continue to meet eligibility requirements as determined by COC.

4. GRP RENTAL CONTRACT

NRCS will coordinate with FSA for all proposed rental contracts, and prepare a GRP management plan, and if applicable, a GRP restoration agreement. After FSA receives the GRP management plan and any applicable restoration agreement from NRCS, FSA will prepare a rental contract for the producer. FSA will determine acreage of the proposed rental contract, obtain all participant and CCC representative signatures, and provide a copy of the rental contract to NRCS. In order to complete the GRP rental contract, FSA shall complete the [CCC-920](#) according to the instructions provided in Exhibit 3.

5. NOTIFICATION

FSA will provide the participant the CCC-920 along with instructions to complete and return the CCC-920 within 15 calendar days. FSA will document the date of notification to the participant either by certified mail, return receipt mail, or if hand delivered, memo to the case file by the FSA representative. Return receipt cards are to be maintained in the official contract file. The CCC-920 does not require a notary. Upon receiving a signed CCC-920 from the participant, FSA will ensure that:

- a. County Committee signs the contract after ensuring funds are available;
- b. Funds are obligated after County Committee or CCC representative approves the CCC-920; and
- c. Obligations are entered into System 36 database.

6. CAUTIONARY NOTES

FSA employees completing GRP rental contracts must be aware of the following:

- a. Owners and operators are responsible for completing item 11 and providing the division of shares;

- b. Owners and operators are required to enter only the last 4 digits of their Social Security Number;
- c. CCC representative will sign and date when all eligibility requirements have been met.

7. ACREAGE DETERMINATION

A map generated from the NRCS Customer Service Toolkit will show the GRP rental contract area. Official acreage is acreage established by FSA as an accurate measure for an area. This acreage is recorded and maintained on photography. Until the common land unit is certified, the acreage designated official on the hard copy map will be the official acreage. A survey is not required.

8. RENTAL RATES

FSA establishes rental rates for all counties at the national level and publishes notices when rates are changed. GRP rental rates are based on the relative productivity of the soil and the pre-established cash rental rate estimates for the county. These rental rates may be posted in the USDA Service Center and on each state's GRP website.

9. RENTAL CONTRACT CORRECTIONS

Corrections to the CCC-920 and GRP data are made when FSA determines errors were made and funds are available. FSA will have overall responsibility for completion and execution of the revised CCC-920 and appropriate appendix. A new CCC-920 number should not be used. Completion and execution includes, but is not limited to:

- a. Revising CCC-920 to reflect the correct acreage;
- b. Notifying CCC-920 participants of correct allotment reductions if applicable;
- c. Having all parties to the contract and the person making corrections initial and date the changes.

10. ERRONEOUS ACREAGE DETERMINATIONS

FSA employees should correct erroneous acre determinations. If the CCC-920 is approved and more acres are eligible than originally approved, the additional acres may be included, subject to availability of funds. Retroactive payments will not be made on additional acres. Payments will use the revised acreage during the next payment cycle subject to availability of funds. If fewer acres are eligible than originally approved, the CCC-920 is corrected and FSA will not collect overpayments if it is an FSA or NRCS error. Payments will use the revised acreage level during the next payment cycle.

11. CONTRACT REVISIONS

Revisions to the GRP rental contract should be made only when there is a

- a. Change of participants;
- b. Change in succession-in-interest;
- c. Part of the land under CCC-920 is terminated by the producer;
- d. Land under CCC-920 is sold;
- e. Loss of control of land;
- f. Acreage changes due to change in measurement system; or
- g. Changes to restoration practices are identified in the [NRCS-CPA-1155](#).

Revise the CCC-920 by transferring the original CCC-920 data to revised CCC-920 and changing only the items affected by the revisions. Leave the rental rate and expiration dates the same. Participants must sign and date the revised CCC-920 and the CCC-920 appendix dated 08-25-09, if applicable. Enter "VOID" on the original CCC-920. Provide copies of the revised rental contract to all participants and revise the automated CCC-920.

12. REVISIONS TO THE GRP MANAGEMENT PLAN

FSA will consult with NRCS about the need for modifying the approved GRP management plan and any applicable restoration agreements. NRCS will provide FSA with any revisions. Final approval for changes in cost-share obligations for rental contracts is the responsibility of FSA.

FSA will notify participants requesting a change that the participant(s) must consult with NRCS. Upon receipt of a signed GRP management plan and restoration agreement from NRCS, FSA will notify the participant, in writing, that the participant has 30 calendar days to sign the revised rental contract. CCC-920 signatures are required 30 calendar days after County Committee notification. Before the revised rental contract is approved, County Offices will ensure that all owners and the operator on the farm have signed CCC-920, if applicable. An operator is not required to sign a revised CCC-920 if the operator provides a written statement voluntarily relinquishing rights to GRP.

The requirements for signatures apply unless a trustee of Bureau of Indian Affairs (BIA) representing Native Americans owning the land signs on their behalf, or a Native American has a restrictive 5-year BIA farm lease that has been extended according to BIA provisions. All CCC-920's signed by BIA representative on behalf of Native Americans owning the land will be reviewed by Regional Administrator. County Committee will not approve CCC-920 until Regional Administrator determines that the required signatures have been obtained.

13. LOSS OF CONTROL OF LAND BY OWNER

The CCC-920 may be revised when a participant loses control of the GRP land due to death, sale, or the participant is determined incompetent. Offer the person(s) acquiring control successor-in-interest rights. Terminate the rental contract if none of the acreage will continue in the GRP. If part of the acreage will continue, revise the CCC-920 to exclude the acreage not being continued. The approved GRP management plan and any applicable restoration agreement will also be revised. Any succession-in-interest needs to be documented in the County Committee minutes and if there is no successor in interest no refunds are required.

14. LOSS OF INTEREST BY OWNER OR OPERATOR

Acreage over which the participant voluntarily relinquishes the right to CCC-920 benefits, may be continued by the owner or other eligible participant becoming a successor-in-interest. The participant acquiring an interest in CCC-920:

- a. May share in payments made according to division of shares on CCC-920;
- b. Will be responsible for complying with the rental contract provisions; and
- c. Will be liable for payment reductions for any noncompliance after becoming a party to CCC-920.

15. COUNTY COMMITTEE ACTION

A participant must submit a request, in writing, to the County Committee to be removed from CCC-920 when they no longer have an interest to continue. FSA will:

- a. Document basis for removal, in both County Committee minutes and in GRP folder;
- b. Verify that a signed statement was received from operator leaving voluntarily; and
- c. Give the new owner or operator the option of continuing to operate the land or obtaining a new operator if previous operator voluntarily relinquishes rights to GRP benefits, files for bankruptcy or dies and the estate fail to succeed within 60 calendar days of County Committee notification.

16. PARTICIPANT GAINS CONTROL OF LAND

If a participant of an existing rental contract gains control of other land already under a rental contract, do not combine the CCC-920s. Revise the existing CCC-920 to reflect the new ownership and advise the participant of the maximum payment limitation and adjust the latest rental contract to reflect no more than \$50,000 per year. If the participant does not wish to continue the rental contract, terminate the applicable CCC-920. These revisions will be documented in the County Committee Minutes.

17. REVISION BECAUSE OF INHERITANCE

A producer who becomes the owner of land enrolled in GRP because of inheritance, and succeeds the rental contract, may receive payments for that contract without regard to the amount of payments received under any other contract executed before the inheritance. The participant will provide adequate documentation, as defined by County Committee, to prove that acreage was inherited.

When a participant inherits GRP rental acreage and the recipient already has a share of the inherited CCC-920, revise the inherited CCC-920 to remove the deceased participant and increase the shares of the recipient to 100 percent. When a GRP participant inherits GRP acreage, and the recipient had no share in the contract before inheritance, revise the inherited CCC-920 to remove the deceased participant and add the new recipient. The CCC-920 payments will be processed in the normal manner and the \$50,000 per year payment limitation applies.

18. SUCCESSOR – IN - INTEREST

An eligible person may become successor-in-interest to rental contract if the land has been sold, there has been a change in owner or operator, or a foreclosure or involuntary loss of land occurs. If an eligible person acquires an interest in GRP rental contract lands elects to continue, then revise the CCC-920. If they do not elect to continue, terminate the CCC-920.

Before approving CCC-920 revisions, the County Committee will ensure that the successor-in-interest understands that any outstanding adjustments because of violations by the previous participant will be the successor's responsibility, and has one of the following:

- a. A valid deed to the land under CCC-920;
- b. A contract-for-deed with the seller that has been properly filed under applicable State law;
- c. A final journal entry of a probate court showing change of ownership, if RA concurs; or,
- d. Acquired right of occupancy, through foreclosure proceedings, to the land under CCC-920.

19. FULL OR PARTIAL SUCCESSION

If the owner is the only signatory to the rental contract (CCC-920) and no longer has control of the GRP land, then consider succession to be full succession in interest. If an operator is also a signatory to the CCC-920 and voluntarily relinquished their right to the rental contract and is not replaced, then consider succession to be full succession in interest. If the operator is a signatory on the contract and only the operator will remain on the contract, then this is considered a partial succession in interest. If the operator voluntarily relinquished the right to the contract and is replaced, this would also be a partial succession in interest. The shares on

the revised CCC-920 will be agreed to by successor and operator, and approved by the County Committee. If the CCC-920 will be continued on only a portion of the GRP acres enrolled, this is a partial succession in interest.

20. RESPONSIBILITIES OF ELIGIBLE SUCCESSORS

When eligible successors succeed to a GRP contract:

- a. An eligible person who acquires an interest in land under CCC-920 and becomes a successor in interest by signing CCC-920, regardless of the division of shares, is:
- b. Entering into a binding contract with CCC for the remainder of the CCC-920 period;
- c. Jointly and severally liable for complying with terms and conditions of CCC-920;
- d. Responsible for refunding all payments made since the effective date of CCC-920, including payments earned by previous participant, if CCC-920 is subsequently terminated.
- e. FSA will notify previous CCC-920 signers, when a successor-in-interest CCC-920 is approved, that they are no longer responsible for complying with CCC-920 for the acreage in which they no longer have an interest.

21. OTHER REVISIONS

The producer cannot substitute another eligible field. The fields designated under CCC-920 are under a long-term contract. Follow the steps below when GRP acreage no longer exists because of natural conditions.

- a. Revise CCC-920 to remove acreage that has been physically removed from the property after County Committee determines that the acreage is no longer eligible for GRP because it does not exist;
- b. Return the bases, allotments, or quotas that have been preserved on CCC-920 for the affected Acreage. If the farm does not have enough cropland to use the entire quota, the history will be reduced permanently;
- c. Adjust farm and cropland acreage according to FSA procedure (3-CM). Revisions, other than in this section, require the FSA Administrator's approval.

22. COUNTY COMMITTEE RESPONSIBILITIES

The County Committee will notify new landowners and authorized estate representatives that they have an opportunity to succeed to CCC-920. FSA will not force landowners to agree to accept an estate representative as an operator. If a landowner refuses to sign a revised CCC-920, CCC-920 will be terminated without requiring refunds. If a revised CCC-920 is not

signed within 30 calendar days from the date of notification by County Committee, CCC-920 will be terminated. No successor in interest will be allowed.

Successors in interest electing to succeed to an existing CCC-920 will sign the current version of CCC-920, receive the same CCC-920 appendix dated 08-25-09 that was agreed to by the predecessor and agree to utilize an NRCS approved GRP management plan and restoration agreement. Do not provide a different CCC-920 appendix dated 08-25-09 if the participant on the revised CCC-920 is the same participant signing the original CCC-920.

23. GAIN OF CONTROL OF GRP LAND BY A FEDERAL AGENCY

Federal Agencies that acquire property that contains GRP acreage are ineligible to succeed to or earn payments under GRP or offer acreage for enrollment in GRP, except when a FSA Farm Loan Program gains control of GRP rental contract land.

24. FSA FARM LOAN PROGRAM

The provision that an eligible successor must control GRP acreage for the remainder of GRP contract period does not apply if during the period the FSA Farm Loan Program holds title to property that contains GRP acreage and an eligible Farm Loan Program borrower exercised the right to repurchase the property under FSA Farm Loan Program's "lease back/buy back" provisions. GRP payments may be continued if:

- a. Participants sign a CCC-920, GRP Contract;
- b. FSA Farm Loan Program continues to hold title to the property and the FSA Farm Loan Program borrower has signed; and
- c. A lease to repurchase the property that includes GRP acreage and CCC-920.

GRP payments will be prorated to eligible participants, based on the date the lease was approved by FSA Farm Loan Program. No payment will be made under a CCC-920 until FSA Farm Loan Program and the eligible borrower have entered into a lease to repurchase the property under "lease back/buy back" provisions. FSA will review the Farm Loan Program lease to ensure that it does not otherwise violate GRP provisions then file a copy of the lease, CCC-920, GRP management plan and restoration agreement, if applicable, in the participant's folder.

25. RENTAL CONTRACT TERMINATION

The County Committee will terminate all or part of GRP rental contract land under CCC-920 before its expiration date, if:

- a. Participant loses control of or transfers all or part of the land under CCC-920 and there is no successor in interest and the County Committee could not determine that a good faith effort was made;

- b. The land under CCC-920 is transferred to a GRP conservation easement;
- c. All signatories voluntarily request, in writing, to terminate all land under CCC-920;
- d. Participant violates the terms and conditions of CCC-920 on that land;
- e. Land under CCC-920 is under lease for gas, oil, earth, or mineral rights and the owner of these rights exercises the option to extract the gas, oil, earth, or minerals on all of the land under CCC-920;
- f. CCC-920 was approved based on erroneous eligibility determinations;
- g. Monitoring by NRCS shows the landowner violated the GRP management plan; or
- h. GRP practice or practices failed on part of the land under CCC-920 and County Committee determines the costs of restoring the cover outweighs the benefits received from the restoration.

Terminated CCC-920's may only be reinstated by the Deputy Administrator for Farm Programs. Neither the County Committee nor the State Committee have authority to reinstate a terminated CCC-920. The County Committee will clearly document the facts in the County Committee minutes when cancelling the CCC-920. Each participant and NRCS will be notified of the reason for termination and that all conservation compliance provisions apply.

26. PENALTIES AND INTEREST

For termination COC must request refund of all of the following:

- a. All annual rental payments plus interest;
- b. All cost share payments, plus interest; and
- c. Liquidated damages, if applicable.

To determine the dollar amount when assessing liquidated damages, multiply the number of acres being terminated times 25 percent of the annual rental rate. COC shall assess liquidated damages if an original or revised CCC-920 is terminated by the participant, or terminated by USDA due to contract violations and/or schemes or devices by the participant.

Do not assess liquidated damages if GRP land is acquired under eminent domain or acquired by an entity with the right of eminent domain or under an existing lease for earth, oil, gas, or other mineral exploration before submission of GRP and lessor exercises rights under the lease.

Cost share payments may be prorated after the restoration practice has been established for 5 years if County Committee determines, after consulting with the County Executive Director and NRCS, that the established conservation practices have achieved the desired conservation benefits.

27. REQUESTS FOR WAIVER OF REFUNDS

COC and State Committee are authorized to waive refunds when a request to waive refunds is received from participants, in writing. It is the producer's responsibility to request a waiver of refunds. The COC has authority to waive refunds when the total total amount of refunds calculated according to paragraph 26 in this Chapter does not exceed \$10,000. COC shall:

- a. Ensure that participants are provided appeal rights;
- b. Document requests for waivers in COC minutes;
- c. Submit requests for waivers in excess of \$10,000 to STC or SED, as applicable;
- d. Not submit requests for waivers to STC or SED if COC does not recommend approval; and
- e. Provide a report of waivers of refunds, no later than December 1 each year, to the FSA State Office.

The State Committee has authority to waive refunds up to \$50,000. Otherwise requests must be submitted to Deputy Administrator for Farm Programs.

Example: The total refund amount calculated is \$80,000. The producer requested a waiver of \$30,000. Because the total calculated refund amount exceeds \$50,000, the State Committee must submit the request for waiver to Deputy Administrator for Farm Programs if it recommends approval of the waiver. Ensure that cases contain a copy of participant's written request for relief, a copy of County Committee and State Committee minutes thoroughly documenting request and justification, a copy of all applicable forms and documents in the case file, including but not limited to CCC-920's, and copy of aerial photography, GRP management plans, land deeds, all documentation used by County Committee and State Committee during review, and a narrative of the case in chronological order.

The County Committee will clearly document in County Committee minutes that the costs of restoring the cover outweigh the benefits received from the restoration. Additionally, refunds of CCC-920 payments are not required when the administrator or heirs of an owner's estate do not become successor in interest to CCC-920. The owner's estate does not need to refund payment when the estate or the heirs do not succeed to CCC-920 and heirs do not need to refund payment if the deceased has no estate and the heirs do not succeed to CCC-920.

28. LAND ACQUIRED UNDER EMINENT DOMAIN

GRP rental land acquired under threat of condemnation or by eminent domain for public use is considered an involuntary loss of land by the participant. The County Committee will clearly document in County Committee minutes that the costs of restoring the cover outweigh the benefits received from the restoration. GRP payments will be prorated to eligible participants based on the date the land was acquired by eminent domain. Upon acquiring these lands, the County Committee will:

- a. Terminate the GRP acres acquired through condemnation or eminent domain;
- b. Waive the refund of annual rental payments and C/S payments; and
- c. Not assess liquidated damages.

GRP rental acreage may be continued under CCC-920 if there is minimal impact on the affected acreage and the vegetative cover is maintained.

29. CONVERSION OF A GRP OR CRP RENTAL CONTRACT TO AN EASEMENT

Landowners with GRP or CRP rental contracts may offer the land for a GRP conservation easement; however, land cannot be enrolled under both a rental contract and a GRP conservation easement at the same time. The rental contract shall be terminated effective on the date the easement is recorded in the local land records office. The final annual rental contract payment will be prorated based on the date the deed is recorded. Participating landowner(s), with agreement from NRCS and FSA, may convert rental contracts to an easement, providing funds are available and the offered area meets conditions and eligibility criteria established by NRCS.

30. OFFICIAL ADMINISTRATIVE RENTAL CONTRACT FILE

At a minimum, the official administrative file at the FSA County Office should, on an annual basis, include verification of land ownership, a GRP Monitoring Checklist, and documentation on violations, if applicable and the following:

- a. Official maps with acreage designated;
- b. Copy of GRP management plan and restoration agreement if applicable;
- c. Copy of acreage measurements.

Chapter 5 Easement Enrollment and Acquisition

Part 1 Enrollment and Compensation

1. OVERVIEW

NRCS is responsible for administering the easement acquisition process, while FSA is responsible for funds control. This chapter provides a general overview of the GRP easement acquisition process and applies to GRP easements held by the United States.

2. SELECTION FOR ENROLLMENT

At the beginning of each fiscal year, the NRCS State Conservationist may establish one or more ranking cut off dates. Applications with the highest ranking will be evaluated for landowner and land eligibility. All applications not selected will be carried forward to the next ranking unless the applicant withdraws the application or the application is determined to be ineligible.

3. LETTER OF TENTATIVE SELECTION

If NRCS determines that a project ranks high enough for funding and meets all eligibility requirements, a letter will be sent to the landowner notifying them of tentative selection. The letter will explain that this tentative selection does not bind the USDA to enroll the proposed project in GRP, nor does it bind the landowner to continue with enrollment in the program. However, the landowner's acceptance of the tentative selection is required prior to NRCS proceeding with completion of easement compensation.

4. DETERMINING EASEMENT COMPENSATION

Easement compensation received by the landowner shall be in addition to, and not affect, the total amount of payments that the landowner is otherwise eligible to receive under other USDA programs. Payments shall not exceed the fair market value of the land less the grazing value of the land encumbered by the GRP conservation easement. NRCS will accept the lowest amount as determined by the following three methods:

a. Appraisal or an Area-wide Market Survey

(1) Appraisal

All easement acquisition appraisals completed for this program shall be completed in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as a self contained report. Appraisal instructions are found in Appendix A and require that an appraisal be completed of the proposed easement area for the unencumbered land and an appraisal completed for the proposed encumbered land. The difference between these two values is the easement compensation.

(2) Area-wide Market Survey

When sufficient information exists an area-wide market survey may be used. It examines how a particular property will be absorbed, sold, or leased under current or anticipated market conditions. It identifies the characteristics of the subject's market and quantifies their effect on the value of the property. A marketability study examines the demand and supply under current market conditions for the estimate of "as is" value. It is based on sales of comparable grassland properties and values are adjusted for property differences.

The area-wide market survey will be completed by an independent qualified professional who is familiar with the geographic area and land use types and values to be included in the analysis. The determination of the area to be included within a specific area-wide market survey will be based on similar land uses, land productivity, land unit size, types and amounts of improvements, potential influence of other factors such as development pressure, general topography and natural features, and irrigation water rights, if applicable. The fair market values determined through the area-wide market survey must reflect the value of land normally enrolled in GRP in that geographic area.

The State Conservationist shall document in writing the process used to determine the area for each market survey, the land use categories considered, along with sub-categories, the actual sales data for each category and sub-category, and the source of the data.

b. Grassland Reserve Program (GRP) Geographic Area Rate Cap (GARC)

Each NRCS State Conservationist, in consultation with the State Technical Committee, must adopt at least one GRP GARC for their state or set multiple sub-state area or county level caps. States may establish GARCs based on counties or other sub-state regions, land use quality categories, or other considerations such as development pressure and residual recreational value. The GRP GARC(s) for each state should not exceed the fair market value of the land less the grazing value of the land encumbered by the easement and should be set at a level that encourages the enrollment of high quality grasslands, rangelands and shrublands. The GARC(s) must reflect the value that the NRCS State Conservationist determines to be fair compensation for the easement rights being acquired. Because NRCS is only acquiring a portion of the land rights, the GARC(s) will always be less than the fair market value of the land as determined by the area-wide market survey or USPAP appraisal. The percentage reduction, therefore, must reflect the proportionate value of the property rights being acquired in the easement transaction.

States should utilize the best readily available information for assessing fair compensation for the easements rights being acquired. States with datasets of previously obtained appraisals or appraisals from partners with similar conservation easement programs may use those datasets to determine the relationship between the value of the

land encumbered by easements and the fair market value of the unencumbered land less the grazing value, determined through an area-wide market survey. This relationship, expressed in percentage terms, can then be applied to the fair market value as determined by the area-wide market survey. This GARC can then be compared to the amount to be offered to the landowner, with the lowest value being the easement compensation.

Where area-wide market surveys are not obtained, states can utilize per acre land values from the National Agricultural Statistics Service (NASS) as a proxy for the fair market value of unencumbered land. The GARC can then be established as the relationship between easement values (as determined by a review of easement appraisals) and the NASS value. This method will require states to obtain appraisals for comparison to the GARC and landowner offer.

c. Landowner offer

A landowner may voluntarily accept less compensation than is being offered by NRCS. This decision may enhance the probability of enrollment. The landowner's offer to take a lesser amount for easement compensation must be declared in writing.

5. HAZARDOUS MATERIALS

The potential for hazardous substance contamination on GRP easements sites will be assessed during pre-acquisition. During the initial site visit to the proposed easement project area, NRCS will verify land eligibility, including the presence of hazardous substances. NRCS will contract an environmental database search, complete the [Preliminary Certificate of Inspection and Possession](#), and complete a thorough visual and physical inspection for the presence of hazardous substances. See Chapter 6 part 3 for the process on how to secure and obligate funds for this activity.

If a hazardous substance is found during the environmental database search, physical inspection or the title clearance process, NRCS, in consultation with the OGC, will ascertain whether a combination of landowner or operators response actions and liability protections provided to the United States can be established to allow the acquisition to continue.

6. MAKING THE OFFER TO THE LANDOWNER

After the easement value has been determined, NRCS will prepare the Agreement for the Purchase of Conservation Easement (APCE), Form [NRCS-LTP-50](#). The APCE is NRCS's offer to the landowner and shall be offered to the landowner after the easement valuation process is completed. The APCE to purchase:

- a. Shall be updated if the legal land survey determines the final acreage measurement to be different than the acreage on the original APCE;
- b. Must be delivered to the landowner with appropriate instructions for properly executing and returning the agreement within 15 calendar days. Date of delivery to the landowner

must be documented. The return-receipt card must be filed with the official agreement. If the District Conservationist or NRCS representative delivers to the landowner, a memorandum to the case file must be created and maintained verifying the delivery of the document.

- c. Does not require notary of signatures.
- d. Must be signed by the NRCS State Conservationist after confirming, in writing, from FSA that funds are available. The NRCS State Conservationist may re-delegate, in writing, authority to sign the APCE. Execution of the APCE by the landowner and NRCS is authorization to proceed with the easement acquisition process. The APCE will not be signed until FSA verifies that funds are available.

7. OBLIGATION OF EASEMENT FUNDS

A fully signed (by landowner and NRCS) APCE is the document that obligates funds. NRCS State Office shall provide a copy of the fully signed APCE to the FSA State Office, and request, in writing, that all funds necessary to acquire the GRP conservation easement be obligated. FSA State Office shall obligate all necessary funds to acquire the GRP conservation easement upon receipt of NRCS instructions and the fully signed copy of the APCE.

The APCE identifies a best estimate of the easement acreage. Once a survey has been completed, the APCE may be amended to reflect the measured acreage and any appropriate adjustment to the payment.

8. LEGAL BOUNDARY SURVEY

As an integral part of the easement acquisition process, the boundary of the easement area and right of access must be delineated in a manner that is suitable for recording. The exact recording requirements will vary from state to state. At a minimum, state code must be followed. Recording requirements can be determined by contacting the State Attorney General's Office or the local County Registrar of Land Records. State land management agencies may be able to assist in determining these requirements. NRCS is expected to work closely with the Regional OGC to ensure that the procedure ultimately pursued is sufficient.

The GRP conservation easement deed includes a legal description and must meet the requirements of the state and county recording statutes where the easement will be filed. The description of the easement area and right of access is attached to the GRP conservation easement deed as an exhibit. The survey of the easement boundary is:

- a. Recorded in a legally acceptable form under state law;
- b. Clearly evident to the landowner and to the entity involved in subsequent monitoring and enforcement activities;

- c. In a form that makes it possible to locate the boundary (e.g., corners, ingress, and egress) at a future time even where the boundary markers have been removed or where there is disagreement regarding placement of the markers; and
- d. Clear regarding the right of access (or ingress and egress route), to the easement area.

Knowing exactly where the enrolled acres are located will assist NRCS with its monitoring and management responsibilities to protect the federal property investment. Digitized boundaries will be transmitted quarterly to the National Cartographic and Geospatial Data Center (NCGC). These digital layers will, in combination with others, support local, regional, and national program management and ecosystem planning. NCGC will load these digital layers into the national conservation planning data base.

The legal description needed to purchase an easement must be based on a standard land survey, rectangle survey system, Global Positioning System, or other acceptable methods. NRCS will verify legally acceptable survey methods for their state with their Regional OGC. When based on a land survey, the surveyor must be licensed and registered in the state in which the survey is performed. The easement boundary description shall be clear, accurate, complete, and meet the NRCS's intent.

The survey is ordered after the APCE has been signed by the landowner and NRCS, using an appropriate procurement method, and funds will be obligated to the procurement document for the surveys. It is recommended that states use a Blanket Purchase Agreement or Indefinite Delivery/Indefinite Quantity type arrangement. See Chapter 6 part 3 for funding and payment process.

In some cases it may be more cost effective for the landowner to secure the survey. If this option is used, the landowner must secure a written bid for the survey from a state certified and licensed professional surveyor that is based on the specifications provided by NRCS. This bid is to be provided to NRCS prior to NRCS signing the APCE.

When the boundary description is complete, NRCS, the landowner, and the surveyor (if applicable) will meet and ensure that the area delineated was the area that the landowner intended to place under the easement; the area delineated was the area flagged by NRCS; the access right of way is accurate and sufficient; and permanent markers have been installed as required. The meeting will be documented by memorandum to the file. NRCS will review the survey description to ensure it accurately and correctly describes the area of enrollment.

When the survey has been accepted as properly completed and accurate, NRCS will document in the case file any changes to the easement compensation based upon the final surveyed acreage. The State program manager will amend the APCE and provide a copy to FSA to ensure that the obligation will be adjusted as necessary.

9. BASELINE INVENTORY REPORT

Upon completion of the boundary description, NRCS will complete a baseline inventory

report, which will serve as Exhibit B of the GRP conservation easement deed. This report will verify that the characteristics, current use, and status of improvements on the property at the date of the agreement are recorded to assure that any future changes in the use of the property will be consistent with the terms of the easement. Information collected during the development of the baseline inventory report may be used to update the GRP management plan.

The baseline inventory report is required for all conservation easements. It documents the conservation values, characteristics, current use, water rights, and improvements on the date of the easement. It must be signed and acknowledged as accurate by NRCS and the landowner, and attached to, and maintained with the GRP easement file at the NRCS state office. Baseline reports include photographs, description of the plant community, and other physical characteristics of the land such as soils, topography, presence of noxious weeds and invasive species. It identifies any critical nesting habitat for declining populations of grassland dependent birds and all physical structures and improvements, including barns, sheds, corrals, fences, ponds, watering facilities, and roads.

The baseline documentation report will be used by NRCS to assure that any future changes in the use of the property is consistent with the terms of the easement. It documents the current condition of grassland resources, and references the GRP management plan for any planned restoration, but it does not preclude the use of other evidence to establish the condition of the property at the time the easement was conveyed.

Part 2 Easement Closing

10. TITLE INSURANCE

Closing agents will be required to submit an American Land Title Association (ALTA) Closing Protection Letter or its equivalent. ALTA Title Insurance on the U.S. ALTA 9/28/91 policy form will be acquired on all easements, including the ingress/egress routes. The closing agent shall ensure that title insurance is acquired from a source qualified and authorized by law to issue title insurance policies, and is approved by the State Insurance Commissioner or equivalent, in the state in which the land is located.

Title insurance may be acquired by Federal contract, interagency agreements, or other methods as determined appropriate. Costs for title insurance will not exceed what is considered fair and reasonable. Prior to issuing title insurance, the title insurance company will issue a title commitment binder. The title commitment binder results from a title search lists exceptions to clear title, and binds the company to issue a final title policy. The title commitment binder provides information for the execution of the Certificate of Use and Consent, [NRCS-LTP-23](#), actions the landowner must take to resolve exceptions and provide clear title, preparation of the Conservation Easement Deed, and preparation of any necessary Subordination Agreement and Limited Lien Waiver forms.

The title insurance policy will be written for the full amount of the easement acquisition payment or as provided by the Department of Justice in its Standards for the Preparation of

Title Evidence in Land Acquisitions by the United States. The United States of America, by and through the Secretary of Agriculture, will be the insured.

11. EASEMENT PREPARATION

Upon receipt of the title commitment binder, NRCS shall complete the Certificate of Use and Consent with recommendations on those exceptions on title commitment binder that are acceptable to NRCS and those exceptions on title commitment binder that are not acceptable to NRCS and must be resolved by the landowner before easement can be recorded. The Conservation Easement Deed and Subordination and Limited Lien Waiver(s) [AD-1158](#), will be prepared based on information received on the title insurance commitment binder, the Certificate of Use and Consent, easement boundary and ingress/egress descriptions, and appraisal, if required. Special provisions may only be inserted in the Conservation Easement Deed for unique legal issues, as determined necessary by the National GRP Manager and OGC.

12. PRELIMINARY TITLE OPINION

Unless the local OGC specifies otherwise copies of the following documents will be assembled and transmitted to the OGC Regional Attorney for issuance of a preliminary title opinion:

- a. Statement certifying landowner eligibility;
- b. Unexecuted Conservation Easement Deed;
- c. Unexecuted Subordination Agreement and Limited Lien Waiver(s), as appropriate;
- d. Boundary description of the easement area and ingress/egress route (e.g., GPS and survey);
- e. Map of easement area and ingress/egress route;
- f. Preliminary Certification of Inspection and Possession with attachments;
- g. Certificate of Use and Consent with attachments;
- h. Title Commitment Binder with copies of previously recorded documents;
- i. Executed Agreement for the Purchase of a Conservation Easement; and
- j. Other pertinent documents as requested by OGC, such as water rights if applicable.

The OGC Regional Attorney will review the easement package and issue a preliminary title opinion and instructions. The preliminary title opinion will list exceptions to clear title, if any, which must be resolved prior to recording the easement and making payment to the landowner. OGC will provide closing instructions and authorize recording of easement and subsequent payment to the landowner.

13. CLOSING INSTRUCTIONS

Upon receipt of the preliminary title opinion from OGC, NRCS will issue closing instructions to the closing agent and provide a copy of the OGC preliminary title opinion to local NRCS office. If an escrow account will be used for closing, then NRCS will order the easement funds disbursed no more than 7 days prior to closing. The closing agent will:

- a. Acknowledge receipt of easement funds if appropriate;
- b. Acknowledge closing instructions, including OGC preliminary title opinion, and submit estimate of closing costs if appropriate;
- c. Contact landowner to set closing date and receive landowner's closing instructions;
- d. Ensure that the landowner resolves all exceptions to clear title;
- e. Secure all required signatures, including NRCS, on Conservation Easement Deed and Subordination Agreement and Limited Lien Waiver(s);
- f. Record the easement and other supporting documents – Conservation Easement Deed with easement boundary and ingress/egress descriptions attached and Subordination Agreement and Limited Lien Waiver(s);
- g. Pay recording fees;
- h. Order final title insurance policy; and
- i. Transmit the original recorded easement documents, invoice for recording fees and closing services, and Final Title Insurance Policy to NRCS.

Upon receipt of the recorded documents from the closing agent, NRCS will execute the final Certificate of Inspection and Possession to verify that nothing has changed concerning the condition of the enrolled land and that the ownership has not changed. Payment will be processed by FSA to the closing agent for the closing services and fees.

Upon receipt of the final title insurance policy NRCS will transmit copies of the recorded easement documents, final title insurance policy, and the final Certificate of Inspection and Possession to the OGC Regional Attorney. The OGC Regional Attorney will review the recorded easement documents, final title insurance policy, and Final Certificate of Inspection and Possession, and issue a final title opinion.

The term “closing agent” refers to title companies, escrow companies, qualified private attorneys, abstracters, or federal employees familiar with the preparation of such evidence in the jurisdiction in which the lands are situated, that conduct activities for NRCS associated with the execution and recordation of the GRP conservation easement deed. These activities include:

- a. Obtaining title commitment binder and title insurance;
- b. Obtaining signatures on the GRP conservation easement deed;
- c. Obtaining signatures on Subordination Agreement and Limited Lien Waiver(s) ([AD-1158](#));

- d. Working with landowners to clear title defects to the property that are unacceptable to NRCS;
- e. Completing IRS form 1099;
- f. Recording GRP conservation easements and other documents;
- g. Disbursing escrow funds; and
- h. Other functions as necessary or which may be required by state law to finalize the GRP conservation easement transaction.

NRCS will work with the Regional OGC to develop a work order for acquiring closing agents. OGC will ensure that the work order lists all necessary closing agent qualifications and conditions such as Errors and Omissions insurance, and identify closing agent responsibilities and to develop closing instructions. NRCS will ensure that the closing agent is qualified and certified by law to perform the required services in the state in which the land lies and is experienced, financially responsible, and reputable.

Closing agent services may be acquired by federal contract, interagency agreements, or other methods as determined appropriate. Costs for closing services will not exceed what is considered fair and reasonable. Funds for the closing services will not be obligated to each individual application. Closing services will be secured either through FSA or using the payment process in Chapter 6.

Part 3 Easement Title Transfer to Third Parties

NRCS may transfer title of ownership of an easement to an approved private conservation or land trust organization or State agency with the consent or written request of the landowner and upon a determination by the Chief of NRCS that transfer of the easement will promote protection of the grassland. Such entities must be a qualified organization that the NRCS Chief determines has the appropriate authority, knowledge, and resources necessary to assume title ownership of the easement. They must also be able to assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land to the extent that such restoration or rehabilitation is carried out according to the program requirements by following the GRP management plan and restoration agreement. Any additional restoration must be consistent with the purposes of the easement. Should an easement be transferred, all warranties and indemnifications provided to the United States in the GRP conservation easement deed shall continue to apply. Subsequent to the transfer of an easement, the easement holder shall be responsible for grazing management planning and implementation and will adhere to the FOTG for maintaining the viability of grassland and other conservation values.

A private organization or state agency that seeks to hold title to a GRP conservation easement must apply to the NRCS State Conservationist for approval. The NRCS State

Conservationist shall consult with FSA State Executive Director prior to rendering its determination. For a private organization to be qualified to be an easement holder, the private organization must:

- a. Be organized as required by 28 U.S.C. § 501(c) (3) of the Internal Revenue Code of 1986 or be controlled by an organization described in section 28 U.S.C. § 509(a) (2).
- b. Provide evidence to the NRCS State Conservationist that it has relevant experience necessary to administer grassland and shrubland easements, a charter that describes the commitment of the private organization to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes, the human and financial resources necessary to effectuate the purposes of the charter, and sufficient financial resources to carry out easement administrative and enforcement activities.

NRCS has the right to conduct periodic inspections and enforce the easement and associated restoration agreement for any easements transferred. In the event that the easement holder fails to enforce the terms of the easement, the NRCS shall have the right to enforce the terms of this easement through any and all authorities available under federal or state law. Due to the federal interest in the GRP conservation easement, the easement interest cannot be condemned.

Chapter 6 Payment Process

1. OVERVIEW

The 2008 Farm Bill requires 40 percent of GRP funds be used to acquire rental contracts and 60 percent be used to acquire easements on a national basis. This requirement is managed by NRCS EPD on a national level.

FSA is responsible for funds control, which includes making payments for rental contracts and purchase of easements. NRCS will contract and pay vendors for needed services related to easement acquisition. All rental contract and easement purchase payments will be made by FSA. NRCS will notify FSA using the AD-1161 of the amount and payee for each easement purchase, including those made through cooperative agreements.

2. PAYMENT LIMITATION

Payments made under one or more rental contracts to a person or legal entity, directly or indirectly, may not exceed \$50,000 per year. This same limitation applies to restoration agreements. The participant can receive \$50,000 for rental contracts and \$50,000 for restoration agreements. This payment limitation does not apply to rental agreements or restoration agreements approved and obligated prior to January 21, 2009.

3. FUND OBLIGATION

A fund obligation occurs when the APCE, cooperative agreement or rental contract is signed by the participant and a CCC representative, after all eligibility requirements have been met. The NRCS State Conservationist or his/her delegate shall sign the APCE or cooperative agreement for GRP conservation easement purchases, and restoration agreement, if applicable. The FSA County Committee shall sign the rental contract after all eligibility requirements have been met (this authority can be delegated to the CED).

GRP funds are single year funds and any funds not obligated cannot be carried over into another fiscal year. No obligations will be made by FSA until signatures from the landowner and NRCS State Conservationist are secured on the APCE, cooperative agreement or restoration agreements for GRP conservation easements. No obligations will be made until landowner or operator and FSA signatures are secured on rental contracts.

Funds will be held at NRCS National Headquarters to cover necessary easement due diligence contracts such as environmental database records searches, preliminary title work, surveys, appraisals or area wide market surveys. State program managers, with pre-approved easement applications to be held by the United States, should estimate the amount necessary to contract due diligence services and request funds using an Allowance/Performance Adjustment Sheet. Funds will be transferred to NRCS to contract these services. States may use national Blanket Purchase Agreements or individual contract to order services. Eligible entities will pay for all of these administrative costs when the easement is to be acquired

through a cooperative agreement.

4. EASEMENT PAYMENTS

NRCS shall submit requests to obligate funds in writing, to FSA using the APCE or a cooperative agreement, signed by the applicant or eligible entity and NRCS. GRP conservation easement obligations must be recorded in the System 36 as soon as the APCE or cooperative agreement is signed by the applicant and NRCS and returned from NRCS. Funds must be allocated to the county and those allocations recorded before easement obligations are recorded.

The AGI flag is read from the farm record. The application may be recorded whether the AGI flag is “Y” or “N”. Any producer who has an “N” in the AGI flag will need to have an AGI determination made before the easement can be approved. The “Primary Producer” field allows the user to designate whether this producer is the primary producer on the application or not.

The “Description and Location of Farm, Ranch, or Other Unit” field allows the user to enter a description of the offered land. This is a required entry if the offered land does not have a farm number. A farm number is not required for the application. However, if an application is selected for approval and the land does not have a farm number, the County Office shall establish a farm number for the offered land.

NRCS will notify FSA using an AD-1161, Application for Payment Form for payment for GRP easements. The District Conservationist or NRCS representative must review and sign this form before FSA will make payment. Payments will be made to closing agents for GRP easements purchased through cooperative agreements. Closing agents must complete electronic fund transfer (EFT) and SF-1199A forms in order to receive payments from FSA.

5. RENTAL CONTRACT PAYMENTS

GRP rental contract obligations must be recorded in the System 36 as soon as the CCC-920 is signed by the producer and FSA County Executive Director. Funds must be allocated to the county and those allocations recorded before rental contract obligations are recorded.

The AGI flag is read from the farm record. The application may be recorded whether the AGI flag is “Y” or “N”. Any producer who has an “N” in the AGI flag will need to have an AGI determination made before the contract can be approved. The “Primary Producer” field allows the user to designate whether this producer is the primary producer on the application or not.

Payments to participants for rental contracts will be made in annual payments within 15 days after the anniversary date of the contract (which is the date the County Committee or County Committee Representative approved the [CCC-920](#)). The 15 days will begin on the first business day after the anniversary date. Rental payments will be paid to the original participant unless FSA receives an assignment of payment. GRP rental payments are due the

day after the 1-year anniversary date. County Offices shall run the CCC-920 Annual Payments Due This Month Report at the beginning of each month before making payments.

The “Description and Location of Farm, Ranch, or Other Unit” field allows the user to enter a description of the offered land. This is a required entry if the offered land does not have a farm number. A farm number is not required for the application. However, if an application is selected for approval and no farm number has been assigned to the land, the County Office shall establish a farm number for the offered land.

When a restoration practice is added for an rental contract, the money is obligated on the CCC ledger and [CCC-1245](#)'s can be processed for the practice.

6. COST SHARE PAYMENTS

Cost share payments associated with rental contracts or GRP easements held by the United States will be paid within 30 days upon certification from NRCS using an [AD-1161](#), Application for Payment Form. The District Conservationist or NRCS representative must review and sign this form before FSA will make payment. FSA will create and pay cost share using FSA Form, [CCC-1245](#) and attaching NRCS form, AD-1161 to document certification of payment. Cost share payments will not be made for practices implemented or initiated prior to approval unless the NRCS State Conservationist grants a written waiver, in advance. Cost share will be 50% of actual cost.

7. ADMINISTRATIVE PROVISIONS

a. Paying Expenses. FSA County Offices shall process the administrative expense payment by technical practice code. Technical practices codes added to the CCC county eligibility table are:

801 - Annual rental contract

802 - Easement payment

803 – Restoration cost share

b. Prompt Payment Act Provisions. GRP rental payments are subject to the Prompt Payment Act. The payment due date is 30 calendar days after USDA receives all the information needed to issue payment.

c. Payment Ineligibility. Persons applying for the GRP shall be ineligible to participate or receive payment if they are determined to be in violation under the Highly Erodible Land and Wetland Conservation provisions of the Food Security Act, as amended. Payments during the Highly Erodible Land and Wetland Conservation period cannot be earned. When the person regains eligibility status under the Highly Erodible Land and Wetland Conservation provisions, the person can be eligible to participate in GRP.

d. USDA Debt Register. The NRCS State Conservationist shall coordinate with the FSA State Executive Director to determine if a GRP participant is currently on the County Claim Control Record as being indebted to the government. Offset of payments may be

necessary to relieve the indebtedness. This determination must be made prior to making any payment to the participant. FSA will provide the debt register to NRCS.

- e. IRS 1099 Reporting. The closing agent will prepare and issue all IRS 1099 forms to program participants receiving GRP easement funds, unless directed to pay the landowner directly by OGC. NRCS will prepare and issue all IRS 1099 forms to service vendors for easement due diligence services. FSA will prepare and issue all IRS 1099 forms to program participants and all others receiving GRP funds.

8. PAYMENT OPTIONS

The landowner(s), NRCS, and FSA must agree on the payment option. Payment will be made to the original landowner (i.e., owner at the time of easement purchase) unless NRCS or FSA receives an assignment of proceeds from the original landowner to a successor in title or some other party on an Assignment of Payments form CCC-36. Payments to landowners for GRP conservation easements can be in lump sum, or at the request of the landowner, made annually, in equal or unequal amounts, for up to 10 years.

Chapter 7 Restoration Agreements

1. OVERVIEW

Restoration agreements, if applicable, can only be used in conjunction with an easement or rental contract. The NRCS, working through the Conservation Districts and with participants, will determine if a restoration agreement is necessary. A restoration agreement will be required when grassland and shrubland functions and values are inadequate to meet the purposes of GRP. Grasslands that are degraded or have been converted to another use require restoration. The restoration agreement will identify conservation practices and measures necessary to restore or improve the grassland and shrubland functions and values. If concurrence between NRCS and the participants on the need for a restoration agreement is not reached, the participant will not be eligible for the program.

2. APPLICATIONS

Applicants may apply for a restoration agreement by completing the Long Term Agreement ([AD-1154](#)). The applicant must show the need for restoration at the time of application for the program on the Conservation Plan Schedule of Operations ([AD-1155](#)) for easements and for rental contracts, and agree to maintain all funded conservation practices and activities.

3. RESTORATION AGREEMENT DURATION

The duration of a restoration agreement will be no more than 3 years to cover the installation and establishment of needed practices. The NRCS State Conservationist, with advice from the State Technical Committee, may approve restoration agreements for longer periods of time but not longer than the terms of the rental contracts.

4. COST SHARE FUNDS

Participating partners may provide financial assistance or in-kind services. Partner contributions may be considered as the participant's share of the costs. Alternative sources of funding used for restoration will be documented on the [AD-1161](#), Application for Payment. Federal cost sharing shall not exceed 50 percent of the total actual cost of restoration. The participant cannot receive cost share from more than one federal cost-share program for the same conservation practice. Payments may not exceed \$50,000 per year to a person or legal entity.

Cost-share payments for restoration may be made as practices are completed after the easement is recorded or rental contract approved. These provisions do not prevent participants from receiving funds available from other public or private sources. The contributed funds may be considered as the participant's contribution to the practice. Participants entering into rental contracts are not eligible for cost-share assistance for practices initiated before the rental contract is approved and funded. Landowners may be eligible for cost-share assistance for practices initiated before an easement is recorded

providing:

- a. The APCE or rental contract is signed and funds have been obligated for the project;
- b. The restoration work is completed in accordance with an approved restoration agreement;
and
- c. The landowner understands that he/she assumes risk when initiating a practice before the easement is filed.

The landowner files a signed statement stating: "I/We acknowledge that the implementation of grassland/shrubland restoration practices on the land enrolled in GRP is at my/our own risk and that my/our ability to receive GRP cost-share assistance is contingent upon the easement being recorded and NRCS determining that the practice(s) are established according to NRCS specifications. I/We further understand that I/we are responsible for obtaining all necessary Federal, State, and local authorizations and permits needed to implement such grassland/shrubland restoration activities".

Landowners are ineligible for cost-share assistance if the easement does not get recorded. The practice is not established to NRCS specifications or the intended acreage is determined ineligible for program participation.

5. TECHNICAL ASSISTANCE

NRCS will provide technical assistance to the participant through the life of the restoration agreement with the goal of ensuring that the grassland and shrubland functions and values are sufficient for the life of the contract. Both technical and financial assistance may be involved. NRCS shall conduct periodic reviews of the easements and rental contracts to determine the success of restoration plans.

6. RESTORATION REQUIREMENTS

A restoration plan shall be developed and will include both vegetative and structural practices (as needed) as well as management requirements needed to improve and maintain grassland and shrubland resources. A timeline for implementation of these practices will be included. Restoration activities will begin within one year of the easement recording, or rental contract approval, and be completed within three years.

Restoration of the native plant community is desirable but not required. A naturalized plant community may provide functional equivalence for ecological properties (Refer to local Ecological Site Descriptions, Forage Suitability Groups, or other State approved sources of plant adaptability and plant community technical information contained in or referenced in the Field Office Technical Guide). Existing, healthy plant communities which include introduced species are not required to be reseeded to native grass and shrub species. However, if there is a need to seed, the site will be planted based on the following:

- a. Ability to provide grassland and or shrubland functions and values;
- b. Value to the participant's forage or grazing system;
- c. Availability of seed and/or planting materials;
- d. Ability to establish and maintain adequate cover without additional chemical inputs;
- e. Accordance with local Field Office Technical Guide recommendations;
- f. Anticipated needs of wildlife and species of significant value; and
- g. Likelihood of off-site proliferation where the plants are not wanted.

Sites must be capable of restoration to a self-sustaining level. Adverse off-site or on-site conditions that preclude successful restoration may render the site ineligible for GRP. Adverse conditions may include, but are not limited to hazardous wastes, excess salinity, severe erosion, storm sewer effluent, feedlot or septic system outlets, and public drainage rights that would make restoration impracticable.

7. RESTORATION PRACTICES

NRCS, working through the Conservation District and with the participant, will determine the terms of the restoration agreement. Eligible restoration practices include land management, vegetative, and structural practices and measures that maintain and improve the grassland and shrubland functions and values. The NRCS State Conservationist, with advice from the State Technical Committee, will determine the conservation practices and measures that will be available for restoration agreements. All restoration practices and measures are eligible for cost sharing. Management practices are eligible if the participant is changing or implementing new types of management (i.e. first time rotational grazing, first time livestock producer). Conservation practices identified and installed through the restoration plan must meet NRCS standards and specifications in accordance with the FOTG.

8. ELIGIBLE PRACTICES

Eligible practices include land management, vegetative, and structural practices and measures that will maintain, improve and restore the grassland and shrubland functions and values. These eligible practices include, but are not limited to:

- a. Grassland, rangeland and shrubland vegetative practices for vegetative restoration with an emphasis on native vegetation except where the NRCS State Conservationist determines that, due to site conditions or unavailability of native seed, it is impractical;
- b. Grassland, rangeland and shrubland vegetative practices for renovation when necessary to increase forage, habitat, biodiversity for declining populations of grassland dependent bird and animals;

- c. Cross-fencing when necessary to improve forage viability or to maintain, enhance or restore riparian areas in order to enhance or maintain wildlife habitat and improve water quality;
- d. Boundary fencing for land exiting CRP when the fence is an integral part of the grazing management system;
 - (1) The fence is an integral part of the grazing system that facilitated improved management of grazing land, or protects certain areas from livestock when it is necessary for proper use of the area;
 - (2) The fence is an integral part of the grazing management system that will result in maintaining permanent cover;
 - (3) The fence relates to the protection, restoration, development, or enhancement of habitat for prioritized wildlife, such as fencing a riparian area to exclude livestock.
- e. Watering facilities for both domestic animals and wildlife;
- f. Streambank stabilization; and
- g. Erosion control.

9. INELIGIBLE PRACTICES

When a participant requests to enhance the grassland or shrubland beyond the program objectives and goals and request the 50 percent of actual total cost-share payment, NRCS will determine if the conservation action requested is clearly beyond the level needed at the present, or any time in the future, and the request will be denied.

10. PRELIMINARY RESTORATION PLAN

During the application process, if it is determined, that restoration is required; a Preliminary Restoration Plan will be developed. The purpose of the plan is to:

- a. Provide the participant with an understanding of the project's anticipated scope and effect, including estimated costs;
- b. Provide information to NRCS on the extent and costs of the conservation practices;
- c. Provide information for ranking purposes;
- d. Identify grasslands and shrublands to be restored and improved and any unique project characteristics and the associated management needs;

- e. Identify conservation systems and the estimated practice costs;
- f. Provide a benchmark description of present condition of the resources;
- g. Identify management needs;
- h. Identify grassland and shrubland benefits to be obtained;
- i. Identify any partner contributions, to include funding and in-kind services;
- j. Identify any unique qualifications that the NRCS State Conservationist with advice from the State Technical Committee should consider that are not captured in the quantitative ranking criteria that may justify priority for enrollment; and
- k. Identify any unusual complexities that may reduce the desirability of the site.

The content and format of the Preliminary Restoration Plan will be established by the NRCS State Conservationist with advice from the State Technical Committee to address specific needs in the State. As a minimum, the Preliminary Restoration Plan shall consist of a list of practices, the estimated extent of the practices required to restore the grassland and shrublands functions and values, and the estimated costs. The planning effort in completing the final details of the plan should be minimized until the application has been approved for funding. To insure the participant has an understanding of the scope of the restoration agreement upon application to the program, the participant will receive a copy of the GRP Restoration Cost-Share Agreement, and GRP Restoration Cost-Share Agreement Violations.

A site evaluation will be conducted to determine site-specific conditions that will influence the unique design and installation of essential and supplemental treatment practices or measures. The intensity of this site analysis will be commensurate with the complexity of the site and objectives of the GRP.

11. RESTORATION PLAN

NRCS will work cooperatively with the participant and other conservation partners, as needed, to restore native and naturalized plant communities to their optimum functions and values. The intent will be to select restoration practices that will minimize the necessity for ongoing inputs of fertilizer, frequent reseeding, etc. The restoration plan must be consistent with resource conservation planning requirements found in National Planning Procedures Handbook and the National Range and Pasture Handbook, focus on providing for optimum grassland and shrubland benefits, be implemented according to the local Field Office Technical Guide, identify how the grassland and shrubland functions and values will be restored, improved, protected, and include necessary grazing management guidelines.

The final restoration plan will include both vegetative and structural practices (as needed) after the participant's application is approved. The Conservation Plan Schedule of Operations, will be used to document and record the Final Restoration Plan. The NRCS

State Conservationist will establish a process to insure that final restoration plans achieve program goals and objectives, comply with National Environmental Policy Act and Endangered Species Act and National Historic Preservation Act, reflect the actual installation of practices and measures, and include grazing management guidelines.

In addition to elements contained in the preliminary restoration plan, the first practice should be scheduled within one year of filing the easement, approving the rental contract, or approving the restoration agreement, and will consist of the following:

- a. Objectives of restoration;
- b. Description of the grassland and shrubland functions and values being restored, including any unique habitat;
- c. Description of practices required for restoration and management of the site such as seeding plans, accelerating and facilitating practices (i.e.: fencing, prescribed burning, etc.);
- d. Schedule of dates for implementing practices and measures;
- e. Practice costs, and partner contributions of at least 50 percent;
- f. Restoration plan map, including:
 - (1) Field numbers;
 - (2) Boundaries of the easement, rental, or agreement area;
 - (3) Acres of the easement, rental, or restoration agreement area;
 - (4) Planned and existing practices;
 - (5) Land uses as needed;
 - (6) Restored grasslands and shrublands, and other lands;
 - (7) Access routes and any utility locations; and
 - (8) Cultural resource locations if applicable.
- g. Photographs that document site conditions before; during; and after restoration (Photo points recorded with date, location, GPS coordinates, photographer, appropriate agreement number and client name on a map of the easement or agreement area);
- h. Identification and assessment of potential effects that any public drainage rights may have on the effected easement or agreement area;

- i. Documentation required for application of the required practices and measures, including job sheets and engineering designs, noxious weeds and invasive species, and pest control strategies, if needed; and
- j. Plan for the installation of boundary markers or signs on easement and rental contract areas.

12. MAINTENANCE AND MANAGEMENT

The participant is responsible for maintenance and management of all practices and measures implemented in a restoration agreement. All costs involved in maintenance of fences, watering facilities, and similar facilities shall be the responsibility of the participant. In the case of replacement costs not due to the participant's negligence or malfeasance, or if a practice has exceeded its lifespan, replacement practices may be eligible for cost-share through a restoration agreement, as determined by the NRCS State Conservationist with advice from the State Technical Committee.

NRCS will verify compliance with permitting requirements before the completion of the final design and the start of implementation of a GRP project. The participant is responsible for noxious weed control, invasive species control and emergency control of pests as, required by all federal, state and local laws.

13. ENVIRONMENTAL AND CULTURAL RESOURCES COMPLIANCE

The National Environmental Policy Act does not require an assessment if only entering into a rental contract or purchasing an easement. However, an Environmental Assessment will be completed by NRCS if restoration practices are planned with federal assistance. States shall review the National Environmental Assessment and if it is not adequate to cover State activities, States shall conduct a state programmatic Environmental Assessment to cover the practices that will be contained in the Restoration Agreements. If restoration activities could impact threatened or endangered species, NRCS shall consult with the US Fish and Wildlife Service.

The purchase of a GRP conservation easement from a landowner or entering into a rental contract with a participant, in and of itself, does not require consultation as a Federal undertaking for purposes of compliance with section 106 of the NHPA. However, when NRCS plans to perform restoration activities on a GRP conservation easement or rental contract that will result in a direct physical change on a specific site, (i.e., an undertaking with the potential to affect historic properties) NRCS field personnel shall adhere to the same Section 106 compliance procedures (as defined in the implementing regulations, 36 CFR Part 800 and NRCS policy found at [GM Title 420, Part 401](#)) required for other NRCS assisted projects. Additionally, NRCS does not assume federal land management responsibilities under section 110 of the NHPA, the Native American Graves Protection or Repatriation Act (NAGPRA), or the Archaeological Resources Protection Act (ARPA).

Chapter 8 Monitoring, Compliance and Enforcement

1. OVERVIEW

With the acquisition of a GRP conservation easement or the execution of a GRP rental contract, USDA has made a long-term commitment to the protection, conservation and restoration of grassland resources on private lands. And although the landowner or operator retains management responsibility of the resource under the GRP conservation easement or rental contract, the agencies have the responsibility to protect the federal investment.

This subpart provides guidance on monitoring, compliance and enforcement issues on GRP conservation easements held by the United States, and rental contracts. NRCS is responsible for the administration, monitoring and enforcement of easements, and for the monitoring on rental contracts. FSA is responsible for the administration and enforcement of rental contracts.

2. CONTRACTUAL ARRANGEMENTS

NRCS is responsible for administration, monitoring and enforcement responsibilities for all GRP easements held by the United States. NRCS has authority to provide technical and financial assistance for management on existing easements. NRCS will provide assistance for implementing and establishing conservation practices, components, measures and activities necessary. NRCS may contract or obtain assistance through vendors, partners or other agencies using appropriate methods, including but not limited to the following:

- a. Federal contracts, such as blanket purchase agreements, indefinite quantity and indefinite delivery contracts, or cost type contracts;
- b. Agreements as permitted through the [Federal Grants and Cooperative Agreements Handbook](#), [Contribution Agreements Handbook](#), or other [NRCS National Instruction](#).

FSA may not delegate its administration or enforcement responsibilities.

Part 1 Rental Contract Compliance

3. RENTAL CONTRACT SAMPLING

At least 10% of all active rental contracts within a State will be sampled in addition to any rental contracts with USDA employees or County Committee members. The FSA National Office will generate a list of all rental contracts and randomly select 10% of all active rental contracts the state office and county offices will add any required spotchecks and provide this list to the NRCS by October 1st. NRCS will conduct compliance checks and report to FSA COC any issues of non-compliance by August 1st. The FSA County Office will be responsible for contacting owners and operators and completing any necessary actions such

as collection of penalties and interest based on NRCS documentation.

4. RENTAL CONTRACT COMPLIANCE

NRCS, either directly or through a contractual arrangement, will complete a compliance status review ([NRCS-LTP-31](#)) with the participant and a COC representative, if available. Progress of the grazing practices shall be documented including:

- a. Implementation of the approved GRP management plan;
- b. Condition of installed practices, if applicable; and
- c. Need for revisions;

NRCS will provide COC signed copies of the annual status review. If practices were not established, or do not meet design standards and specification, the report will explain what actions need to be taken and the estimated time needed to meet compliance.

FSA County Offices shall file the status review copies and follow up on noncompliance cases. Participants will be notified in writing of noncompliance issues. The COC shall determine whether a participant who is in violation of the CCC-920 terms and conditions made a good faith effort to be compliant. Noncompliance cases shall be handled promptly before GRP rental payments are made for the year.

5. RENTAL CONTRACT NONCOMPLIANCE CASES

FSA will notify participant in writing of noncompliance issue according to 4-CP. Noncompliance cases shall be handled promptly before GRP payments are made for the year. COC shall determine whether a participant who is in violation of CCC-920 terms and conditions made a good faith effort to comply.

6. EXAMPLES OF NONCOMPLIANCE

COC shall consider a producer to be out of compliance if:

- a. the approved cover has been harvested or other commercial use has been made of the forage that doesn't comply with the program or GRP management plan;
- b. an unauthorized crop, such as an agricultural commodity, has been planted on acreage under CCC-920;
- c. producer conducted an activity on GRP acres without authorization, including unauthorized treatment, such as mowing, spraying, or burning of GRP during the primary nesting or brood rearing season;
- d. the approved cover has not been maintained according to the GRP management plan;

- e. the producer has not performed required management activities according to the GRP management plan;
- f. a satisfactory cover or a required practice has not been established or re-established within the time prescribed;
- g. there has been a scheme or device that tends to defeat the program;
- h. a false claim has been filed;
- i. a violation of the terms and conditions of CCC-920 has occurred.

7. PARTICIPANT'S GOOD FAITH EFFORT

If COC determines that the participant made a good faith effort to comply with the terms and conditions of CCC-920 and a practice failed because of natural disaster or through no fault of the participant, then notify NRCS to revise the GRP management plan, subject to the availability of funds. If noncompliance has occurred for reasons other than a practice failing because of natural disaster or through no fault of the participant, COC shall:

- a. assess a standard payment reduction on the affected acres not to exceed the annual rental payments for CCC-920 on which the violation occurred according to paragraph 9.
- b. advise the participant that subsequent violations may result in terminating CCC-920.

If noncompliance because of practice failure occurs after the fifth year of CCC-920, COC may determine whether the contract shall be continued without additional cost share, if a permanent cover has failed and adequate cover exists to prevent erosion or whether the contract will be terminated according to Chapter 4 paragraph 25.

When determining whether to terminate CCC-920, COC shall consider factors, such as the age of CCC-920 and the cost-effectiveness of re-establishing the practice.

Example: COC terminates CCC-920 because, in the eighth year of CCC-920, the producer inadvertently applied a herbicide that killed all ground cover.

8. GOOD FAITH EFFORT NOT DETERMINED

If COC determines there was not a good faith effort to comply with the terms and conditions of CCC-920 and the participant's request for termination of part of the land under CCC-920 was not approved, COC shall terminate all land under CCC-920 according to Chapter 4 paragraph 25.

Example: Participant has 100 acres enrolled in GRP in a 10 year rental contract. Participant requests to terminate part of the acres under CCC-920 to return to crop production. The

request is not approved. Producer plants part of the acres under CCC-920 to corn. COC shall terminate all land (100 acres) under CCC-920.

If COC determines there was not a good faith effort to comply with the terms and conditions of CCC-920 and there was no request to terminate part of the land under CCC-920, COC shall terminate only land in violation.

COC must determine there is not a good faith effort to comply with the terms and conditions of CCC-920 if unauthorized planting or harvesting of a crop is discovered and producer refuses to destroy the crop. If the unauthorized crop has already been sold or used by the time the violation is discovered, COC may determine the producer made a good faith effort to comply with the terms and conditions of CCC-920.

9. GRP RENTAL PAYMENT REDUCTIONS

The participant shall be assessed payment reductions for unauthorized planting or harvesting of a crop, such as annually tilled crops, etc., acres in default times current market value times the lesser of the following:

- a. Established yield for the crop times 2; or
- b. Actual yield for the crop times 2.

For unauthorized treatment not covered in the GRP management plan, such as mowing, spraying, or burning during the primary nesting or brood rearing season, the participant shall be assessed payment reductions equal to the annual rental payment for the acreage in violation. Standard payment reductions shall not exceed the annual rental payments for CCC-920 on which the violation occurred. When the violation results in termination of acres in violation, participants shall refund payments, according to Chapter 4 paragraph 26.

Part 2 GRP Conservation Easement Monitoring

10. LANDOWNER NOTIFICATION

The purpose of monitoring is to ensure the landowner or operator adheres to the terms of the GRP conservation easement deed and implements the GRP management plan. Regular monitoring helps prevent violations.

Landowner(s) or operators will be notified prior to each onsite inspection. When a site visit is being planned, the landowner or operator should be contacted and offered an opportunity to participate. To the extent practicable, the inspection schedule should meet with landowner or operator desires. However, site visits should be scheduled in conjunction with other field activities, thus avoiding the need for a specific field trip independent of other field activities in the vicinity of the easement.

A key ingredient to successful monitoring and the prevention of contract violations is a good relationship with the landowner. There is no substitute for frequent and direct interaction with the landowner to reinforce the provisions of the easement and to answer questions that may arise. Communication with landowners is the key to minimizing violations. Depending on the individuals involved, this communication may be by personal contact, letter, telephone, or through an intermediary. This communication must be concise and frank in relation to what is allowable on the easement or rental contract area. Review procedures for handling potentially violent situations prior to making personal contact with landowners or alleged trespassers to ensure the safety of all NRCS personnel and agents.

The Baseline Inventory Report should be used in monitoring for comparison purposes between pre-existing and current conditions of the easement area. This report can be used to assess whether any new unauthorized structures have been built, the degradation or improvement of the grassland resource, or any other changes since the easement was first closed.

11. EASEMENT MONITORING CHECKLIST

A GRP monitoring checklist is required to be completed each year. The monitoring checklist identifies the minimum monitoring requirements necessary to ensure that the integrity of the easement or rental contract is being maintained. It also indicates whether the landowner or operator has implemented the GRP management plan. NRCS State Conservationist has the authority to expand the checklist to include State-specific resource concerns. Responses to questions on the check list should be thoroughly documented. All monitoring actively must be well documented in the administrative file.

12. MONITORING THE EASEMENT

Monitoring the GRP conservation easement includes monitoring the GRP management plan to ensure that full grassland functions and values are achieved and maintained. GRP management plans should be considered “living documents” that are subject to change over time in order to continue efforts to maximize grassland functions and values. Information obtained through the monitoring process will be used to assess the effectiveness of the plan and address any technical assistance needs of the landowner or operator in implementing the plan. This information should be documented on the GRP monitoring checklist. All GRP conservation easement sites will be monitored annually either using remote sensing or examining the easement on-site.

- a. Modifications to the GRP management plan. By signing the GRP conservation easement deed, NRCS and the landowner (its heirs, successors, assigns, lessees, etc.) agree that good resource management and land stewardship is important for present and future generations. The landowner agrees to develop and implement a GRP management plan, which describes the practices, measures, and other conditions necessary for restoring and maintaining the viability of grassland and other conservation values on the easement or rental area.

All modifications to the GRP management plan must be made by mutual agreement between the landowner and NRCS. NRCS may approve modifications for grazing management plans as long as the modifications do not affect the provisions of the easement and meet GRP program objectives.

- b. New Ownership. The terms of the GRP conservation easement deed, require the owner to sign an NRCS-approved GRP management plan. In the event of new ownership, NRCS will discuss and evaluate, with the new owner, the existing GRP management plan and make modifications to the plan, as needed, to ensure it is accepted and implemented.
- c. Natural Disaster. When a natural disaster such as an earthquake, devastating fire, or severe flood event occurs, the NRCS State Conservationist shall be notified by the local District Conservationist or NRCS representative and provided a status report of the condition of the site. The NRCS National Program Manager should be notified if funding is needed to repair or reestablish a damaged site.

13. LAND OWNERSHIP VERIFICATION

On an annual basis, the ownership of the land encumbered by the easement will be verified by the District Conservationist or local NRCS representative. If ownership interest has changed, then the District Conservationist or local NRCS representative shall contact and provide the new owners with a copy of the GRP conservation easement deed and GRP management plan and explain the terms and conditions of the easement and plan of operations. If personal contact is not possible, a certified receipt return letter should be used and records kept of the contact. When the ownership interest remains the same as in the previous year, a letter reminding the owner that the easement is still in effect and that it is being monitored by NRCS should be sent to the owner. If possible, include in the easement filing that any new landowners will be provided copies of the GRP conservation easement.

Part 3 Easement Enforcement

Easement enforcement actions are not matters subject to review by the National Appeals Division (NAD). A person can only appeal an agency decision to NAD if the person is a participant whose rights have been adversely affected by the decision, and the matter is not of general applicability (7 CFR Part 11). Appeal regulations are not invoked unless the party requesting the appeal is within the scope of its protection. Therefore, the person must be a participant for purposes for which the decision relates.

The NAD rules define participant as "any individual or entity who has applied for, or whose right to participate in or receive, a payment, loan, loan guarantee, or other benefit in accordance with any program of any agency, is affected by a decision of such agency (7 CFR Part 11.1). The subject matter of NAD jurisdiction only encompasses appeals of "adverse decisions made by an agency, including denial of participation in, or receipt of benefits under, any program of an agency (7 CFR Part 4.3). Once a landowner has sold an easement to the United States and has received payment for such transaction, the landowner is no

longer a participant as defined by NAD. Therefore, once administrative compliance activities have failed without adequate performance by the landowner/operator, and after consultation with OGC, NRCS may seek remedy through the federal courts.

14. PREVENTING VIOLATIONS

It is necessary from a practical and legal standpoint to enforce easements and rental contracts effectively and to detect and prosecute violations. This can be accomplished by collecting and preserving information and managing inspection records in a consistent manner. Therefore, it is necessary to have an easement or rental contract document with clear and enforceable conditions and restrictions, a well-written GRP management plan, and a program of regular, systematic, and well-documented inspections. NRCS must have good written inspection records, and a written record of conversations with the landowner or operator to be able to reasonably determine how and why the violation occurred. The terms and conditions of a GRP management plan should be discussed with the landowner or operator prior to recording the easement or executing the rental contract and with subsequent landowners or operators. An accurate and well-documented record is essential.

All easements and rental contracts will be inspected for violations. A violation is any unauthorized use of the site or action that does not comply with terms of the GRP management plan. On-site inspections should consist of walking the easement boundary and confirming that the interior of the easement site is not being used for unauthorized purposes while verifying that the easement boundaries are still clearly marked. At a minimum, on-site inspections will be completed the first year of the easement or rental contract, and every third year thereafter, unless a violation is found. Aerial monitoring will be conducted using remote sensing technology for years that are not monitored on-site. If a violation occurs, on-site visits will be conducted once every six months, for a period of 18 months after the violation has been cured.

15. SUSPECTED VIOLATIONS

Suspected violations of the GRP conservation easement deed or GRP management plan should be immediately reported to the National Program Manager. It is essential that all information regarding the suspected violation, including communications with the landowner, be well documented in the administrative file. NRCS must make a determination on whether the suspected violation is an actual violation. Violations of the GRP conservation easement deed may be more easily apparent, and readily detected, than violations of the GRP management plan. Additional onsite visits may be required to fully assess the suspected violation, as well as grassland condition, land use practices, and other items of interest.

All documentation that concerns violation determination, or pursuing a violation, must be clear, exhaustive, and well-organized in the administrative file. It should also be noted that documentation of findings of no violation is just as important as documentation of findings of a violation. Prior to making an onsite visit or making contact with the landowner, the local NRCS Representative, State Program Manager, NRCS State Conservationist, National

Program Manager, and Regional OGC should consult. In addition, NRCS personnel responsible making a violation determination should collect and/or review the following:

- a. Courthouse and FSA records;
- b. Case files containing information about prior contacts with the landowner and the landowner's reactions to NRCS activities on the easement area. (Prior confrontations and unusual reactions of the landowner, if any, should be noted);
- c. Pertinent material from the administrative file;
- d. Easement Violation Worksheets;
- e. Maps noting location of possible violation; and
- f. Photos and/or videos of the condition of the site. Photographs should be taken as soon as possible when significant changes occur such as land use or possible violations of the easement.

16. EASEMENT VIOLATION DETERMINATIONS

The purpose of an onsite visit is to gather additional information that will aid NRCS, and perhaps the Regional OGC, in making a violation determination. The purpose is not to notify the landowner of a violation. The purpose is to make a site visit, document the situation, and gather as much relevant information as possible. It is advisable to visit a site in the company of another NRCS employee to help substantiate observations. During the onsite visit the following should occur:

- a. Meet with landowner or representative, if landowner requests it;
- b. Identify yourself and the assisting employee and state that you represent the NRCS. The individual must know that you are a federal employee. This may be extremely important if the interview results in an NRCS employee being assaulted;
- c. Establish the identity of the individual you wish to interview and obtain the person's address. Initially, this may be the landowner or operator. It is important to establish which individual manages the land;
- d. Try to establish who is responsible for the activity that is considered a violation. It may also be possible to establish who ordered the work done and whether it was done by an alleged violator's employee or through contract; and
- e. Identify and interview all persons involved.

Do not take the case file to the meeting. The whole file is not open to for viewing by the landowner, operator, or the general public. Only USDA, NRCS, and OGC officials are

permitted to have access to the file. If, at any point during the conversation, unrelated issues arise that may confuse the case, it is best to tell the individual that you will get back to them after completing your investigation. Contact OGC for a legal advice before notifying the landowner of a violation and demanding a cure. NRCS personnel should withdraw from any situation that becomes hostile.

Make a complete set of notes about the size and extent of the possible violation including size and extent of the possible violation, grass, forbs, tree, shrub species in the area, the area of possible violation, loss of wildlife species, and removed or destroyed posts, and any other activities or pertinent site conditions. Compile photographic documentation (photos, slides, videos, etc) of all aspects of the possible violation including views from various directions that capture the suspected violation, such as dumping or encroachment, potentially controversial areas concerning compliance, and the general nature of the surrounding easement area so that adequate compliance can be easier to achieve. Indicate on a map the points from which photographic coverage was taken, and label all pertinent data on the photographic coverage. Collect GPS points of the suspected violation location and delineate the location of the violation on a current map.

As soon as the NRCS employees have departed from the subject's location, a thorough job of documenting all evidence obtained during the interview must be done. Important evidence may be lost if trusted only to memory. Considerable time can pass between the interview and the time when the information may be needed in court. After the site visit, create a record of the visit including the name and address of the landowner or landowner's representative, a reference to the tract of land covered by easement, and factual observations regarding the demeanor of the landowner or landowner's representative - do not use derogatory or subjective statements.

After the onsite visit, the NRCS representative must decide what must be done to restore or remediate the damage to the easement. This may require consultation with other NRCS professionals and/or OGC. Serious violations may be referred to the Department of Justice (DOJ) after consultation with OGC.

17. LANDOWNER NOTIFICATION

NRCS will provide the record to OGC and in consultation with OGC determine if a violation has occurred. When a violation of the easement has been determined, the landowner shall be notified by the NRCS State Conservationist using certified, return-receipt mail and given an opportunity to voluntarily correct the violation within no more than 30 days of the date of the notice. The return-receipt card must be kept in the official administrative file and a copy sent to the Regional OGC. Prior to, and immediately following, the response deadline an NRCS representative will need to inspect the work to ensure proper compliance - especially if it is a small amount of work that is likely to be ignored or avoided.

The letter of landowner notification should be copied to your local OGC attorney. Prior to sending written notice of the violation to the landowner, the NRCS State Conservationist must contact the Regional OGC representative to ensure that NRCS is not compromising its

enforcement position. The Regional OGC representative should provide advice on the contents of the landowner violation notification letter, including appropriate “cease and desist” language, NRCS violation documentation requirements, and enforcement proceedings strategy. The letter of notification must:

- a. Clearly state the remediation requirements, other compliance terms and the compliance deadline (30 days or less);
- b. Include a map indicating the location(s) and work required for compliance;
- c. Request that the landowner call you when the work is completed;
- d. Provide your contact number in case the landowner has any questions;
- e. Inform the landowner that if compliance is not obtained, the case will be referred to OGC for possible legal action; and
- f. Provide guidelines for remediation.

18. REMEDIATION COMPLIANCE

Immediately following the expiration of the period to cure, it is essential to make a field check to ensure compliance. After the NRCS State Conservationist determines that the easement area has been remediated, a certified letter notifying the landowner of compliance should be mailed and explain that any future violations may be referred to the DOJ for possible action.

In the case of cultivated, plowed, or destroyed grasslands, compliance will not be complete until reseeded grasses are established. A reseeded by the landowner/operator is only a first step to being in compliance. NRCS must discuss with the landowner/operator the process of remediation and re-establishing the grassland habitats. This process may take several years and may involve mowing of weeds (with prior authorization) or re-seeding (with prior authorization). In the event the landowner/operator does not comply, consult with OGC.

19. JUDICIAL PROCESS

NRCS must prepare three copies of a litigation report when an easement violation is to be referred DOJ by OGC. The litigation report should contain the following: the complete record related to the violation and subsequent enforcement attempt by NRCS, including, correspondence, maps, photographs and/or video of the site showing the violation, testing results, correspondence from the landowner/operator; any other relevant information; an index to the report for ease of reference; a summary of the facts, including a chronology of events; and agency names and contact numbers. The NRCS representative starts the routing process by submitting one copy of the case report to the NRCS State Conservationist to be forwarded to OGC.

20. LANDOWNER PERSONAL LIABILITY

The landowner receiving the cost-share payments is responsible to the Federal Government for any losses the Federal Government sustains when the landowner infringes on the rights of others, does not comply with applicable laws or regulations, or allows others to infringe on the rights of the Federal Government. The United States or USDA may be entitled to recover any and all administrative and legal costs, including attorney's fees or expenses, associated with any enforcement or remedial action.

Chapter 9 Cooperative Agreements

1. OVERVIEW

Eligible entities may apply for GRP funds to write, own, and enforce GRP conservation easements through the use of a cooperative agreement. Entities may apply at NRCS State Offices for parcels with pending offers that meet GRP eligibility requirements. The landowner and the parcel must meet the all the eligibility requirements.

A cooperative agreement is the legal agreement with which the federal government establishes partnerships with eligible cooperating entities (State, Tribal, or local government or qualified non-governmental organizations). This agreement provides the needed flexibility at the state or local level for meeting program goals and objectives. A copy of the standard GRP Cooperative Agreement is presented in Appendix B.

2. ELIGIBLE ENTITY

An eligible entity demonstrates that it has the relevant experience and resources to administer a GRP conservation easement. Its charter or mission describes its long term commitment to conserving rangeland, agricultural land, or grassland for grazing and conservation purposes. NRCS State Offices will evaluate an entities capacity to acquire, manage and enforce easements including staffing and the ability of an entity to provide matching funds before entering into a cooperative agreement. The entity worksheet may be used to evaluate the entity capacity. Eligible entities will be evaluated and selected by the NRCS State Conservationist. Eligible entities and the NRCS State Conservationist sign the cooperative agreement. An eligible entity for the purposes of GRP is:

- a. State or Local Government. Agencies of state or local governments with an active program to purchase grassland easements can be considered an eligible entity if they have a commitment to long term conservation of agricultural lands, rangeland, or grassland for grazing and conservation purposes. The agency must have the capability to acquire, manage and enforce easements, sufficient staff dedicated to monitoring and managing easements, and have available matching funds.
- b. Indian Tribes. Eligible Tribal entities are federally recognized tribes. Non-federally recognized Tribes may qualify under non-governmental organization status. When a Tribe is interested in participating in GRP on tribal lands, the Tribe will contact the Bureau of Indian Affairs to determine whether the Tribe must receive any necessary clearances from the Bureau of Indian Affairs to be considered eligible. Those contracts and clearances will accompany the application for GRP.
- c. Non-governmental organizations. Land trusts and non-governmental organizations that have relevant experience to administer a GRP conservation easement can be considered an eligible entity if they meet the provisions outlined in the 2008 Farm Bill and GRP Rule. These organizations must have a charter describing a commitment to conserving

ranchland, agricultural land, or grassland for grazing and conservation purposes and a dedicated account of at least \$50,000 for the purposes of legal defense, monitoring and management for each GRP easement or is accredited by the [Land Trust Accreditation Commission](#).

3. COOPERATIVE AGREEMENT PURCHASE PRICE

The purchase price is defined as the fair market value of the GRP easement. It can include landowner contributions which qualify as a charitable contribution as defined by section 170(h) of the Internal Revenue Code of 1986. The funding arrangement between NRCS and the eligible entity is described in the cooperative agreement, including potential sources and distribution of funding.

- a. NRCS Share of the Conservation Easement. NRCS will pay up to 50 percent of the purchase price of a GRP conservation easement as determined by a USPAP appraisal. GRP funds may not be used for easement transaction costs, such as surveys, appraisal, title insurance, legal fees, costs of conservation easement monitoring, and other related transaction costs. GRP funds may not be used for restoration by an eligible entity.
- b. Entity's Share of the Conservation Easement. Entities are required to match the NRCS share of the easement purchase price. In the case of a bargain sale, where the landowner chooses to contribute part of the conservation easement value by accepting a payment less than the full appraised market value, the value of the landowner contribution up to 25% can be considered part of the purchase price. The entity should contribute at least 25% in cash. A waiver may be granted to allow a higher percentage of the landowner donation to count as part of the entity share if the parcel was ranked high by the State Technical Committee and the parcel has high quality conservation values. The State Conservationist must submit a formal request to the Chief if a waiver is requested.

A signed statement acknowledging the landowner's contribution, the appraised fair market value of the conservation easement (purchase price), and the landowner and eligible entity's contributions is required to confirm the amount and source of matching funds provided. This statement must be signed by the landowner and the eligible entity and delivered to NRCS prior to signing the Cooperative Agreement. GRP funds will not be disbursed without confirmation of matching funds. A sample statement is provided as part of the cooperative agreement in Appendix B.

The eligible entity is responsible for all administrative costs, and these costs do not count towards the purchase price. Land or a landowner donation from another parcel is a prohibited match. Under no circumstances can the entity acquire its minimum cash requirement through cash contributions or payments made by the landowner, loans provided by the landowner, or fees charged to the landowner.

4. COOPERATIVE AGREEMENT REQUIREMENTS

All cooperative agreements will be reviewed by the NRCS National Program Manager and

any agreements committing more than \$100,000 will require approval by NRCS Management Services. The following items must be incorporated into the Cooperative Agreement:

- a. A list of pending easement offers identifying the land parcel(s) to be acquired, the landowner's name(s), and the estimated purchase price and sources of GRP matching share.
- b. Identification of the GRP conservation easement holder; and
- c. A description of the administrative, management, and grazing management plan review responsibilities of NRCS or designee, and the management, monitoring, and enforcement responsibilities of the eligible entity.

5. GRP MANAGEMENT PLAN

Development and implementation of a GRP management plan must be included in the cooperative agreement. The Cooperative Agreement stipulates that the GRP management plan will be developed and implemented in accordance with the National Range and Pasture Handbook and the NRCS FOTG, and that the plan must be approved or developed by NRCS.

6. HISTORIC OR ARCHAEOLOGICAL RESOURCES

When parcels are being enrolled in GRP based on the presence of historic and archaeological resources, the eligible entity must demonstrate it has the expertise to maintain the resources according to standards and guidelines of the Secretary of Interior, or to those of the State Historic Preservation Officer or American Indian Tribe, as appropriate.

7. HAZARDOUS MATERIALS RECORDS SEARCH AND INSPECTION

NRCS will contract an environmental database records search of all parcels prior to funding. NRCS will complete a hazardous materials checklist and site visit prior to signing the cooperative agreement. If hazardous materials are cited in the records search or are found during the site visit, the parcel may be eliminated from consideration for funding, unless the eligible entity, at its cost, conducts additional studies meeting the requirements of USDA All Appropriate Inquiry Policy.

8. ELIGIBLE ENTITY RESPONSIBILITIES

An eligible government entity or eligible non-governmental entity must hold title to the easements, and agree to a right of enforcement by the United States. This right must be described in the conservation easement and only pertains to enforcement when the eligible entity fails to enforce the terms of the easement. After consultation and approval by NRCS, an eligible entity may assign another entity to manage and enforce the easement.

An eligible entity shall assume all costs incurred in restoration or rehabilitation of the

grassland as specified in the GRP management plan, approved by the owner and NRCS.

9. APPRAISAL

Eligible entities will have an appraisal conducted by a certified general appraiser that conforms to the *Uniform Standards of Professional Appraisals Practices*. Appraisal instructions require that an appraisal be completed of the proposed easement area for the unencumbered land and an appraisal completed for the proposed encumbered land. The difference between these two values is the fair market value for the easement (purchase price).

All appraisals will be reviewed prior to closing. Technical reviews, performed by a qualified state certified general appraiser, are required for all conservation easement acquisitions.

Administrative reviews may be completed by non-appraisers trained to assure that contract specifications were met, that the correct property was appraised, that math calculations are correct and that the appraisal is logical. NRCS employees with training and written delegation may conduct administrative appraisal reviews.

10. EASEMENT DRAFTING

Where permitted by state law all GRP conservation easement deeds must be perpetual. Eligible entities may utilize the GRP template conservation easement deed. If any significant changes are made to the template deed, the OGC shall review the deed. All GRP conservation easement deeds drafted by eligible entities, or with significant changes to the template, must be approved by OGC.

11. EASEMENT MONITORING

Eligible entities are responsible for easement monitoring and shall provide copies of annual monitoring reports to NRCS State Offices.

12. EASEMENT VIOLATIONS

Eligible entities are responsible for enforcement of GRP conservation easements under the cooperative agreement. NRCS retains the right of enforcement which allows NRCS to inspect and enforce GRP conservation easements in the event that the entity fails to enforce the terms of the easement.

A violation is considered to have happened if:

- a. The land is converted or developed to nonagricultural uses not consistent with the purposes of the conservation easement;
- b. The GRP management plan is not implemented or maintained;

- c. Damage or destruction occurs to the resources identified for protection in the GRP management plan, including highly erodible land or wetlands compliance; or
- d. The terms and conditions of the conservation easement are violated.

13. COOPERATIVE AGREEMENT FUND OBLIGATION

- a. Obligating Document. The signed cooperative agreement is the obligating document that allows eligible entities to purchase conservation easements from landowners using GRP funds. Once NRCS and the selected entity sign the cooperative agreement, FSA may obligate funds.
- b. Parcel List. The cooperative agreement lists the parcel that is intended to be acquired. Due to changing circumstances, the parcel may need to be dropped from the list, and another parcel substituted, as long as the parcel meets GRP land eligibility criteria, is ranked at least as high as the parcel removed, has a pending offer and willing landowners, and can be purchased with the funds available through the cooperative agreement.

14. COOPERATIVE AGREEMENT EXTENSIONS

Entities should close on all easements within a two-year time span from the date of the cooperative agreement signature. However, in certain situations, such as the use of installment payments, a cooperative agreement may be extended with approval by the NRCS State Conservationist with notice to National Headquarters.

15. COOPERATIVE AGREEMENT PAYMENTS

Generally, payments are lump sum. The eligible entity will notify NRCS at least 60 days prior to closing. Funds may be paid at closing when NRCS is provided a copy of the recorded easement. Payments will be made to either an authorized closing agent or to the eligible entity. Electronic Funds Transfer is the preferred method for making payments. The eligible entity or the escrow agent will prepare all IRS-1099 reporting. The closing agent will sign a receipt acknowledging that they will hold the funds, at no interest, in escrow no more than 14 days.

Installment payments made by an eligible entity to a landowner are allowable under GRP provided that the installment payments do not require an advance of GRP funds. Landowners may request that eligible entities issue payments in installments after the easement has closed. Installment payments must include a portion of the payment at closing and the entity must provide a copy of the recorded deed and the payment schedule for prior approval. Once the easement has been recorded, the entity may request a payment on a reimbursable basis after a sum equal to the proportional amount due from the entity and the NRCS has been paid to the landowner. All installment payments must be issued prior to the termination of the cooperative agreement.

FIGURE 1

SAMPLE FORMAT FOR STATE RESPONSIBILITY AGREEMENT

Activity		Agency Responsible:	
		FSA	NRCS
1	Maintain overall GRP Funds Control	X	
2	Responsible for compliance field checks		X
3	Establish State-level program procedures and guidelines for implementing the program		
4	Determine how funds will be prioritized within the State to address the protection of critical grassland resources		
5	Identify State priorities and ranking criteria for project selection based on input from the State Technical Committee		
6	Approve eligible conservation practices and cost-share rates;		
7	Prepare the necessary State supplements to this manual		
8	Provide training needed to implement the program effectively		
9	Provide reports to NRCS and FSA National Headquarters, as requested		
10	Ensure effective communication between Agencies at State and Service Center levels	X	X
11	Track State-level projects progress and accomplishments		
12	Conduct education and outreach		
13	Coordinate priorities and procedures with adjoining States		
14	Implement any support or administrative responsibilities as determined jointly by NRCS and FSA at National Headquarters		
15	Responsible for rental contract compliance and appeal process	X	

NRCS State Conservationist:

FSA State Executive Director:

APPENDIX A

APPRAISAL

1. OVERVIEW

When insufficient information is available to conduct an area-wide market survey an appraisal may be needed to determine easement compensation. Appraisals shall be completed in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as a self contained report. It is required that an appraisal be completed of the proposed easement area of the unencumbered land and an appraisal completed of the proposed encumbered land. The difference between these two values is the effect of the easement on the subject property. Agency approved appraisal reports, and technical appraisal review reports shall be retained in the landowners file associated with the easement. The requirements contained in this section are mandatory for all Grassland Reserve Program (GRP) easement acquisitions by the National Resources Conservation Service (NRCS) when an appraisal is used as a method for determining easement compensation. No modifications to these requirements are permitted without prior written approval from the Deputy Chief for Easements and Landscape Planning.

2. APPRAISER QUALIFICATIONS

All real property appraisers performing appraisals, and appraisal reviews, shall be a State Certified General Real Property Appraiser, or obtain a temporary practice permit, in conformance with Title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 in the state(s) where the subject property is located and 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 of the requested type. A copy of the appraiser's state license or practice permit shall be provided to the contracting officer (CO) at the time of bid submission. Work will not be granted until such time as the CO has reviewed and approved the licensing credentials, and the experience requirements of the contractor and any subcontractors.

If the appraiser elects to sub-contract the appraisal work, the sub-contractor must also be a State Certified General Real Property Appraiser or obtain a temporary practice permit in the state(s) where the subject property is located, be in good standing with the licensing authority where the credential was issued. Proof of the sub-contractor's qualifications and experience requirements must be supplied within 10 days of contract award. Appraiser and any subcontractor must have demonstrated competency in compliance with USPAP in conducting appraisals of agricultural properties with and without conservation easements. In the event the contractor wishes to change personnel or subcontractors, the contractor shall submit the same proof of qualifications and licensing. Approval shall be obtained from the CO prior to the assignment of appraisal work to such individuals. Failure to obtain such approval may invalidate the award and cause termination of the contract in accordance with Federal Acquisition Regulation 52.249-8.

3. APPRAISAL REPORTS

The ordering official shall request all appraisal reports or appraisal services in writing from the appraiser by using the mandatory Appraisal Specifications for Appraisals of Real Property for the Grassland Reserve Program and Scope of Work. No changes are permitted in the appraisal specifications and Scope of Work for appraisals without prior written approval from NRCS NHQ Staff.

NOTE: The ordering official will determine who will conduct the technical appraisal review at the time of ordering the appraisal and shall request all technical appraisal review reports in writing from the review appraiser. The ordering official will provide the selected technical review appraiser a copy of the same material that was sent to the appraiser at the time of ordering the appraisal. The assigned technical review appraiser shall discuss the scope and timing of the assignment with the requesting ordering official as necessary. The technical review appraiser will be available to answer any questions of a technical nature related to the appraisal process that may arise from the appraiser. The National Appraiser is available to answer questions from all appraisers.

NRCS will provide the following information to the appraiser:

- a. Aerial photograph of the subject property with the location of the proposed easement area identified, access to the easement area identified, easement boundary identified, and an estimate of the acres in the proposed easement identified;
- b. Legal description of subject property;
- c. Preliminary legal description of the proposed easement area or survey;
- d. Copy of GRP Conservation Easement Deed;
- e. Aerial photograph indicating the location and acreage of any conservation agreement, contract, or easement of any type that is associated with the property;
- f. Specific details of any existing easements, reservations or other restriction currently encumbering the subject property as provided by the landowner;
- g. Copy of the completed FSA Voluntary Permanent Direct and Counter Cyclical Program Base Acres Reduction Form CCC-505 and executed by the landowner for crop base/ allotments located on the proposed easement area. This form will not be processed by FSA until the easement is closed. The appraiser will verify the amount of crop base to be retired or moved on the proposed easement area and if any remaining crop base exists on the easement area.
- h. Documentation of production data will be provided to NRCS by landowner;
- i. If water rights are included in the easement area, documentation provided by NRCS will identify the volume of water rights to be retained for the subject property as necessary. This volume will also be documented in the GRP management plan and Easement Baseline Inventory Report

attached to the Conservation Easement Deed;

- j. 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;
- k. Recorded landowner's name, address and telephone number;
- l. Current information as to the status of title of ownership, such as copies of deeds;
- m. If available, completed Preliminary Certificate of Inspection and Possession and the Hazardous Substance Examination Checklist and any available information pertaining to the probability of existence of hazardous substances that might be found on the property to be appraised;
- n. Copy of preliminary title commitment covering the proposed easement area;
- o. Copy of the completed grazing management plan of the proposed easement area and a copy of the restoration plan, if applicable;
- p. A copy of the recorded written access to the easement area, if available; and
- q. Written permission from the landowner or an authorized representative authorizing the assigned appraiser to enter the property for appraisal purpose.

4. APPRAISAL REVIEWS

All appraisals used for acquisition of GRP easements under this section must undergo a technical appraisal review. Technical reviews are required for all easement acquisitions.

All real property appraisers performing technical reviews shall be a qualified State Certified General Real Property Appraiser or obtain a temporary practice permit, in conformance with Title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 and be in good standing with the licensing authority where the credential was issued. Technical reviewers must have demonstrated competency in compliance with USPAP in conducting appraisals of agricultural properties of the requested type. Documentation of completed appraisal education courses, to include at least 40 hours of training in conducting technical reviews, shall be provided by the technical reviewer to the CO. A copy of the appraiser's state license or practice permit shall be provided to the CO at the time of bid submission. Work will not be granted until such time as the CO has reviewed and approved the licensing credentials, and the experience and education requirements of the contractor and any subcontractors. If the contractor elects to sub-contract the appraisal work, the sub-contractor must also be a State Certified General Real Property Appraiser and be in good standing with the licensing authority where the credential was issued. Proof of the sub-contractor's qualifications must be supplied within 10 days of contract award. Appraiser and any subcontractor must have demonstrated competency in compliance with USPAP in conducting appraisals of agricultural properties with and without conservation easements of the requested type. In the event the contractor wishes to change personnel or

subcontractors, the contractor shall submit the same proof of qualifications and licensing, approval shall be obtained from the CO prior to the assignment of appraisal work to such individuals. Failure to obtain such approval may invalidate the award and cause termination of the contract in accordance with Federal Acquisition Regulation 52.249-8.

The ordering official shall request all technical reviews in writing from the technical reviewer by using the mandatory Appraisal Technical Review Specifications. No changes are permitted in the appraisal specifications and Scope of Work for appraisals without prior written approval from NRCS NHQ.

The authorized official shall request all technical review reports in writing from the technical reviewer by using the mandatory technical review specifications and Scope of Work. No changes are permitted in the technical appraisal review specifications and scope of work without prior written approval from NRCS NHQ. Technical reviews will be completed and the appraisal determined acceptable by the technical reviewer prior to signing any offer to purchase. The technical reviewer must obtain a copy of the listed standards at their own expense and have them available during any technical review for reference.

The Scope of Work is a desk technical review to assure the appraisal meets the definition of an appraisal, examine the appraisals to assure that they meet applicable appraisal requirements, which include *Uniform Standards of Professional Appraisal Practice* (USPAP), and NRCS appraisal instructions. If multiple appraisals are submitted on a property then a technical review will be completed on each appraisal. The technical review will be in compliance with USPAP Standard 3, and will be type written, dated and signed by the reviewer. The technical reviewer will be required to make a determination as to the acceptability of the appraisal in accordance with the instruction provided to the appraiser and USPAP, and appraisal review instructions. The technical reviewer 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.

The purpose of the technical review is to provide an opinion of the acceptability of the appraisals that provide a market value of the subject property 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 of value, minus any adjustments for excess irrigation water to arrive at the effect on value of the easement. The purpose of two opinions of value is to establish the effect on value from imposition of the conservation easement. The appraisals and technical review(s) must be completed in compliance with USPAP and appraisal instructions issued by NRCS.

The technical reviewer shall clearly identify the timeframe, not to exceed 12 months, within which the appraisal report is useable for the intended purpose. The expiration date of all NRCS approved appraisals shall be based upon the market trends as reflected in the appraisal report. No appraisal report shall be used as the basis of any transaction if it does not represent current market conditions and values as of the date of the offer.

The technical reviewer shall prominently state any crop base acres and allotment history that are

located in the easement area and if it was included in the appraisal. The technical review report will be attached to the appraisal. The technical reviewer will determine if the appraisal is approved (as the basis for establishment of a fair market value amount) or disapproved. If the technical reviewer determines the appraisal report is approved, the technical reviewer will set forth in the review report the recommended value, if the appraisal report complies with the assignment standards and adequately supports the value estimate. A copy of the appraisal and technical review will be submitted to the NHQ staff appraiser for review and monitoring upon completion of the review.

If the technical reviewer determines the appraisal report is disapproved, the CO will provide NHQ staff appraiser with a copy of the appraisal report and a copy of the technical review report. NHQ staff appraiser will make a determination if the appraiser and or technical reviewer should be contacted, by whom and determine if the appraisal report should be returned for corrections or if a new appraisal should be ordered. The technical reviewer may be instructed to work with the appraiser to obtain an acceptable appraisal in an advisory role. If the technical reviewer does not approve the appraisal report, the easement will not be purchased until an acceptable appraisal report is obtained for the offered property.

The technical reviewer may not:

- (1) 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;
- (2) 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 reviewer may question the appraiser's judgment when it is illogical, unreasonable, not supported by data cited, or is inconsistent with other data;
- (3) allow Agency goals or adversarial pressure to influence the reviewer's opinion of an appraisal report's value estimate. Nor can the reviewer's personal opinion regarding the proposed action influence the review process;
- (4) 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 non-conformance with USPAP or appraisal instructions should not be the cause of disapproval of an appraisal report unless the deficiencies affect the reliability of the value estimate.

To ensure objectivity and independence in the review process, and to preclude the appearance of conflicts of interest or wrongdoing, technical reviewers shall not:

- (1) Be responsible for case processing or negotiating the acquisition, disposal, authorization, or exchange of any appraised property;

- (2) Review an appraisal prepared by the reviewer's immediate supervisor;
- (3) Review an appraisal for a property they personally and recently appraised; or
- (4) Review an appraisal prepared by an appraiser where possible conflicts may exist.

As with appraisers, the technical reviewer must not become an advocate. The reviewer's task is to evaluate the technical aspects of the appraisal.

a. Technical Reviewer Determinations

Rejection – When an appraisal report is in violation of appraisal principles and standards, Agency or Departmental Regulations or directives; is inconsistent with facts, or asserts unsupported conclusions and indicates particular problems of integrity. The Technical Reviewer finds the appraisal report to be illogical, unreasonable, not supported by data cited, or is inconsistent with other data. Minor technical non-conformance with USPAP should not be the cause of rejection of an appraisal report unless the deficiencies affect the reliability of the value estimate. Fees will be withheld if the report clearly and flagrantly does not comply with the contract specifications.

Disapproval – In the technical reviewer's opinion, the value estimate is unsupported or not supported strongly enough. NRCS reserves the right to order a second appraisal to confirm, support or replace the original appraisal report. In the event the second report supports a significantly different value estimate - and the second report is ultimately approved - this determination effectively rejects the original appraisal report and payment will be withheld by NRCS.

Approved – In the technical reviewer's opinion, the value estimate is strongly supported and complies with all contract specifications. Any corrections or revisions by the appraiser are deemed insignificant in the technical reviewer's opinion and will not affect the values identified in the appraisal report. Fees will be paid upon receipt of accurate invoices.

5. CONFIDENTIAL NATURE OF APPRAISALS

Appraiser's valuations and supporting reports are confidential information and the appraiser shall strictly abide by the Confidentiality provisions of the Ethics Rule of USPAP, which provides that:

- a. An appraiser must protect the confidential nature of the appraiser-client relationship;
- b. An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results; and
- c. An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client; state

enforcement agencies and such third parties as may be authorized by due process of the law; and a duly authorized professional peer review committee.

Freedom of Information Act (FOIA) provisions may result in the release of all or part of the appraisal report to the public in accordance with FOIA requirements once the appraisal has been determined acceptable by NRCS and the acquisition of the property with the landowner is completed. The Landowners may request a copy of the appraisal under the Privacy Act.

6. APPRAISAL UPDATES

If the appraisal is over 12 months old or is beyond the time period as stated in the technical review, the appraiser who conducted the original appraisal will be contacted to determine if a more current date of value in compliance with USPAP can be provided. After receipt of this appraisal, with a more current date of value, an appraisal review will be conducted and acceptability determination made. If an administrative review has been completed an offer to purchase will not be issued if the appraisal is over 12 months old from the effective date of the appraisal.

Changes in Acres, Substitution of Land or Title Conditions from Original Appraisal

In cases where the appraisal was completed without the benefit of a legal survey that reflects a difference in acres in the easement area from the appraisal, the acres and price may be administratively reconciled provided:

- (1) The surveyed acreage is within five percent of the acreage estimate used in the appraisal; or
- (2) The difference in values based on the surveyed acreage is within \$5,000 of the appraised easement value, whichever is less.

States should administratively reconcile the appraised acres and values by using a per acre value determined by dividing the difference between the unencumbered value and the encumbered value by the estimated acreage in the appraisal. This per acre cost is then multiplied by the difference in acres between the appraised acres in the appraisal and the surveyed acres to arrive at the adjustment amount. This adjustment amount is then added to or subtracted from the difference between the unencumbered value and the encumbered value to arrive at the administratively adjusted appraisal. This does not apply to substitution of land proposed for the easement which is different from stated in the appraisal, access, or title conditions including reservations, encumbrances, easements, or conveyances as stated in the appraisal.

Substitution of Parcels and Changes in Title Conditions

If there is a substitution of land access, or title conditions including reservations, encumbrances, easements, or conveyances proposed for the easement which is different from stated in the appraisal, a new appraisal report and appraisal review report will be required. The original appraiser will be contacted and provided the information that has been changed from the original appraisal. The appraiser will provide a new appraisal with the changes to reflect a new value opinion. This appraisal will have an appraisal review completed in accordance with this section

as stated above and a new determination as to acceptability of the appraisal will be made in accordance with this section.

Format for Supplemental Appraisal Reports

Supplements or amendments to appraisal reports, such as for updating value estimates, changes in acreage, changes in title conditions, additional support or explanation, or to correct a previous report, shall follow the format identified for Supplemental Appraisal Reports. All items must be approved.

APPENDIX B

Agreement No. _____

COOPERATIVE AGREEMENT
BETWEEN THE
UNITED STATES OF AMERICA
COMMODITY CREDIT CORPORATION
THROUGH THE
NATURAL RESOURCES CONSERVATION SERVICE
and the
[Tribe/State/County/Local Government/Non-governmental Organization]
for the
GRASSLAND RESERVE PROGRAM

This Cooperative Agreement, made the ____ day of _____, 20__ is entered into by and between the **United States of America (the United States)**, acting by and through the Commodity Credit Corporation (CCC), and **the [Tribe/State/County/Local Government/Non-governmental Organization]** for the implementation of the Grasslands Reserve Program (GRP). The CCC shall utilize the expertise and services of the United States Department of Agriculture, Natural Resources Conservation Service (NRCS) to administer this program and perform the duties set forth within this Cooperative Agreement. For purposes of this Cooperative Agreement, the term “Parties” refers collectively to the United States and the **[Tribe/State/County/Local Government/Non-governmental Organization]**.

I. AUTHORITY

This Cooperative Agreement is entered into by the United States under the authorities of the Commodity Credit Charter Act, 15 U.S.C. 714 et seq. and Grassland Reserve Program, sections 1238N through 1238Q of the Food Security Act of 1985 as amended by Title II, Subchapter D, Section 2403 of the Food, Conservation, and Energy Act of 2008, P. L. 110–246 (2008 Act). In addition to these authorities, this Cooperative Agreement will be administered in accordance with the policies and procedures set forth in the GRP regulation, 7 CFR part 1415 and 7 CFR part 3015 et seq. The CCC administers the GRP under the general supervision of the Chief of the NRCS who is a Vice President of the CCC.

II. BACKGROUND AND PURPOSE

Section 1238q of the Food Security Act, as amended, authorizes the Secretary of Agriculture to enter into cooperative agreements with eligible entities to acquire GRP conservation easements for the purpose of assisting owners and operators in protecting grazing uses and related conservation values. To be eligible, the grassland, land that contains forbs, or shrubland for which grazing use is predominate, and the land must located in an area that has been historically dominated by grassland, forbs, or shrubland and could provide significant wildlife habitat or contains historical or archaeological resources. The 2008 Act authorized funding for

fiscal years 2009 through 2012.

WHEREAS, the [Tribe/State/County/Local Government/Non-governmental Organization] and the United States have mutual interests in preventing the conversion of grasslands to non-grazing uses, in protecting the related conservation values, including habitat for grassland and shrubland dependent plants and animals, soil erosion control and water quality protection. When applicable, these interests include protection of related historical or archaeological resources; and

WHEREAS, the United States administers the GRP; and

WHEREAS, the [Tribe/State/County/Local Government/Non-governmental Organization] is an eligible entity having the relevant experience necessary to administer an easement on grassland, land that contains forbs, or shrubland; has a charter that describes a commitment to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes and has the resources necessary to effectuate the purposes of the charter; and has pending offers for acquiring grassland conservation easements from landowners within the [Reservation/State/County/Local jurisdiction]; and the United States and the [Tribe/State/County/Local Government/Non-governmental Organization] have agreed to combine their resources to assure that the grazing uses and related conservation values are protected and restored on those lands.

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

III. OBLIGATION OF FUNDS

Upon execution of this agreement, the United States shall obligate the sum of \$ _____ for the acquisition of conservation easements by the [State/County/Local Government/Tribe/Non-governmental Organization] for the parcels listed on Attachment A. NRCS may amend this agreement to obligate funds in Fiscal Year 2011 if the entity submits parcels that rank high enough for funding in those years and funds are available. The [State/County/Local Government/Tribe/Non-governmental Organization] must close the easement acquisition and request payment of this amount in accordance with Part VI of this Cooperative Agreement before the dates in the table below.

Fiscal Year of Fund Obligation	Attachment with Associated Parcels	Closing Deadline	Payment Request Deadline	Fund Disbursement Deadline
2011	A	August 31, 2012	August 31, 2012	September 30, 2012

This Cooperative Agreement expires on September 30, 2012.

This Cooperative Agreement is the authorizing document that obligates CCC funds to acquire conservation easements. The United States' contribution for the acquisition of each conservation easement acquired by the [Tribe/State/County/Local Government/Non-governmental

Organization] shall be up to but not more than 50% of the purchase price of the conservation easement in accordance with NRCS policies and procedures. The United States' contribution cannot be used for closing and related administrative costs incurred by the **[Tribe/State/County/Local Government/Non-governmental Organization]** in acquiring the conservation easement. Attachments to this Cooperative Agreement specify the properties on which CCC funds will be used within the **[Reservation/State/County/Local Jurisdiction]** and includes a list with a detailed breakdown of the: (1) name and mailing address of the landowner; (2) number of acres to be acquired; (3) the estimated purchase price and (4) estimated Federal contribution not to exceed 50% of the purchase price. There may be deletions or modifications to the Attachments required by NRCS depending on the appraised value of a conservation easement, the ability to obtain good and clear title, future funding for acquisitions, or the presence of hazardous materials on a property, etc. Substitutions must have written pending offers, and the parcels and the landowners must meet USDA eligibility requirements. Any substitutions or additions to the Attachments must be by mutual agreement as a formal amendment to this cooperative agreement, and must contain deadlines for closing easements, requesting reimbursement, and certifying payments. However, nothing in this document obligates the United States of the **[Tribe/State/County/Local Government/Non-governmental Organization]** to purchase any of the conservation easement parcels.

IV. FEDERAL CONTRIBUTION

The Federal contribution for parcels must be based on an appraisal of the conservation easement performed by a certified general appraiser in accordance with the *Uniform Standards of Professional Appraisal Practices* (USPAP). The appraisal must have an effective date that is within twelve months of the closing date. The appraiser must have completed training conservation easements and have experience in appraising agricultural property with and without conservation easements.

The **[Tribe/State/County/Local Government/Non-governmental Organization]** must submit two copies of each appraisal to NRCS no less than 90 days before the proposed closing date for a technical review. Electronic copies may be submitted with approval of the State GRP Manager. Easements will not be closed until a technical review is completed on each appraisal and any deficiencies are resolved.

V. ENTITY'S CONTRIBUTION

The designated escrow agent must disburse 100 percent of the payment, representing the easement purchase price, to the landowner at the time of closing. The **[Tribe/State/County/Local Government/Non-governmental Organization]** must contribute a share of the purchase price. Purchase price is determined by an appraisal of the fair market value of the land less the grazing value of the land encumbered by the easement.

Prior to NRCS accepting the conservation easement and issuing a payment, the **[Tribe/State/County/Local Government/Non-governmental Organization]** shall self-certify on the attached statement that the cash part of the **[Tribe/State/County/Local Government/Non-governmental Organization]**'s share of matching funds has not come from

additional donations, payments, loans or fees made by or charged to the easement grantor, immediate family members, or organizations controlled by or funded by the easement grantor, either through formal or informal agreements.

VI. PAYMENTS

A. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall notify the United States at least 60 days prior to closing when the CCC funds are to be paid. CCC funds shall be paid at closing when the United States is provided a copy of the recorded easement. The United States to make payment to an authorized closing agent. These funds will be transmitted to the Closing Agent by electronic transfer. The Closing Agent will hold the funds in escrow for a period not to exceed 14 calendar days. Upon receipt of the funds, the closing agent will sign a payment receipt form and return it to the United States. If interest is earned upon CCC funds, the Closing Agent must return any interest to the United States.

At a minimum, the following information shall be provided prior to NRCS accepting the conservation easement and FSA disbursing payment: (1) the name of the **[Tribe/State/County/Local Government/Non-governmental Organization]**; (2) this cooperative agreement number; (3) landowner name; (4) landowner's tax identification number (TIN) or social security number; (5) 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; (6) acres acquired for each easement; (7) Tax Identification Number (TIN) for **[Tribe/State/County/Local Government/Non-governmental Organization]**; (8) Federal Information Processing Standards (FIPS) number for **[Tribe/State/County/Local Government/Non-governmental Organization]**; (9) bank routing number and account number for desired deposit location; (10) copy of the recorded conservation easement deed(s) for each easement with language that has been approved by the OGC; and (11) a statement signed by the **[Tribe/State/County/Local Government/Non-governmental Organization]** and the landowner confirming the source of matching funds for each easement.

B. Upon request by a landowner, the **[Tribe/State/County/Local Government/Non-governmental Organization]** may issue installment payments to the landowner. Such an arrangement may occur only after the easement has been conveyed in its entirety and approval is obtained by the NRCS National Office and the Office of General Counsel. Entities wishing to issue payments in installments for GRP acquisitions must issue a portion of the payment at closing and provide a copy of the recorded deed to the United States and an appropriate legal instrument detailing the payment schedule prior to CCC issuing installment payments. Once the easement has been recorded, the **[Tribe/State/County/Local Government/Non-governmental Organization]** may request a payment from CCC on a reimbursable basis after a sum equal to the proportional amount due from the **[Tribe/State/County/Local Government/Non-governmental Organization]** and the NRCS has been paid to the landowner. The **[Tribe/State/County/Local Government/Non-governmental Organization]** must issue all installment payments, including disbursement of all CCC funds and those of the **[Tribe/State/County/Local Government/Non-governmental Organization]** prior to September 30, 2012.

VII. CONSERVATION EASEMENT REQUIREMENTS

The **[Tribe/State/County/Local Government/Non-Governmental Organization]** may meet the GRP conservation easement terms in one of two ways. The **[Tribe/State/County/Local Government/Non-Governmental Organization]** may use the standard GRP deed template for partner use provided by NRCS, or it may use its own template with the required terms set forth below incorporated. Use of the eligible entities' template will require OGC/NRCS approval. In addition, any substantive variation from a USDA approved partner template must be reviewed and approved by NRCS and OGC in advance of use. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall ensure that conservation easements acquired under this agreement:

1. run with the land in perpetuity or the maximum allowable under State law, where State law prohibits a permanent easement;
2. protect grazing uses and related conservation values;
3. provide for the administration, management, enforcement of the easement, and if applicable, restoration or rehabilitation of the protected property by the **[Tribe/State/County/Local Government/Non-governmental Organization]**;
4. certify that management, maintenance and oversight/monitoring of historic and archaeological properties shall follow the Secretary of Interior's Standards and Guidelines or those of the State Historic Preservation Officer or American Indian Tribe, as appropriate, if the parcel includes contributing historical and archaeological resources. Such historic and archaeological resources, to be considered eligible lands for the GRP program and contributing to the easement, must be listed in or meet the National Register of Historic Places eligibility criteria or those resources are be included in the a State or Tribal register or inventory. The deed must include a statement setting forth the historic and/or archaeological values being protected and identify the entity and briefly document their 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.
5. include the following "Rights of the United States of America" provision:

"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), on behalf of the United States, will exercise these rights under the following circumstances: In the event that the **[Tribe/State/County/Local Government/Non-governmental Organization]** fails to enforce any of the terms of this Conservation Easement, as determined in the sole discretion of the Secretary, the Secretary and his or her successors or assigns may exercise the United States' rights to enforce the terms of this Conservation Easement through any and all authorities available under Federal or State law."

6. include in the opening paragraph of the deed setting forth the parties to the deed, and acknowledgement of the United States rights of enforcement to read as follows:
“To [Tribe/State/County/Local Government/Non-governmental Organization] and the United States of America, as its interests appear herein”.
7. Require management of the property in accordance with a GRP management plan that is developed utilizing the standards and specifications of the NRCS Field Office Technical Guide (FOTG) and approved by NRCS. The following paragraphs shall be included in all conservation easements acquired using GRP funds:

As required by section 1238O the Grantor, his heirs, successors, or assigns, shall conduct all grazing operations on the Protected Property in a manner consistent with a GRP management plan approved by NRCS. This GRP management plan will be developed using the standards and specifications of the NRCS Field Office Technical that are in effect on (INSERT EASEMENT SIGNATURE DATE). 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 Property, with advance notice to the Grantor, in order to monitor compliance with the GRP management plan. The GRP management plan may be modified only by agreement of the Parties, including NRCS.

8. Include signature of a responsible NRCS official on the Conservation deed, accepting the United States' property interest in the deed.
9. Include other terms that may be required by OGC or GRP policy, such as a general indemnification clause and hazardous materials warranty.

VIII. 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 GRP management plan in accordance with the FOTG. To ensure that the GRP management plan is implemented in accordance with their terms, the NRCS will be provided the opportunity to conduct periodic field visits on lands that are enrolled in the GRP.
2. The CCC shall, subject to the availability of funds, disburse the appropriate funds to the **[Tribe/State/County/Local Government/Non-governmental Organization]** in accordance with Part III and VI of this Cooperative Agreement.
3. Prior to NRCS accepting the conservation easement and processing the payment, NRCS shall ensure that: a GRP management plan is developed in accordance with the FOTG; an AD-1026, Highly Erodible Land and Wetland Certification form has been filed at the appropriate USDA Service Center; a CCC-526, Adjusted Gross Income Certification has been filed at the appropriate USDA Service Center; and the **[Tribe/State/County/Local Government/Non-governmental Organization]** conservation easement deed template has been approved by the Office of General Counsel or the **[Tribe/State/County/Local Government/Non-governmental Organization]** is using the GRP template. In addition, prior to accepting the conservation

easement and processing payment for NRCS acquired easement, NRCS must acquire: a signed letter from the closing agent indicating that the agent meets GRP closing agent requirements, a signed statement from the **[Tribe/State/County/Local Government/Non-governmental Organization]** and landowner confirming matching funds; and a copy of the title commitment.

4. NRCS shall certify payment for all conservation easements for parcels listed on Attachment A acquired by September 30, 2011, including the first payment made for conservation easements with installment payments.

B. Those of **[Tribe/State/County/Local Government/Non-governmental Organization]**-

1. The **[Tribe/State/County/Local Government/Non-governmental Organization]** will be registered with the Central Contractor Registration (CCR) database, maintain an active CCR with current information, and provide its Dun and Bradstreet Data Universal Numbering System (DUNS) number prior to obligating funds under this agreement.
2. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall perform necessary legal and administrative actions to ensure proper acquisition and recordation of valid easements.
3. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall use funds provided for under this agreement for the acquisition of conservation easements. CCC funds shall pay for not more than 50% of the purchase price of the conservation easement acquired.
4. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall pay all costs of conservation easement procurement and will operate and manage each conservation easement in accordance with the **[Tribe/State/County/Local Government/Non-governmental Organization]** program, this Cooperative Agreement, and 7 CFR Part 1415. The United States shall have no responsibility for the costs or management of the conservation easements purchased by the **[Tribe/State/County/Local Government/Non-governmental Organization]** **unless it exercises its rights under a conservation easement.** The **[Tribe/State/County/Local Government/Non-governmental Organization]** 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 **[Tribe/State/County/Local Government/Non-governmental Organization]** 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 **[Tribe/State/County/Local Government/Non-governmental Organization's]** 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.
5. Non-governmental organizations shall continue to meet the eligibility requirements set forth in GRP authorizing statute and further described in policy, including the requirements 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 509 (a)(2) of that Code;
 - d.* or 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;
 - e.* has the relevant experience to administer a GRP easement;
 - f.* has a charter describing a commitment to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes;
 - g.* has a dedicated account of at least \$50,000 for legal defense, management and monitoring the easement.
6. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall either use a standard GRP template or incorporate into the entity's own deed forms the required terms set forth in Part VII of this Cooperative Agreement. In addition, the **[Tribe/State/County/Local Government/Non-governmental Organization]** is to list the United States of America as a third party beneficiary in the opening paragraph of the deed to insure the United States' rights are indexed in the land records.
7. Prior to closing, the **[Tribe/State/County/Local Government/Non-governmental Organization]** shall ensure that all lands for which a conservation easement has been acquired has a GRP management plan as described in Part VII of this Cooperative Agreement.
8. At a minimum, the **[Tribe/State/County/Local Government/Non-governmental Organization]** shall monitor GRP parcels 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 and conservation easements pending acquisition will be submitted to the NRCS representative at the State level.
9. In acquiring conservation easements, the **[Tribe/State/County/Local Government/Non-governmental Organization]** shall ensure that the title to the lands or interests therein shall be unencumbered or, if encumbered by outstanding or reserved interests, the **[Tribe/State/County/Local Government/Non-governmental Organization]** 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 Grassland Reserve Program. The **[Tribe/State/County/Local Government/Non-governmental Organization]** 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. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall assure that proper title evidence is secured.
10. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall have an appraisal conducted on the Property prior to NRCS accepting an interest in the easement. The

appraisal shall be conducted by a certified general appraiser and shall conform to the *Uniform Standards of Professional Appraisals Practices*.

11. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall not use GRP funds to place an easement on a property in which the **[Tribe/State/County/Local Government/Non-governmental Organization's]** employee or board member, with decision-making involvement in matters related to easement and acquisition and management, has a property interest. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall not use GRP funds to place an easement on a property already owned by a conservation organization or 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 **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees to generally conduct itself in a manner so as to protect the integrity of conservation easement deeds which it holds as well as avoid the appearance of impropriety or actual conflicts of interests in its acquisition and management of conservation easements.
12. The **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees that it will not at any time, when the **[Tribe/State/County/Local Government/Non-governmental Organization]** is named as a Grantee on the conservation deed, seek to acquire the remaining fee interest in the Property. Likewise, if the **[Tribe/State/County/Local Government/Non-governmental Organization]** enters into an agreement with another entity to manage/monitor the conservation easement, and the entity seeks to acquire the underlying fee, the **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees to immediately terminate such a relationship and arrange for an uninterested party to manage/monitor the conservation easement.
13. Paragraphs 2, 3, 7, 10, 11 and 12 of this Section shall survive the termination or expiration of this agreement.

IX. PUBLIC INFORMATION and CIVIL RIGHTS

- A. The **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees to include USDA in any public news releases, events, brochures, fact sheets, etc. related to acquisition of the properties acquired with GRP funds under this agreement. The **[Tribe/State/County/Local Government/Non-governmental Organization]** will include the statement "USDA is an equal opportunity Provider and employer" on each fact sheet, publication and brochure for public distribution related to GRP funded properties.
- B. The **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees to provide to the NRCS State Public Affairs Specialist prior to public release, draft copies of fact sheets or success stories for review and comment developed for GRP funded properties acquired under this agreement. This will be provided to NRCS a minimum of two (2) business days prior to publication. NRCS will return any comments within two (2) business days of receipt of the draft documents.

X. GENERAL PROVISIONS

- A. The term of this agreement for parcels shall be from the date of the last signature affixed hereto through September 30, 2012.

If easements on all the parcels listed on Attachment A or the replacements for those parcels are not closed by March 31, 2011, any remaining funds will be released from this obligation unless the agreement is extended for specific easements, as provided for in paragraph IX(C).

- 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 **[Tribe/State/County/Local Government/Non-governmental Organization]**. Nothing herein shall preclude the United States or the **[Tribe/State/County/Local Government/Non-governmental Organization]** from entering into other mutually acceptable arrangements or agreements, except as identified in Part VIII of this cooperative agreement. Such documents shall be in writing, reference this agreement, and shall be maintained as part of the official 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 **[Tribe/State/County/Local Government/Non-governmental Organization]**. The agreement may only be extended with the permission of the Deputy Chief for Programs of the Natural Resources Conservation Service and only if extenuating circumstances occur with the individual easements for which an extension is requested.
- D. The United States may terminate this agreement if the United States determines that the **[Tribe/State/County/Local Government/Non-governmental Organization]** has failed to comply with the provisions of this 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 part 1403, part 3016 and part 3019, as applicable.
- E. The procedures set forth at 7 CFR parts 3015, 3016 and 3019 as well as OMB Circular A-122 apply to this agreement, as appropriate.
- F. It is the intent of NRCS to fulfill its obligations under this 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 Agreement because of insufficient funds, this agreement will automatically terminate.
- G. Employees of the **[Tribe/State/County/Local Government/Non-governmental Organization]** shall not be considered to be Federal employees or agents of the United States for any purpose under this agreement.
- H. The **[Tribe/State/County/Local Government/Non-governmental Organization]** shall give CCC, the United States, or the Comptroller General, through any authorized representative,

access to and the right to examine all records, books, papers, or documents related to this agreement.

- I. The **[Tribe/State/County/Local Government/Non-governmental Organization]** agrees to comply with all applicable Federal, State, and local laws.

XI. 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 **[Tribe/State/County/Local Government/Non-governmental Organization]** representative for this Cooperative Agreement is:

Director
[Tribe/State/County/Local Government/Non-governmental Organization]
 Street Address
 City, State Zip Code
 Phone Number

IN WITNESS WHEREOF, the following authorized representatives of the United States and the **[Tribe/State/County/Local Government/Non-governmental Organization]** have executed this Cooperative Agreement.

THE **[Tribe/State/County/Local Government/Non-governmental Organization]**

By: Director
[Tribe/State/County/Local Government/Non-governmental Organization]

UNITED STATES OF AMERICA
COMMODITY CREDIT CORPORATION

By: State Conservationist

**Statement to Confirm Matching Funds
Grassland Reserve Program (GRP)**

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

GRP Easement _____

State _____ County, Parish or Borough _____

A. Appraised Fair Market Value of the Easement (Purchase Price)	
B. Grantor (Landowner) Donation (up to 25% of value counts as part of entity share)	
C. Eligible Entity Cash Contribution Paid to the Grantor*	
D. Federal Cash Contribution Paid to the Grantor (Landowner) (cannot exceed 50% of purchase price)	
* Under GRP authorizing statute and regulations, GRP funds may not be used for administrative costs such as appraisal, survey, title insurance, legal fees, easement monitoring or other related transaction costs. Administrative costs are not counted as part of the entity cash contribution or as part of the purchase price.	

Administrative Costs	To be paid by Eligible Entity
Appraisal (by certified appraiser to USPAP standards)	
Survey	
Closing Costs (legal fees)	
Title Insurance	
Easement Monitoring	
Total	

GRANTOR (landowner)

I certify that the information on this supporting form for Federal GRP 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 purchase price). I understand that false certification has serious consequences and will result in ineligibility for the GRP.

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

Signature: _____ Date: _____

GRANTEE (eligible entity)

I certify that the information on this form for Federal GRP 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 result in ineligibility of the entity for the GRP.

Cooperating Entity Name (please print); _____

Authorized Official (please print); _____

Signature by Authorized Official: _____ Date: _____

NRCS

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

NRCS Representative (please print):

Signature by NRCS Representative: _____ Date: _____