

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-1200
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM CONTRACT

1 ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

- A** By signing the EQIP contract, the participant certifies that such participant will control the land subject to the contract for the contract period and shall, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B** A participant shall not be eligible for cost-share or incentive payments on practices on eligible land if the participant receives or has received cost-share payments or other benefits for the same practice on the land under the Conservation Reserve Program (7 CFR Parts 704 or 1410), Wetlands Reserve Program (7 CFR Parts 703, 620, or 1467) or Environmental Quality Incentives Program (7 CFR 1466).
- C** Land otherwise eligible for the EQIP shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in the EQIP. By applying for the EQIP contract, the participant certifies as a condition for payment that no such restrictions apply to such land.

2 SELECTING OFFERS FROM PRODUCERS

- A** All applications will be evaluated using a selection process developed locally by the State Conservationist or Designated Conservationist, with advice from the State Technical Committee or Local Work Group.

3 AGREEMENT

- A** The participant agrees:
 - (1) That the CCC-1200 (EQIP contract) and its addenda shall be considered a request to enter into the Environmental Quality Incentives Program on the terms specified on CCC-1200 and its addenda;
 - (2) To place eligible land into the EQIP for a period of time as specified on the CCC-1200 (not less than one year after the last practice is installed and not to exceed 10 years), from the date the contract is executed by CCC;

- (3) Not to start any financially assisted practice before the contract is executed by CCC. The participant may be granted a waiver to this requirement by the NRCS State Conservationist or designee;
- (4) To comply with the terms and conditions of the EQIP plan of operations and all Federal, State, and local laws that apply to the plan content;
- (5) To establish, maintain for required lifespans, and replace, as specified in the contract, the practices agreed to in the EQIP plan of operations;
- (6) Not to undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by CCC;
- (7) To discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified archeological or historical site is encountered;
- (8) To maintain proof of payment documentation, if applicable, for 3 years after the end of the fiscal year in which the practice was completed and to present this documentation to CCC within 30 days if selected for administrative compliance check; and
- (9) For contracts that include a waste storage or treatment facility, to develop and implement all practices identified in a comprehensive nutrient management plan; or
- (10) For contracts funded under section 1240I, Surface and Ground Water Conservation, to implement a program of conservation measures that will result in a net savings of ground and surface water resources in the agricultural operation of the producer.

B CCC agrees, subject to the availability of funds, to:

- (1) Share the cost with owners and operators of establishing an eligible practice, or an identified unit thereof, agreed to in the contract;
- (2) Reimburse the cost of developing a comprehensive nutrient management plan including the siting of and design of a waste storage/treatment facility if the plan and design is prepared by a certified technical service provider.
- (3) Pay to the participant an interest penalty on cost-share and incentive payments not made by the date, as determined by CCC, the payment is due.

4 ENVIRONMENTAL QUALITY INCENTIVE PLAN OF OPERATIONS

A By signing the EQIP contract, the participant agrees to implement the practices specified in said contract on the land specified.

5 PAYMENTS

- A** Subject to the availability of funds, cost-share and incentive payments, as approved by CCC, shall be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the EQIP plan of operations and with appropriate standards and specifications.
- B** Subject to the availability of funds, reimbursement of the technical assistance cost of developing a comprehensive nutrient management plan (CNMP) including the siting of and design of a waste storage/treatment facility if the plan and design is prepared by a certified technical service provider, as approved by CCC, shall be made available upon a determination by CCC that a plan and design has been established in compliance with NRCS standards and specifications.
- C** CCC will make cost-share and incentive payments, as approved by CCC, available to the participant at the rate specified in the EQIP contract; however any individual cost-share practice in which the total actual cost exceeds \$100,000 shall be cost-shared at a rate **NO GREATER** than 50 percent unless a lower rate was established locally.
- D** Except as otherwise provided for in this paragraph, cost-share and incentive payments, as approved by CCC, may be made available under the EQIP only for the establishment or application of an eligible practice. In order to receive cost-share and incentive payments or reimbursement of technical assistance for a CNMP provided by a certified technical service provider, as approved by CCC, the participant, upon certification of the completion practice, must file Form CCC-1245 with CCC at the USDA Service Center responsible for the administration of the participant's farm records.

6 PROVISIONS RELATING TO TENANTS AND LANDLORDS

Notwithstanding Paragraph 13, no payment will be approved for the current year if CCC determines that any of the following conditions exist:

- A** The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation plan, or that have a lease that runs through the CCC-1200 period at the time of sign up, an opportunity to participate in the benefits of the program;
- B** The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded with interest and no further payments shall be made.

7 ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE

- A** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and the regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any

fraudulent representation with respect to this contract, will not be entitled to payments or any other benefits made in accordance with this contract and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to the contract.

- B** Refunds determined to be due and owed to CCC in accordance with this contract will bear interest at the rate which CCC is required to pay for its borrowing from the United States Treasury on the date of the disbursement by CCC of the moneys to be refunded. Interest will accrue from the date of such disbursement by CCC.
- C** The provisions of paragraph 7A of this Appendix shall be applicable in addition to any liability under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other liability to which the participant may be subject.

8 NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT

CCC agrees that if any changes of any terms and conditions of this contract, including changes necessary to reconcile the technical practices listed on the CCC-1200 to those specified in the conservation plan, become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify the persons signing the CCC-1200 of such change and such person will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the contract request. The participant agrees to notify the CCC of an intention to withdraw from the contract request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.

9 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in the contract.

10 TERMINATION OF CONTRACT

If a participant fails to carry out the terms and conditions of this contract but CCC determines that such failure does not warrant termination of this contract, CCC may require such participant to refund, with interest, payments received under this contract, or require the participant to accept such adjustments in the subsequent payments as are determined to be appropriate by CCC.

11 CONTRACT MODIFICATIONS

CCC may modify this contract to add, or substitute certain practices when:

- A** (1) The installed practice failed to adequately treat a unit of land or water through no fault of the participants;
- (2) The installed practice would cause adverse impacts to significant cultural and environmental resources identified in the conservation plan, or those discovered as a result of installation;

(3) The installed measure has deteriorated because of conditions beyond the control of the participants; or

(4) Another practice will achieve at least the same level of environmental benefits.

B Additional conservation practices and/or land area is added to the contract provided the modification meets the identified resource concern and does not exceed any payments limitations.

C Both the participant and the State Conservationist or designee agree to this modification.

12 EFFECTIVE DATE AND CHANGES TO CONTRACT

A The EQIP contract is effective when signed by the participants and an authorized representative of CCC. Except as otherwise determined by CCC, the contract may not be revoked or revised unless by mutual agreement between the parties. Within the dates established by CCC, the contract must be signed by all required participants.

In the event that a statute is enacted during the period of this contract which would materially change the terms and conditions of this contract, the CCC may require the participants to elect between acceptance of modifications in this contract consistent with the provisions of such statute or termination of this contract.

B The EQIP contract shall be carried out in accordance with all Federal statutes and regulations, included but not limited to the National Environmental Policy Act, the Endangered Species Act, National Historic Preservation Act, Title VI and VII of the Civil Rights Act of 1964, as amended, the Civil Rights Restoration Act of 1987, other nondiscrimination statutes, and the regulations of the Secretary of Agriculture found at 7 CFR Part 15, Subparts A & B. The CCC may, without incurring liability for breach of the contract, terminate the EQIP contract, in whole or in part, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

13 REGULATIONS TO PREVAIL

The regulations in 7 CFR Part 1466 for the EQIP are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

By signing the EQIP contract, the participant certifies that he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while conducting any activity associated with the EQIP contract. This certification is a material representation of fact upon which reliance was placed when CCC determined to award this EQIP contract. If it is later determined that the participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR

part 3017, Subpart F, Section 3017.600) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.

The following owners, operators, and producers by entering their signature acknowledge receipt of this Appendix to CCC-1200 and agree to the terms and conditions thereof. Further if the undersigned are succeeding to an existing EQIP contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property in any previous participant on the EQIP contract for that property, or to receive payments under the contracts.

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