



## **Farming Practices & Ecosystem Services Agreement Summary**

### ***Who are the parties?***

The Soil and Water Outcomes Fund® Farming Practices & Ecosystem Services Agreement is an agreement between farmers ("Participants") and AgOutcomes, Inc, ("AgOutcomes"). AgOutcomes is the company that enters contracts for the Soil and Water Outcomes Fund.

AgOutcomes works to connect farmers with opportunities to earn payments for implementing on-farm conservation practices that produce air quality improvements, such as Carbon Dioxide Equivalents (CO<sub>2</sub>e), including soil carbon sequestration or emissions reductions measured in metric tons, or water quality improvements including Total Nitrogen (TN) and Total Phosphorus (TP) improvements measured in pounds.

### ***What is the purpose of the Agreement?***

AgOutcomes will pay Participants to implement agreed upon on-farm conservation farming practices designed to generate quantifiable and verifiable environmental outcomes ("Ecosystem Services Credits"). AgOutcomes and a Participant farmer will agree on the conservation practices the Participant will implement. AgOutcomes and the Participant also agree on the total price that will be paid to the Participant for the contract time period.

### ***What is the schedule for payments?***

AgOutcomes pays Participants an initial payment within 30 days after the Agreement is signed and will make a second, final payment after AgOutcomes verifies and quantifies the environmental outcomes that result from implementing the agreed upon on-farm conservation practices ("Environmental Services Credits").

### ***What do Participants sell to AgOutcomes in exchange for the Soil and Water Outcomes Fund payments?***

Participants sell all ownership rights in Carbon Dioxide equivalents, soil sequestration or emissions reductions and water quality improvements that result from the implementing the on-farm conservation practices for the growing season. Participants also agree not to participate in any other program that offers compensation for Environmental Services Credits during the growing season.

### ***How will progress be monitored?***

Natural Resources Conservation Service (NRCS) conservation practice guidelines apply to the on-farm conservation practices. Participants must keep records to document progress and AgOutcomes will schedule field visit(s) with Participants as needed to confirm that progress. During and after the growing season, AgOutcomes will verify contract compliance via field visits and remote sensing.



***What do Participants promise about their ability to enter the agreement with AgOutcomes?***

Participants promise AgOutcomes they have all the power and authority needed to implement the on-farm conservation practices and to sell the resulting Ecosystem Services Credits to AgOutcomes. Participants also promise that if they lose that power and authority during the term of the Agreement, the Agreement will end.

***What if there is a disagreement?***

If there is a disagreement that is not resolved by discussions between AgOutcomes and the Participant, the Participant and AgOutcomes will select a single arbitrator who will conduct a nonbinding arbitration, applying Iowa law. Participant and AgOutcomes will each pay their expenses in the arbitration. If arbitration is not successful, either AgOutcomes or the Participant can file a lawsuit, but both agree that a judge, not a jury, will resolve the dispute.