

La Plata Open Space Conservancy Conservation Easement Grantor Agreement

Prior to granting a conservation easement to La Plata Open Space Conservancy (LPOSC), the Grantor confirms that he/she understands and agrees to the following: (Please initial, sign and date.)

_____ I understand that LPOSC will accept only those conservation easements that satisfy the federal requirements for conservation purposes and public benefits, and comply with LPOSC's Policies and Procedures as adopted on June 2, 2009. LPOSC may decline to accept a conservation easement for any reason. To qualify for federal and state tax benefits, a conservation easement must be donated in perpetuity to a qualified conservation organization "exclusively for conservation purposes." Conservation purposes are defined by Internal Revenue Code Section 170(h)(4)(A) as:

1. Preservation of land areas for outdoor recreation by, or the education of, the general public.
2. Protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem.
3. Preservation of open space (including farmland and forest land) where such preservation is
 - a. For the scenic enjoyment of the general public, or
 - b. Pursuant to a clearly delineated Federal, State, or local government conservation policy, AND will yield a significant public benefit, or
4. Preservation of an historically important land area or a certified historic structure.

_____ I understand that a conservation easement is perpetual. I agree to inform LPOSC of any transfer of ownership of any portion of an easement property, and to pay a \$500 fee to LPOSC at the time of any such transfer, as outlined in the conservation easement document, to enable LPOSC to update its records and notify transferee of the terms and conditions of the easement.

_____ I understand that LPOSC will agree to amendments to conservation easements only in accordance with its Policies and Procedures adopted June 2, 2009, and that LPOSC will charge a fee to cover any and all costs of drafting and executing amendments.

_____ I understand that I may sometimes reserve rights to engage in certain nonagricultural commercial activities, reserve homesites within an easement or divide encumbered property. Such rights must be reserved in the original easement and cannot be added later by amendment. I have considered my need to reserve such rights, and the impact of the grant of easement on my financial position and liquidity.

_____ I understand that, although LPOSC accepts only those conservation easements that it believes, based on its experience and on all available information, meet the federal and state conservation purposes and public benefit requirements, LPOSC cannot guarantee that I will receive tax benefits as a result of a gift of conservation easement. LPOSC will outline the various federal and state tax incentives that may result from a charitable gift of conservation easement; however, LPOSC cannot give tax, accounting, legal or appraisal advice. I represent that I have obtained or will obtain competent, independent tax, accounting, legal and appraisal advice to enable appropriate use of the tax incentives and to plan for the future, and I will not rely on LPOSC for tax, accounting, legal or appraisal advice. Misuse of tax incentives may result in federal and state penalties and/or denial of claims for tax benefits.

_____ I understand that LPOSC can accept grants of conservation easement that meet federal and state conservation purposes and public benefit requirements, whether such grants are tax-deductible charitable gifts, or non-tax-deductible grants made to meet the requirements of governmental or other entities. Only conservation easements that are charitable gifts are eligible for federal and state tax benefits. *Easements granted to meet specific governmental requirements, easements granted in exchange for other rights or considerations, and easements encumbering rights that are already encumbered by existing covenants, restrictions, or public or private agreements are not gifts.* LPOSC reserves the right to require that I

represent, in a sworn affidavit, that the conservation easement is a charitable gift, prior to signing my IRS Form 8283 and Colorado Form DR 1303.

_____ I understand that I am responsible for obtaining an independent appraisal to value a gift of easement, and for claiming any federal and state tax benefits that may result from the gift. My conservation easement appraisal must be completed by a qualified appraiser and the appraisal must be a qualified appraisal under federal and state law. The appraisal must value the gift as of the date of donation, and must be completed not more than 60 days prior to the donation, and prior to filing my tax return(s) claiming tax deductions/credits. The use of inflated and/or fraudulent appraisals may result in federal and state penalties and/or denial of claims for tax benefits. LPOSC requires a copy of the appraisal, and reserves the right to review and request explanation of appraisal findings, and to require that I represent, in a sworn affidavit, that the easement appraisal is based solely on existing facts and conditions and is not inflated or fraudulent in any way, prior to signing my IRS Form 8283 and Colorado Form DR 1303. LPOSC will not knowingly participate in projects where it has concerns about the tax deduction and credit.

_____ I understand that LPOSC must prepare or obtain a baseline report (Baseline) of the property to be encumbered. I agree to reimburse LPOSC for the Baseline and other transaction costs as part of a one-time stewardship fee. LPOSC will provide an estimate of transaction and stewardship/defense costs, prior to beginning the process. I agree to pay a \$500 nonrefundable retainer to LPOSC, as part of the stewardship fee, to begin Baseline preparation, and I agree to provide and/or enable LPOSC to obtain any and all pertinent information, including but not limited to:

1. Deeds
2. Legal Description
3. Title policies and/or commitments
4. Mortgage subordination agreement(s) (if applicable)
5. Vicinity map showing easement location
6. USGS topographic map showing easement boundaries
7. District land use map (if applicable)
8. Verification of conservation values (wildlife, agricultural, other)
9. Verification of water rights (if applicable)
10. Verification of mineral rights, and mineral "remoteness" assessment
11. Environmental hazard assessment
12. Plat showing property boundaries, natural and manmade features, and photo points.
13. Photos of property (keyed to photo points)
14. Aerial photos

_____ I understand that LPOSC is required by law to monitor and enforce its conservation easements in perpetuity. To do so, LPOSC must have access to the property, as outlined in the conservation easement, and it must have adequate resources to meet its stewardship obligations. I agree to ensure LPOSC's access to the property and to pay an adequate stewardship fee, as calculated by LPOSC. A portion of the stewardship fee covers LPOSC's initial transaction costs - site visits and evaluations, due diligence, easement drafting and review, a mineral remoteness report, and baseline preparation. The remainder is invested in LPOSC's Stewardship/Defense Fund. The defense portion of the fund may be used to enforce easement restrictions. Earnings from the stewardship portion of the fund are used for regular easement monitoring. LPOSC makes no representation that the stewardship fee is tax-deductible, and I agree to rely on a competent independent advisor to determine tax treatment of the stewardship fee.

I understand and agree to the foregoing.

_____/_____
Grantor Date

_____/_____
Grantor Date