Easement Process for Potential Forest Owners

**\*\*Please note: The entire process takes several months to a year to complete\*\***

## Step 1: Landowner with qualifying property approaches the 500-Year Forest Foundation

Potential properties…

-Preferably have an existing underlying conservation easement.

-Must be approximately 100 acres of land total (may be multiple parcels)

-A significant amount of the trees on proposed land must be approximately 70 years or older

-A largely intact and well-stocked forest with minimal evidence of recent cutting and/or heavy disturbance.

-Indications that site quality will support trajectory into old growth forest

## Step 2: The 500-Year Forest Foundation confirms that the proposed property meets criteria and responds to Forest owner

The 500-Year Forest Foundation Board of Directors reviews the project proposal and establishes a connection via email and phone calls. ***Forest owner is apprised of a required stewardship fee.***

## Step 3: Forest owner engages advice of legal counsel independent of the 500-Year Forest Foundation

Forest owner has an understanding that the 500-Year Forest Foundation is not providing legal advice.

## Step 4: Forest is visited by representatives from The 500-Year Forest Foundation and forest owner

## Step 5: Mortgage Subordination is submitted by forest owner (if necessary)

## Step 6: Property is surveyed by forest owner

We require a formal survey and plat if the property lines are questionable and previous plats and surveys do not exist. The survey and plat establish proposed 500-Year Forest boundaries as well as potential forest inventory survey points. Ordinarily, we can flag and GPS the boundaries of the 500 YFF if a good plat is available. A legal description is then created from this process.

## Step 7: Timber on the property is appraised by a 3rd party

This appraisal amount will later be used to determine the amount of available tax credits. Tax credits received may be 40% of the appraised standing timber value, but could be less, for a total of up to $50,000 per property per year for 10 years.

## Step 8: A Baseline Documentation Report (BDR) is created by 3rd Party

A BDR provides the forest owner and the 500-Year Forest Foundation with documentation of the state of the forest when it was first put under easement. Things of note in a BDR include land use history, vegetation composition, average age of trees and general forest health observations.

## Step 9: A forest survey is conducted by the 500-Year Forest Foundation

Forest surveys allow our team to survey the overall health of the forest, habitat makeup, and average tree age via coring.

## Step 10: Form 8283 is filled out and signed by landowner, then signed by appraiser

## Step 11: Property Title Report and Title Insurance are obtained by forest owner

## Step 12: Overlaying conservation easement is drafted by the property owner (or a representative) and representatives from the 500-Year Forest Foundation

A template of standard easement language exists with specific provisions barring agricultural and timber harvesting, road and structure development, as well as advertisement and sign creation. Some additional terms may be drafted into the easement so long as they are agreed upon by both the property owner and representatives of the 500-Year Forest Foundation. Final approval of language is given by 500-Year Forest Foundation Board of Directors.

## Step 13: Conservation Easement Signing Day (forest owner and the 500-Year Forest Foundation)

Balance of due diligence fees are paid by forest owner. Conservation easement & baseline report are signed by forest owner and representatives of the500-Year Forest Foundation. The stewardship gift is given by forest owner and in return a tax receipt letter is given by the 500-Year Forest Foundation.

## **Step 14: The Deed of Easement is recorded with the county courthouse (by forest owner and their attorney)**

## **Step 15: Forest owner can then consult their attorney or accountant to apply for tax deductions and credit**

## **Step 16: Long Term Stewardship continues between the forest owner and the 500-Year Forest Foundation**

Includes potential forest inventory and analysis by the 500-Year Forest Foundation.