

Letter of Intent
Template

Dear ____ (landowner):

This letter confirms our mutual intentions with respect to the potential conservation easement transaction described in the attached Term Sheet between you (“Grantor”) and the [INSERT LAND TRUST NAME] (“...”), collectively referred to as the “Parties.” This document in and of itself does not represent an enforceable legal contract.

Your donation of a conservation easement may qualify for a tax deduction if it meets specific appraisal requirements. In brief summary, the IRS requires that the donor obtain a written appraisal prepared for the landowner by a qualified appraiser in order to establish the value of the conservation easement donation. [INSERT LAND TRUST NAME] strongly suggests using an appraiser with conservation easement appraisal experience and can provide you with a list of recommendations upon request.

[INSERT LAND TRUST NAME] cannot provide tax advice, and we recommend that you contact your tax advisor or accountant to discuss the requirements to qualify for a deduction. We have attached the “[INSERT LAND TRUST NAME] Procedures & Requirements Regarding Appraisals and Tax Deductions for Donations of Land or Conservation Easement” for your review and to share with your appraiser and tax advisor. Let me know if you have any questions or need any additional information.

If the foregoing terms are acceptable to you, please so acknowledge by signing below.

GRANTOR

[INSERT LAND TRUST NAME]

TERM SHEET

Date _____

PROJECT (NAME OF PROJECT)

OWNER (OWNER NAME)

ACREAGE (XX ACRES)

See **Exhibit A1, Parcels and Acreages**

BARGAIN (\$XXX,000.00)
SALE CASH
PAYMENT

FUNDING South Carolina Conservation Bank (for example)

OWNER DONATION (\$XXX,000.00)
AT CLOSING

CONSERVATION See **Exhibit A2, Draft Conservation Easement(s)**
EASEMENT
TERMS

<u>ANTICIPATED</u>	Appraisal (Phase 1 & 2)	\$ X,000 - \$XX,000
<u>EXPENSES</u>	Title Binder (Phase 1 & 2)	\$ X,000 - \$XX,000
<u>PAID BY OWNER</u>	Environmental Survey (Phase 1 & 2)	\$ X,000 - \$XX,000
	Survey	\$ X,000 - \$XX,000
	<u>Legal Fees</u>	<u>\$ X,000 - \$XX,000</u>
		\$ X,000 - \$XX,000

<u>ANTICIPATED</u>	Conservation Easement Prep / Legal Fees	\$ X,000 - \$XX,000
<u>EXPENSES</u>	Baseline Documentation Report Prep	\$ X,000 - \$XX,000
<u>PAID BY [LT]</u>	Allocation to Stewardship & Legal	
	Defense Fund	\$ X,000 - \$XX,000
	<u>Staff / Administrative</u>	<u>\$ X,000 - \$XX,000</u>
		\$ X,000 - \$XX,000

ANTICIPATED TIMELINE (EXAMPLE)

2017 QTR1

- Draft conservation easement for review [RESPONSIBLE PARTY]
- Review concept with owner’s lawyer and CPA [RESPONSIBLE PARTY]
- Agree to material terms [RESPONSIBLE PARTY]
- Confirm collateral subordination issue with lender [RESPONSIBLE PARTY]
- Finalize appraisal [RESPONSIBLE PARTY]
- Review appraisal / verify project moving forward [RESPONSIBLE PARTY]
- Execute Letter of Intent [RESPONSIBLE PARTY]
- Funding source grant approved [RESPONSIBLE PARTY]

2017 QTR2

- Finalize due diligence and legal [RESPONSIBLE PARTY]
- Coordinate Funding Source Payment [RESPONSIBLE PARTY]
- Schedule Closing [RESPONSIBLE PARTY]

** The Parties acknowledge that the [Funding Sources] are controlled by independent boards, who determine all matters relating to the proposed grant, including the amount approved, the timing of hearings, and when funds are released. Therefore, the proposed timeline as it relates to the proposed SC Conservation Bank application and other funding sources is subject to modification.*

EXHIBIT A
ACREAGES AND PHASES

EXHIBIT B
DRAFT CONSERVATION EASEMENTS

To be provided separately