

## REQUEST FOR BOARD ACTION

### HENDERSON COUNTY BOARD OF COMMISSIONERS

**MEETING DATE:** March 2, 2026

**SUBJECT:** Henderson County Farmland Preservation

**PRESENTER(S):** Angela Price, Farmland Preservation Coordinator  
Jonathan Wallin, Soil and Water Director

**ATTACHMENTS:** Yes

1. Financial Commitment Letter
2. NCDA&CS Memorandum of Agreement
3. Budget Amendment

#### **SUMMARY OF REQUEST:**

Angela Price will provide the Board of Commissioners with an update on Farmland Preservation efforts in Henderson County, including preservation efforts, and future plans.

On April 1, 2024, the Board of Commissioners established the Farmland Preservation Taskforce to support the preservation and protection of agricultural land in Henderson County. On September 19, 2024, the Board directed staff to pursue funding through the Agricultural Growth Zone Grant in accordance with the Taskforce's recommendations. At the January 6, 2025 meeting, the Board requested the County provide a Letter of Commitment for the required grant match. Under the grant guidelines, matching funds were required to be identified and budgeted within one fiscal year of contract execution, with up to two fiscal years allowed to fully appropriate the required match. The maximum grant award was \$2 million and required a 1:1 local match if the maximum amount was requested.

On January 13, 2026, the County received a Notification of Funding Offer from the North Carolina Department of Agriculture and Consumer Services – Farmland Preservation Division in the amount of \$424,571. These grant funds are intended to “encourage the preservation of qualifying farmland and support the growth, development, and sustainability of family farms.” Acceptance of this award requires a County match of \$396,974, which may be satisfied through a combination of cash and in-kind contributions. The period of performance is October 1, 2025 through September 30, 2028.

#### **BOARD ACTION REQUESTED:**

The Board is requested to approve acceptance of the Henderson Local Agricultural Growth Zone Grant award from the North Carolina Department of Agriculture and Consumer Services and to approve the associated budget amendment to recognize the grant revenue and appropriate funds for the required local match.

#### ***SUGGESTED MOTION:***

*I move the Board approve acceptance of the Henderson Local Agricultural Growth Zone Grant award from the NCDA&CS in the amount of \$424,571, and the associated budget amendment.*



1 Historic Courthouse Square • Suite 2 • Hendersonville, NC 28792  
Phone (828) 697-4809 • Fax (828) 698-6014 • [www.hendersoncountync.gov](http://www.hendersoncountync.gov)

**John Mitchell**  
County Manager

**Christopher Todd**  
Assistant County Manager

January 8, 2025

Evan Davis  
Director of Farmland Preservation  
1001 Mail Service Center  
2 West Edenton Street  
Raleigh, NC 27601

RE: NC ADFP Agricultural Growth Zone Matching Grant Fund – Financial Commitment Letter  
Henderson County

Dear Mr. Davis,

On January 6, 2025, the Henderson County Board of Commissioners voted to provide a \$2 million cash match for the NC ADFPTF Agricultural Growth Zone application. This letter serves as Henderson County's commitment to the grant to jumpstart a County-wide Farmland Preservation Program.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Mitchell', is written over a large, faint watermark of the Henderson County logo.

John Mitchell  
County Manager, Henderson County



Steve Troxler  
Commissioner

North Carolina Department of Agriculture  
and Consumer Services

N. David Smith  
Chief Deputy Commissioner

January 13, 2026

April Hoyt, Soil Conservationist/Education Coordinator  
Henderson County  
1 Historic Courthouse Square  
Hendersonville, NC 28792

**NOTIFICATION OF FUNDING OFFER**

Dear April:

On behalf of Commissioner Steve Troxler and the North Carolina Department of Agriculture and Consumer Services - Farmland Preservation Division, I am pleased to inform you that **\$424,571.00** for your project, **Henderson Local Agricultural Growth Zone**, was approved under the Agricultural Development and Farmland Preservation Trust Fund.

The original agreement packet must be completed and returned to the NCDA&CS, making sure that the agreements and certain forms have been signed, dated, and witnessed. Since this is a witness agreement, there are two (2) options to complete the agreement. It is acceptable to have everyone sign the agreement and submit the scanned copy electronically, or to complete electronic signature documents as provided by ADFP Trust Fund staff at the signatory's request. To return a hand-signed and scanned agreement packet, or to request a digital/electronic signature agreement packet, email ADFP Trust Fund Grant Specialist Kelsey Pearce at [kelsey.pearce@ncagr.gov](mailto:kelsey.pearce@ncagr.gov).

By completing these documents, you are agreeing to the specific stipulations, the general terms and conditions and specific reporting requirements. For hand signatures, all authorized representative signatures must be in **blue or black** ink. Please use the Agreement Check Off List to ensure all attachments are included and are in the correct order for each agreement packet.

One fully-executed, original agreement will be returned to you for your records. If you have any questions about your agreement or any of the forms contained in your offer packet, please call Corey Hoilman at 919-707-3069, or feel free to send an email to [corey.hoilman@ncagr.gov](mailto:corey.hoilman@ncagr.gov).

I would like to take this opportunity to thank you for participating in the ADFP Trust Fund to conserve North Carolina's farmland and family farm operations.

Sincerely,

N. David Smith  
Chief Deputy Commissioner

Enclosures



**NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Steven W. Troxler, Commissioner

**Agreement Check Off List for Grantee (Government State/Other Funded)**

**INSTRUCTIONS:** Check the "Yes" boxes in the left column for the document titles that are being returned with the two signed, dated and witnessed copies of the Agreement, with signatures in blue ink. Be sure to include all the other documents specified in your Agreement package. If "No" has been checked off for you, that document is not required for this grant program or project.

**GRANTEE ORGANIZATION NAME:** Henderson County

**PROJECT TITLE/NAME:** Henderson Local Agricultural Growth Zone Conservation Easement

**AGREEMENT #:** 26-035-FP      **TRACKING #:** ADFP-HEN-18-AGZ-000

<i>GO Entities Only Check One Box</i>			<i>Document Title</i>	<i>Department Use - Documents Attached or On File</i>		<i>Grants and Contracts- Documents Attached or On File</i>	
Yes	No			Yes	No	Yes	No
			Agreement Check Off List for Grantee				
			Agreement Cover (To be signed, dated & witnessed)				
			Scope of Work (includes Timeline and Line Item Budget)				
			Terms and Conditions				

STATE OF NORTH CAROLINA  
COUNTY OF WAKE



Departmental Use Only

AGENCY: 1000  
ACCOUNT: 601450-56400008-  
1001012-0000000-2025-000000-  
0000000000-0000-000000-00000  
AMOUNT: \$424,571.00  
TIME PERIOD: 10/1/2025 - 9/30/2028

North Carolina Department of Agriculture and Consumer Services  
Farmland Preservation Division

Agricultural Development and Farmland Preservation Trust Fund – Government

MEMORANDUM OF AGREEMENT  
ADFP TRACKING #: ADFP-HEN-18-AGZ-000

This Memorandum of Agreement is hereby entered into by and between the **North Carolina Department of Agriculture and Consumer Services, Farmland Preservation Division**, (the "Agency") and **Henderson County**, ("Grantee"), and referred to collectively as the "Parties." The Grantee's federal tax identification number is 56-6000307, is physically located in Henderson County (District 11), and is further located at 1 Historic Courthouse Square, Hendersonville, NC 28792.

The purpose of this Agreement is to encourage the preservation of qualifying farmland and to foster the growth, development, and sustainability of family farms. The Grantee's project title is **Henderson Local Agricultural Growth Zone**. This Agreement is funded by State appropriations. Funds awarded under this Agreement must be used for the purposes for which they are intended.

The Grantee's fiscal year ends 6/30.

**Agreement Documents:**

This Agreement consists of the Memorandum of Agreement and its attachments, all of which are identified by name as follows:

1. This Memorandum;
2. Scope of Work, including Timeline, Line-Item Budget, and Budget Narrative; and
3. Terms and Conditions

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

**I. Precedence Among Agreement Documents:**

In the event of a conflict between or among the terms of the Agreement Documents, the terms in the Agreement Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest

precedence. If there are multiple Agreement Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

**II. Effective Period:**

This Agreement shall be effective on 10/1/2025 and shall terminate on 9/30/2028 with the option to extend, if mutually agreed upon, through a written amendment as provided for in the General Terms and Conditions as described in Attachment A. Per the *Local Agricultural Growth Zones (AGZ) Grantee Duties and Reporting Requirements* in the attached Scope of Work, a request for an amendment must be submitted to the Farmland Preservation Director 60 days before the end of the Agreement.

This request must include reasons for not completing the grant and following the timetable of scheduled activities to complete the grant project. This request must provide proper documentation for the hardships that delayed completing the grant project and a revised timeline to complete the conservation easement project. All other required documents, including budget and progress reports, must be current. Eligible hardships include:

- a. Death, severe illness or incapacitation of a landowner;
- b. The Grantee has applied for federal funding and has not yet received a funding notification;
- c. The Grantee has federal funds under contract and has not yet received approval to release federal funds;
- d. Contractor-related delays associated with the production of required due diligence documents;
- e. Environmental issues requiring a Phase II environmental site assessment;
- f. Title or domestic issues, including but not limited to concerns that prevent title certification, boundary line disputes, access or right-of-way issues, bankruptcy, liens, or subordination refusals.

In accordance with 09 NCAC 03M .0703(4) all Parties agree to maintain, physical or digital, copies of all pertinent records for a period of five (5) years or until all audit expectations have been resolved, whichever is longer.

**III. Grantee's Duties:**

The Grantee shall provide the services as described in the attached Scope of Work.

**IV. Agency's Duties:**

The Agency shall pay the Grantee in the manner and in the amounts specified in the Agreement Documents. The total amount paid by the Agency to the Grantee under this Agreement shall not exceed \$424,571.00.

This amount consists of \$424,571.00 in State funds.

[X] a. The Grantee's minimum matching requirement is \$396,973.91, which consists of:

	In Kind	\$
	Cash	\$
	Other – Cash and In Kind:	\$396,973.91

[ ] b. The Grantee has committed to apply for an additional \_\_\_\_\_ to complete the project as described in the Scope of Work. The Grantee shall notify the Agency within 30 days of notification of additional funding decisions. If the funding decision has impacts on the project, the Agency will need to be notified of the impacts within the 30 days stated above.

The total Agreement amount – the award amount plus the minimum in required matching funds – is \$821,544.91.

**V. Conflict of Interest Policy:**

The Agency has determined that the Grantee is a government agency and is not subject to N.C.G.S. § 143C-6-23(b). Therefore, the Grantee is not required to file a Conflict-of-Interest Policy with the Agency prior to disbursement of funds.

**VI. Statement of No Overdue Tax Debts:**

The Agency has determined that Grantee is a government agency and is not subject to N.C.G.S. § 143C-6-23(c). Therefore, the Grantee is not required to file a Statement of No Overdue Tax Debts with the Agency prior to disbursement of funds.

**VII. Reversion of Unexpended Funds:**

Any unexpended grant funds shall revert to the Agency upon termination of this Agreement.

**VIII. Reporting Requirements:**

The Grantee shall provide the Agency with progress reports, both financial and programmatic, for due diligence items.

<b>Due Diligence Items</b>	<b>Yearly Budget and Progress Report Due Dates</b>
Easement Parcel ID Suite	180 days
Legal Conservation Suite	270 days
Final Legal Conservation Documentation Suite	365 days or with final payment request

Three budget and progress reports are due per contract year to document due diligence progress, and to track funds spent and match requirements. For easements not recorded in the first 365 days, the reporting process will repeat itself during each subsequent contract year.

If the specified items are not submitted at or prior to the reporting deadline, a due diligence extension must be filed before the reporting milestone has been reached. Each extension pushes out the due diligence date in **three-month** increments.

In-kind and cash match shall be a part of the required financial reports, and documentation of the reported match shall be included with the reports. Documents shall be in the form of individual timesheets that each employee has signed and approved by the appropriate supervisor, travel logs and invoices for in-kind match, copies of checks, bank deposits, and fund transfers for cash match. Other types of documents may be acceptable with the approval of the Agency Manager.

Due diligence items will be completed and submitted via the secure ShareFile Link supplied to the primary contact by the final date of the reporting period.

The Grantee will remain in compliance with the requirements set forth in this 09 NCAC 03m .0703(14), including audit oversight by the Office of the State Auditor, access to the accounting records by both the funding entity and the Office of the State Auditor, and availability of audit work papers in the possession of any auditor of any recipient of State funding.

## **IX. Payment Provisions:**

The grantee shall provide the Agency with the appropriate reimbursement request (downloadable at [www.ncadfp.org](http://www.ncadfp.org)) and required documentation of performance and expenditures for associated grant reimbursement. Upon approval by the Agency, payment shall be made within 30 days. Ten percent (10%) of the total funds awarded under subsequent Contracts funded through this Agreement shall be retained by the Agency until both the final performance and financial reports are submitted by the Grantee and approved by the Agency. All payments are subject to the availability of funds.

The Grantee shall expend funds in accordance with G.S. 143C-6-23 (f1)(f2)(j). The Grantee shall account for any income earned, which may result from any funds awarded under this Agreement, on the Agency "Request for Reimbursement" form. Eligible uses of income earned are:

- a. Expanding the project or program.
- b. Continuing the project or program after grant ends; or
- c. Supporting other projects or programs that further the broad objectives of the grant program.

If this Agreement is terminated prior to the original end date, the Grantee may submit a final Request for Payment form. All unexpended funds shall be returned by the Grantee to the Agency within 60 days of the Agreement termination date with a complete final financial report, accompanied by either a final invoice or a refund of any funds received but not expended. The Agency shall have no obligation to honor requests for payment based on expenditure reports submitted later than 60 days after termination or expiration of the Agreement period.

Reimbursement requests shall be completed on a "Request for Reimbursement" form furnished to the Grantee by the Agency. All reimbursement forms must include support documentation, including but not limited to copies of invoices, individual time sheets and travel logs that have been signed by the employee and supervisor, salary registers or payrolls that include fringe benefits, hourly rates of pay, and signature of the Grantee's responsible financial person, cancelled checks and lease agreements. See the Conservation Easement Contract Grantee Duties and Reporting Requirements document in the Scope of Work attachment in subsequent contracts for more details on payment provisions.

Eligible expenditures for payment must be within the effective period noted in the Contracts. Reimbursement may not be considered prior to the submission and final execution of the Contracts.

All travel reimbursement shall be made in accordance with the current State rates, at the time of the expenditure, and shall be made in accordance with the "State Budget Manual" (<https://www.osbm.nc.gov/budget/budget-manual>).

All matching funds, including in-kind and cash, must be spent concurrently with funds provided by the Agreement. Both types of matching funds expended shall be accounted for on the monthly certified invoices.

**Indirect costs are not allowable expenditures under this Agreement.**

**X. Fraud, Waste and Abuse**

Grantee, including its employees, contractors, agents, interns, or any subrecipients, shall report suspected fraud, waste and abuse activities related to any state employee, vendor or sub recipient of state funds or state resources.

There are three methods for reporting suspected fraud, waste or abuse (FWA). Grantee can report suspected FWA directly to the Agency's Audit Services Division, to any member of the Agency's management team or through the FWA reporting website below.

N.C.G.S. 143-748 permits Audit Services to treat all information as confidential. However, if an individual wishes to remain anonymous, reports can be submitted through the FWA reporting website: [NCDA&CS IA Report Suspected Fraud, Waste, or Abuse Site](#).

Under no circumstances should an individual attempt to personally conduct investigations or interviews/interrogations related to any suspected FWA act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

It is the Agency's policy that employees/contractors/sub recipients/interns will not suffer retaliation or harassment for reporting in good faith any FWA concerns. The Agency encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be unsubstantiated.

**XI. Agreement Administrators:**

All notices permitted or required to be given by one Party to the other and all questions about the Agreement from one Party to the other shall be addressed and delivered to the other Party's Agreement Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Agreement Administrator are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Agreement Administrator by giving timely written notice to the other Party.

**For the Agency:**

IF DELIVERED BY PARCEL CARRIER	IF DELIVERED BY ANY OTHER MEANS
Corey Hoilman, Assistant Director  1001 Mail Service Center Raleigh, NC 27699-1001 Telephone: 919-707-3069 Email: <a href="mailto:corey.hoilman@ncagr.gov">corey.hoilman@ncagr.gov</a>	Kelsey Pearce, ADFP Trust Fund Grant Specialist 2 W. Edenton St. Raleigh, NC 27601 Telephone: 919-707-3074 Email: <a href="mailto:kelsey.pearce@ncagr.gov">kelsey.pearce@ncagr.gov</a> Grants and Contracts email: <a href="mailto:agr.grants@ncagr.gov">agr.grants@ncagr.gov</a>

**For the Grantee:**

GRANTEE AGREEMENT ADMINISTRATOR - MAILING ADDRESS	GRANTEE PRINCIPAL INVESTIGATOR OR KEY PERSONNEL
April Hoyt, Soil Conservationist/Education Coordinator Henderson County 1 Historic Courthouse Square Hendersonville, NC 28792  Telephone: (828) 697-4949 Email: <a href="mailto:april.hoyt@usda.gov">april.hoyt@usda.gov</a>	Liz Hanson, Planner I  Henderson County 1 Historic Courthouse Square Hendersonville, NC 28792  Telephone: (828) 694-6694 Email: <a href="mailto:ehanson@hendersoncountync.gov">ehanson@hendersoncountync.gov</a>

**XII. Supplementation of Expenditure of Public Funds:**

The Grantee assures that funds received pursuant to this Agreement shall be used only to supplement, not to supplant, the total amount of federal, State, and local public funds that the Grantee otherwise expends for activities involved with specialty services and related programs. Funds received under this Agreement shall be used to provide additional public funding for such services. The funds shall not be used to reduce the Grantee's total expenditure of other public funds for such services.

**XIII. Disbursements:**

As a condition of this Agreement, the Grantee acknowledges and agrees to make disbursements in accordance with the following requirements:

- a. Will implement or already have implemented adequate internal controls over disbursements.
- b. Pre-audit all invoices presented for payment to determine:
  - Validity and accuracy of payment
  - Payment due date
  - Adequacy of documentation supporting payment
  - Legality of disbursement
- c. Assure adequate control of signature stamps/plates.
- d. Assure adequate control of negotiable instruments; and
- e. Have procedures in place to ensure that account balance is solvent and to reconcile the account monthly.

**XIV. Outsourcing and Subcontracting:**

The Grantee certifies that it has identified to the Agency all jobs related to the Agreement that have been outsourced to other countries, if any. Grantee further agrees that it will not outsource any such jobs during the term of this Agreement without providing prior notice to the Agency.

It is the Grantee's responsibility to adhere to the following if subcontracting transpires:

- a. The recipient or subrecipient is not relieved of any of the duties and responsibilities of the original Agreement.
- b. The subrecipient agrees to abide by the standards contained in this Subchapter and to provide information in its possession that is needed by the recipient to comply with these standards.

**XV. N.C.G.S. § 133-32 and Executive Order 24:**

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State employee of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement or Agreement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employee of your organization.

**XVI. N.C.G.S. §132-1.10 Personal Identifying Information**

N.C.G.S. §132-1.10(a-h) outlines the use and prohibition of the social security number and/or other personal identifying information for illegitimate or unlawful reasons. In execution of this Agreement, you attest, for your entire organization, its employees, agents, and/or contractors, you will protect all social security numbers and/or other personal identifying information from illegitimate or unlawful usage according to applicable North Carolina General Statutes and Policies set forth.

**XVII. Signature Warranty:**

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Agreement.

IN WITNESS WHEREOF, the Grantee and the Agency execute this Agreement as an electronic original, each party will be provided a fully executed copy via electronic mail. It is required that each party retain a fully executed copy of this Agreement.

**Grantee:** Henderson County

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Signature of Authorized Representative Date

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Printed Name Title

**Witness:**

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Signature Date

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Printed Name Title



**North Carolina Department of Agriculture and Consumer Services**

Date:

Counter-Signature Authority:

N. David Smith  
Chief Deputy Commissioner

## **Scope of Work Attachment Contents for the Local Agricultural Growth Zones (AGZ) Program:**

- a.** Scope of Work and Map, if provided
- b.** Local Agricultural Growth Zones (AGZ) Grantee Duties and Responsibilities
- c.** Line-Item Budget
- d.** Easement Holder Approval Form
- e.** Subcontractor Approval Form
- f.** Conservation Easement Template
- g.** Survey Requirements and Checklist
- h.** Appraisal Checklist
- i.** Environmental Audit Requirements and Checklist
- j.** Baseline Documentation Report Requirements and Checklist
- k.** Closing Agent Requirements for Easement Programs
- l.** ADFP Trust Fund Monitoring Policies

## **Scope of Work**

The purpose of this contract is to place perpetual agricultural conservation easements within the **Henderson Local Agricultural Growth Zone**.

**Grantee:**

Henderson County

**Additional Funding Sources (secured or unsecured):**

County

Attached is a map of the proposed conservation easement:





## N.C. Department of Agriculture & Consumer Services

N.C. ADFP Trust Fund

*Local Agricultural Growth Zones (AGZ)*

*Grantee Duties and Responsibilities*



The purpose of the Local Agricultural Growth Zones (AGZ) program is to allow counties and conservation nonprofit organizations to enhance local investments in the acquisition of agricultural conservation easements by applying for matching funds from the state.

Different regions in North Carolina have varying agricultural landscapes, land use pressures, and community needs. Local AGZs allow for strategic approaches to farmland preservation at the community level.

1. Local AGZ grants fund agricultural conservation easement purchase funds and transactional and due diligence costs. Funds for individual agricultural conservation easement projects eligible under this grant contract are available on a rolling basis pending the approval of parcel(s), budget, and secured local funds. The Grantee is highly encouraged to determine the final easement purchase value through appraisal or tax card and secure local matching funds before submitting documentation for parcel and budget approval.
2. All parcels submitted for an agricultural conservation easement under this grant must meet the program eligibility requirements of the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) Agricultural Development and Farmland Preservation Trust Fund (ADFPTF). All of the following property eligibility requirements must be met:
  - The property must be privately owned;
  - Located within the borders of the State of North Carolina;
  - In working lands use (agriculture, horticulture, forestry);
    - i. For purposes of determining whether a property is in working lands use, any of the following is sufficient evidence that the property is in working lands use:
      1. A farm sales tax exemption certificate issued by the Department of Revenue;
      2. A copy of the property tax listing showing that the property is enrolled in present-use value;
      3. A forest management plan dated within 10 years.
  - Minimum acreage requirements must follow the present-use value guidelines:
    - i. Five acres for horticulture;
    - ii. 10 acres for agriculture (row crops or pasture);
    - iii. 20 acres for forestry.
    - iv. If there are existing easements that have removed the development rights from the property, those easement areas will be ineligible for the program and will not count towards the minimum acreage requirements.

3. To initiate funding from the Local AGZ grant for an agricultural conservation easement project, the Grantee must submit the AGZ Parcel Approval Form. Below are the requirements for the electronic AGZ Parcel Approval Form:
- Title Prescreen
    - i. Grantees are highly encouraged to submit parcels with no title defects. Title issues identified in the AGZ Parcel Approval Form may cause the parcels to be rejected or issues remedied before approval.
  - Environmental Prescreen
    - i. Grantees are highly encouraged to submit parcels with no environmental issues. Environmental issues identified in the AGZ Parcel Approval Form may cause the parcels to be rejected or issues remedied before approval.
  - Property Eligibility
    - i. All parcels must meet the program eligibility requirements as detailed in Section 2 of this contract.
  - Parcel Identification
    - i. Parcel(s) must be identified by Parcel Identification Number(s) (PIN) and property physical address.
    - ii. The acreage for each PIN must be listed.
  - Proof of Ownership
    - i. All proposed conservation easement parcels must be under the same ownership.
    - ii. General Warranty Deed or Last Will and Testament (if ownership is through inheritance) are acceptable proof of ownership.
      - 1. Quit Claim Deeds are not accepted as proof of ownership.
  - Landowner Authorization
    - i. Written authorization must be obtained from all parties with an interest in the property's ownership to complete an agricultural conservation easement.
    - ii. Acceptable written agreements include an option to purchase, landowner pledge agreement, letter of intent, purchase and sale agreement, or contract.
  - Map of Proposed Conservation Easement
    - i. Boundary of the proposed conservation easement.
    - ii. Access from a public road or evidence of insurable, unconditional, and transferable legal right of recorded access. The proposed conservation easement must be accessible from a public road, or there must be a recorded right of way to the proposed conservation easement.
    - iii. Identifying the total acreage and the square footage or acreage of the existing and proposed impervious surfaces and farmstead building envelopes. Impervious surfaces must not exceed two (2) percent of the proposed easement area unless the applicant is granted a waiver.

- iv. All existing and proposed farmstead building envelopes must be identified as one of the following:
    1. Current Residential;
    2. Future Residential;
    3. Farm Support Housing;
    4. Other Residential;
    5. Recreational and Accessory Structures;
    6. Farmstead.
  - v. No more than one residential structure may be located in a farmstead building envelope for residential use. No more than three farmstead building envelopes for residential use may be included in one conservation easement.
  - vi. If areas are excluded from the easement, they must be identified and removed from the acreage, and legal access must be shown to those sites.
  - vii. Use the most up-to-date aerial imagery to show current land use.
  - viii. Include the PINs for each parcel on the map.
  - Easement-Holding Entity Review
    - i. If the Grantee is not the easement-holding entity for the agricultural conservation easement, a qualifying entity must be submitted for review and approval. County governments, Soil and Water Conservation Districts, and land trusts are qualifying entities under this contract.
4. After NCDA&CS approves the AGZ Parcel Approval Form, the Grantee is required to submit a budget and proof of secured local easement purchase funds. All budgets and proof of secured local easement purchase funds will be submitted via ShareFile. Below are the requirements for the budget and proof of secured local easement purchase funds:
- Agricultural Conservation Easement Purchase Funds
    - i. Select funding program
      1. Standard Conservation Easement Appraisal Process
    - ii. Determine easement purchase value through evidence-based methods
      1. Grantees are highly encouraged to order a qualifying appraisal, per the *Appraisal Requirements and Checklist for Conservation Easement Programs*, before submission of the AGZ Parcel Approval Form. Otherwise, the Grantee may refer to the current version of the *Conservation Easement Application Budget Instructions* for acceptable estimated easement purchase value methods.
    - iii. Identify all sources of easement purchase funds
      1. The full easement purchase value, including cash and in-kind sources, must be accounted for in the easement purchase line item.

2. Easement purchase funds from the ADFP Trust Fund and the qualifying local source must be equal.

- Transactional and Due Diligence Costs
  - i. All transactional and due diligence costs are based on the current year cost averages for the Grantee's region.
  - ii. Transactional and due diligence costs shall not exceed 10 percent of the total Local AGZ grant contract award.
- Secured Local Easement Purchase Funds
  - i. The Grantee is required to submit confirmation of secured local easement purchase funds.
  - ii. A qualifying local source of easement purchase funds includes public funds from a county or municipal government or cash funds from a private, nonprofit conservation organization incorporated in the State of North Carolina.
  - iii. Funds from state government, federal government, public community college or university system, or private or nonprofit funds from nonqualifying organizations or entities incorporated outside of the State of North Carolina do not apply.
  - iv. The confirmation of secured local easement purchase funds must be in writing on entity letterhead and may come from any individual that has the authorization to transfer cash funds to the closing settlement agent that will close the agricultural conservation easement.

5. After final approval of the agricultural conservation easement project, **the Grantee agrees to record the conservation easement within one year**. Failure to follow the deliverable timeline is a breach of the contract, and the Grantee must repay any grant funding received from the NCDA&CS ADFPTF. If the Grantee fails to record an approved conservation easement according to the terms and conditions of this contract within the contract period, the Grantee is responsible for repaying all funds expended.

6. The deliverable timeline is arranged by six suites of documents and must be submitted in the order identified below. The first deliverable required is a signed and notarized Easement Restriction Acknowledgement Form that must be submitted in the first 60 days after final approval of the agricultural conservation easement project. Grantees are responsible for securing qualified staff or subcontractors to complete due diligence items. Grantees will supply the attached checklists to these individuals and will submit the associated qualification verification form with the appropriate document suite. All items in the suite **MUST** be approved by NCDA&CS and other funding partners before continuing to the next suite. Additionally:

- Due diligence items will be completed and submitted via the secure ShareFile link supplied to the primary contact by the final date of the reporting period.
- If the items are not submitted at the reported deadline, a due diligence extension must be filed before the report deadline. Each extension pushes

out the due diligence date in **three-month** increments. Budget and progress reports are still required every three months if an extension is requested.

- A first-year budget and progress report **MUST** be filed 30 days prior to the end of year one. If a budget and progress report is not submitted with a due diligence extension request citing approved hardship, the grantee will be considered in breach of contract.
- Failure by the Grantee to initiate deliverables on the conservation easement project, Grantee staff shortages or changes, and Grantee time management issues are not acceptable hardships and will result in a breach of the contract, and the Grantee must repay any grant funding received from the NCDA&CS ADFPTF.

## Required Grantee Deliverables Within the First Contractual Year

*Must be provided in the following order as a complete suite and submitted in Word or PDF electronic format for upload to the Sharefile folder sent to the primary contact.*

Deliverables (Documents)	Due Date
<ol style="list-style-type: none"> <li>1. <b>Easement Restriction Acknowledgement Form</b> <ul style="list-style-type: none"> <li>o Must be Signed and Notarized</li> </ul> </li> </ol>	Within 60 days
<p><b><u>Easement Parcel Identification Suite Part A</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Completed and Signed Closing Attorney Checklist</b></li> <li>2. <b>Signed Attorneys' Preliminary Title Opinion</b> Must certify title for a period of at least sixty years</li> <li>3. <b>Preliminary Title Commitment</b></li> <li>4. <b>Insured Closing Protection Letter</b></li> <li>5. <b>Copies of Vesting Deeds, Maps, tax parcel card, and ALL Exceptions on title</b></li> <li>6. <b>Preliminary Conservation Easement Survey</b></li> <li>7. <b>Written confirmation from the lienholder of cancellation or subordination of all liens, judgments, deeds of trust</b></li> <li>8. <b>Written confirmation from the landowner that ALL leases, recorded and unrecorded, will be subordinated or cancelled</b></li> </ol>	Within 150 days of the beginning date of the grant contract
<p><b><u>Easement Parcel Identification Suite Part B</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Certified Development Rights Appraisal</b>, dated within the contract period and less than 365 days prior to closing, OR with an appraisal update or recertification of value.</li> <li>2. <b>GIS Shapefiles of Easement</b></li> </ol>	Within 180 days of the beginning date of the grant contract
<p><b><u>Land Management Documents Suite</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Environmental Audit</b>, including Hazardous Materials Checklist and Landowner Interview, and Signed Environmental Opinion</li> <li>2. <b>Conservation Plan</b>, if applicable</li> <li>3. <b>Forestry Plan</b>, if applicable</li> <li>4. <b>Preliminary Baseline Documentation Report</b> with applicable Conservation Plan and Forestry Plan, Environmental Audit</li> </ol>	Within 210 days of the beginning date of the grant contract and no less than 60 days before the scheduled conservation easement recording date
<p><b><u>Legal Conservation Document Suite</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Conservation Easement</b> in final form with all <b><u>Applicable Exhibits</u></b></li> <li>2. <b>Title Commitment</b> with NCDA&amp;CS approved legal description and approved amount of insurance coverage and named insured</li> <li>3. <b>Signed Subordination Agreement, Proof of Payoff or Proof of Cancellation</b>, if applicable</li> <li>4. <b>Signed Preliminary HUD (Settlement) Statement</b> with NCDA&amp;CS holdback language included</li> <li>5. <b>Signed Conservation Easement Closing Check Request Form</b></li> </ol> <p><i>Final closing check requests will not be processed until all completed documents are approved.</i></p>	Within 270 days of the beginning date of the grant contract, no less than 30 days before the scheduled easement recordation, and no less than 30 days before the contract end date.
<p><b><u>Final Legal Conservation Document Suite</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Recorded Conservation Easement</b></li> <li>2. <b>Recorded Survey</b></li> <li>3. <b>Final Title Opinion</b>, signed by the closing attorney</li> <li>4. <b>Final Title Policy</b></li> <li>5. <b>Signed HUD (Settlement) Statement</b></li> <li>6. <b>Signed Baseline Documentation Report</b>, including applicable Conservation Plan and Forestry Plan, Environmental Audit, and Conservation Easement Survey; includes Signed Landowner and entity Acknowledgement Form</li> <li>7. <b>Request for Final Payment</b></li> <li>8. <b>Recorded Subordination Agreement</b>, if applicable</li> <li>9. <b>Acquisition-specific documents as required by NCDA&amp;CS legal staff</b></li> </ol>	<p>Due within 20 working days (28 calendar days) following the recording date of the easement</p> <p><i>Please note: the release of holdback funds will not be authorized until all post-closing documents are submitted and approved. Failure to do so may result in the loss of grant funds.</i></p>

7. The Grantee shall provide the Agency with progress reports, both financial and programmatic, for due diligence items.

Due Diligence Items	Yearly Budget and Progress Report Due Dates
Easement Parcel ID Suite	180 days
Legal Conservation Suite	270 days
Final Legal Conservation Documentation Suite	365 days or with final payment request.

Three budget and progress reports are due per contract year to document due diligence progress, track funds spent, and match requirements. For easements not recorded in the first 365 days, the reporting process will repeat itself during each subsequent contract year.

If the specified items are not submitted at or prior to the reporting deadline, a due diligence extension must be filed before the reporting milestone has been reached. Each extension pushes out the due diligence date in **three-month** increments.

In-kind and cash match shall be a part of the required financial reports, and documentation of the reported match shall be included with the reports. Documents shall be in the form of individual timesheets that each employee has signed and approved by the appropriate supervisor, travel logs and invoices for in-kind match, copies of checks, bank deposits, and fund transfers for cash match. Other types of documents may be acceptable with the approval of the Agency Manager.

Due diligence items will be completed and submitted via the secure ShareFile Link supplied to the primary contact by the final date of the reporting period.

8. The Grantee will use the selected easement template unless the exception category has been designated and approved by the Agency. The selection of the appropriate template is based on partnership funding used to secure the conservation easement, the term of the easement, the valuation method used, and the presence or absence of farmstead building envelopes [pursuant to N.C.G.S. 106-744(b)(1), up to three lots may be created in the easement area; unless clearly delineated in the preliminary conservation easement survey, the landowner waives the right to create the three lots]. The easement templates are downloadable at [www.ncadfp.org](http://www.ncadfp.org):

**ADFPTF and County**

The Agency legal counsel and Farmland Preservation Director must approve additions, omissions, or modifications of said template. The final "Conservation Easement" must meet with Agency approval to remain eligible for funding.

9. The Grantee shall provide the Agency with the appropriate reimbursement request (downloadable at [www.ncadfp.org](http://www.ncadfp.org)) and required documentation of performance and expenditures for associated grant reimbursement. The Agency shall make payments to the Grantee on the following guidance:
- No more than \$25,000 if the grant award is \$27,778 or greater and up to 90% of the grant if the award is less than \$27,778 before the recording of the "Conservation Easement."
  - All payment requests must document the purpose of using grant funds and be within the approved amounts designated in the contract grant budget.
  - At the time of a properly recorded "Conservation Easement," the Agency shall pay the Grantee no more than 90% of the awarded grant amount.
  - The Grantee shall ensure that acreage approved in the AGZ Parcel Approval Form are placed under an agricultural easement with no more than a 5% variance in recorded easement acreage without the prior written approval of the Agency.
    - i. If the variance is greater than 5% of the contracted acres and is greater than the acres listed above, the additional acreage will be approved under one of the following scenarios:
      1. The additional acres are included in the original parcels, and the variance is due to the Conservation Easement Survey updates.
      2. The additional acres are parcels or areas within the original parcels under the same ownership as the original parcels, are in working lands use, and are within, adjacent, or contiguous to the original parcels.
    - ii. If the variance is greater than 5% of the contracted acres and is less than the acres listed above, the grant funds for conservation easement purchase will be reduced proportionally based on the new acreage.
  - The division of the funds used to purchase the agricultural easement from matching resources and Agency resources must be maintained, as noted in the grant contract budget.
  - At no time shall the total payment of grant funding exceed the grant contract value.
  - All Grantee payments must have receipts of expenditures to verify the use of funding per contracted purposes.
  - The Agency shall make the payment within 60 days of any grant reimbursement request by the Grantee with approved documentation.
10. The Grantee will use the selected conservation easement purchase funding program as determined in the approved budget.
11. The conservation easement closing payment request may be submitted in writing using the Easement Closing Check Request form by the Grantee 30 days before the set closing date, provided the following items have been achieved:
- All closing documents (conservation easement, HUD statement, title commitment, and subordination agreement if required) have been reviewed and approved by ADFPTF and NCDA&CS legal staff.

- The Grantee is in "Green" status based on the ADFP Trust Fund Grantee Eligibility Classification system. This status requires all progress/budget reports, monitoring reports, audit reports, and other reporting documents to be current with the Agency.
- The Grantee has followed the contractually obligated work schedule as detailed in the grant contract. If the Grantee fails to maintain the contractual agreement between NCDA&CS and the Grantee, NCDA&CS ADFPTF shall consider additional measures to ensure Grantee follows department policies and contract procedures.
- The proposed conservation easement closing date shall be no less than 30 days before the contract end date. This timeline eliminates the risk of losing grant funds due to the contract's expiration.
- All involved parties, including ADFPTF, Grantee, landowners, and all funding partners with a financial interest in the conservation easement, will confirm the closing date.
- The closing check will be submitted to the closing attorney named in the grant contract, provided all required information provided by the Grantee is complete approved by ADFPTF and NCDA&CS legal staff.
- If a contract is at risk of not being completed, NCDA&CS may provide alternatives to reduce that risk, including revisions of the holdback provisions or the payment delivery options for services rendered by contractual arrangement.

12. The Grantee shall also submit a final grant report after closing each agricultural conservation easement. In the final report, the Grantee shall provide all budget/progress reports, the final request for payment, and an accounting of the final match claimed by the Grantee to fulfill the match requirement mandated under N.C.G.S. 106-744(c1) (1). Grant contract budgeting and payments shall hold back 10% on all line items until ADFPTF receives all required reports and documentation. The full ADFPTF easement funding allocated for easement purchase may be submitted at closing, provided the closing attorney holds the 10% in escrow until all recorded documents and reports, including the recorded conservation easement, recorded survey, final title opinion signed by the closing attorney, final title policy, recorded subordination agreement (if applicable), signed HUD statement, and signed baseline documentation report, have been received and approved by NCDA&CS. The final report and all invoices are due within 20 working days (28 calendar days) following the closing and recording date of the conservation easement. If the Grantee fails to provide the final report and required supporting documentation within the required period, the Grantee may not receive reimbursement and shall be considered ineligible for reimbursement.

13. Grantees may request a lowering of the hold-back percentage provided the following criteria have been provided:
- An official request to the Commissioner of Agriculture with reasoning why the 10% hold-back is an undue burden and a proposed revised hold-back percentage.

- The Grantee has no record of infractions or late reports for ADFPTF within the last two years from the revised hold-back percentage request date.
- If an infraction or late report occurs during the grant contract period, the hold-back percentage shall be reinstated at 10% or higher as a corrective measure.

14. If the Grantee has not provided all closing documents and progress/budget reports 60 days before the contract's end date, the Grantee may request in writing on organizational letterhead a one-year contract **extension** of the grant to the Farmland Preservation Director.

- Extension requests and all required documentation must be received by ADFP Trust Fund a minimum of 60 days prior to the contract termination date.
- This request must include reasons for not completing the grant and following the timetable of scheduled activities to complete the grant project. This request must provide proper documentation for the hardships that delayed completing the grant project and a revised timeline to complete the conservation easement project. All other required documents, including budget and progress reports, must be current. Eligible hardships include:

- a. Death, severe illness or incapacitation of a landowner;
- b. The Grantee has applied for federal funding and has not yet received a funding notification;
- c. The Grantee has federal funds under contract and has not yet received approval to release federal funds;
- d. Contractor-related delays associated with the production of required due diligence documents;
- e. Environmental issues requiring a Phase II environmental site assessment;
- f. Title or domestic issues, including but not limited to concerns that prevent title certification, boundary line disputes, access or right-of-way issues, bankruptcy, liens, or subordination refusals.

All other requests for continuing the conservation easement project shall be determined on a case-by-case basis. If approved, the project may continue beyond the original contract end date. If denied, the Grantee must repay any grant funding from the NCDA&CS ADFPTF. Note: Failure by the Grantee to initiate deliverables on the conservation easement project, Grantee staff shortages or changes, and Grantee time management issues are not acceptable hardships and will result in a breach of the contract, and the Grantee must repay any grant funding received from the NCDA&CS ADFPTF. All other grant contract extension requests shall follow the protocols outlined in the NCDA&CS ADFPTF grant contract.

- An emergency request for a fifth contract year may be granted only in the event of landowner death, severe illness, or incapacitation.

15. If the Grantee has not provided all closing documents and progress/budget reports 30 days before the contract's end date, the Grantee may request an emergency contract extension of the grant to the Commissioner of Agriculture. This request must include reasons for not completing the grant and following the timetable of scheduled activities

to complete the grant project. All other grant contract extension requests shall follow the protocols outlined in the NCDA&CS ADFPTF grant contract.

16. After recording the "Conservation Easement" in the Register of Deeds Office, the Grantee shall annually notify the landowner and conduct a monitoring visit to the property to ensure that the easement agreement is being upheld. If structures are permitted under the easement, the Grantee shall review plans and monitor construction for compliance with the plans. Grantee monitoring shall be completed in accordance with the Agency "Conservation Easement Monitoring Policy and Guidelines" and amendments thereto. The Grantee shall electronically complete and submit to the Agency the "Grantee Monitoring Report – Perpetual or Term Easement" to report its annual monitoring findings. The "Grantee Monitoring Report – Perpetual or Term Easement" is accessed through a portal at [www.ncadfp.org](http://www.ncadfp.org). The first "Grantee Monitoring Report – Perpetual or Term Easement" is due by December 31 of the following calendar year after the "Conservation Easement" recording and annually thereafter.
17. The Grantee shall complete all reports in a prescribed format, which the Agency shall provide. Reports and required documentation must be up-to-date for the Grantee to receive payments.
18. All publicity and printed material regarding projects or activities supported in whole or in part by this shall contain the following language: "The project received support from the NCDA&CS ADFP Trust Fund." The NCDA&CS ADFP Trust Fund logo (digital versions of which can be downloaded from the Agency website at [www.ncadfp.org](http://www.ncadfp.org)) shall be displayed in all the Grantee's publicity and printed materials relating to this grant.
19. The Grantee will submit all reports and requested documents electronically unless instructed differently by Agency staff.
20. Noncompliance with Grantee duties will result in an immediate suspension of existing Agency grant funding. The Grantee shall be ineligible for further Agency grants until the noncompliance is corrected, and the Agency has acknowledged the correction and is in good standing.

The Agency shall use the following guidance in placing a Grantee in noncompliance:

<i>Frequency of Adverse Actions</i>	<i>Severity of Consequences</i>		
	<b>Low Severity</b>	<b>Medium Severity</b>	<b>High Severity</b>
<b>High Frequency</b>	Medium Risk	High Risk	High Risk
<b>Medium Frequency</b>	Low Risk	Medium Risk	High Risk
<b>Low Frequency</b>	Low Risk	Medium Risk	Medium Risk

## Definitions:

- High Frequency: Five or more times per reporting period
- Medium Frequency: Three or four times per reporting period
- Low Frequency: One or two times per reporting period
- Low Severity: These adverse actions cause disruptions and delays to the division.
- Medium Severity: These adverse actions put grantees out of compliance with the terms of grant contracts and reporting requirements.
- High Severity: These adverse actions cause significant financial, programmatic, or legal issues that jeopardize the grantee's status as an eligible grant recipient.

## Adverse Actions

- Low Frequency, Low Severity: Low Risk
  - Failure to return one or two completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- Medium Frequency, Low Severity: Low Risk
  - Failure to return three or four completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
- High Frequency, Low Severity: Medium Risk
  - Failure to return five or more completed grant contract packets within 10 working days without staff approval. The reporting period is a grant award cycle.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Low Frequency, Medium Severity: Medium Risk
  - One or two late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Medium Frequency, Medium Severity: Medium Risk
  - Three or four late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- High Frequency, Medium Severity: High Risk

- Five or more late budget and progress reports or monitoring reports in the previous reporting period. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- One or more late budget and progress reports or monitoring reports in the two previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
- All grant payments and proposed grant contracts frozen until reports are filed and approved. Review of proposed grant requests (RFPs) discontinued, and no grant contract may be offered.
- Low Frequency, High Severity: Medium Risk
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of one or two conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for one or two agricultural development projects or agricultural plans. The reporting period is annual.
  - All grant payments and proposed grant contracts are frozen until reports are filed and approved. Review of proposed grant requests (RFPs) may continue but no grant contracts may be offered.
- Medium Frequency, High Severity: High Risk
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of three or four conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar days) following the completion of the project for three or four agricultural development projects or agricultural plans. The reporting period is annual.
  - Material weakness found in audit. Remain at high risk until it is corrected.
  - All grant payments and proposed grant contracts frozen until reports are filed and approved. Review of proposed grant requests (RFPs) discontinued, and no grant contract may be offered.
- High Frequency, High Severity: High Risk
  - One or more late budget and progress reports or monitoring reports in the three previous reporting periods. The reporting period is either semi-annually or quarterly for open contracts, and annually for monitoring reports.
  - Named on the North Carolina Office of State Budget and Management (OSBM) Suspension of Funding List (SOFL). The reporting period is weekly.
  - Failure to submit the final report and all invoices within 20 working days (28 calendar days) following the closing and recording date of five or more conservation easement projects. The reporting period is annual.
  - Failure to submit the final report and all invoices by the 10th of the month following the contract's ending date or within 20 working days (28 calendar

days) following the completion of the project for five or more agricultural development projects or agricultural plans. The reporting period is annual.

- All grant payments are frozen. Grantee is not eligible for an ADFP Trust Fund grant application or contract.

21. The grant contract budget is attached:

## Local AGZ Budget Template - Henderson

Date Created:

Line Item	ADFP Trust Fund	Secured Cash Match	Secured In-Kind	Un-Secured Match	Totals
Appraisal					\$ -
Transactional and Due Diligence Costs	\$ 21,228.53	\$ 100,000.00			\$ 121,228.53
Easement Purchase	\$ 396,973.91	\$ 1,870,000.00			\$ 2,266,973.91
Stewardship Endowment	\$ 6,368.56	\$ 30,000.00			\$ 36,368.56
<b>Totals</b>	<b>\$ 424,571.00</b>	<b>\$ 2,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,424,571.00</b>



**N.C. Department of Agriculture & Consumer Services**  
 N.C. ADFP Trust Fund  
*Easement Holder Approval Form*



The Grantee will be the Easement Holder. If the Grantee and landowner(s) agree to another qualified entity as the Easement Holder, the ADFP Trust Fund must be notified in writing immediately.

The request must be approved by the Farmland Preservation Division Director no later than 60 days before the scheduled closing date.

Upon approval, all documents required in the conservation easement package must include the easement-holding entity.

Qualified entities include county governments, county soil and water conservation districts, or nonprofit conservation organizations as defined by [02 NCAC 58 .0103 \(8\)](#).

The Grantee will continue to fulfill the Grantee’s duties and responsibilities, subject to the terms and conditions of the contract. This includes, but is not limited to, serving as the primary point of contact for all correspondence, submitting budget and progress reports, final closing documents, and requests for payment.

Upon recording the conservation easement, the Easement Holder will assume all responsibilities for enforcement of the terms and conditions of the conservation easement, annual monitoring of the conservation easement, and submitting annual monitoring reports as detailed in the monitoring policy in this contract and the terms and conditions of the deed of conservation easement.

Include the name and type of the Easement Holder and contact information:

Entity Name:

Entity Type:       County government     County soil and water conservation district  
                           Nonprofit conservation organization

Contact Name:

Contact Email:

Contact Phone:



**N.C. Department of Agriculture & Consumer Services**  
 N.C. ADFP Trust Fund  
*Subcontractor Form*



**REQUEST TO ADFP TRUST FUND FOR APPROVAL OF SUBCONTRACTING**

Grantee:

Contract Number:

Pursuant to the General Terms and Conditions of the Contract\* between the Grantee and the Agency, Grantee hereby requests approval of the Subcontractor, \_\_\_\_\_, to assist in carrying out the purposes of the above-referenced contract.

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Name of Grantee

\_\_\_\_\_  
Date

Subcontracting Approved

Subcontracting Denied

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

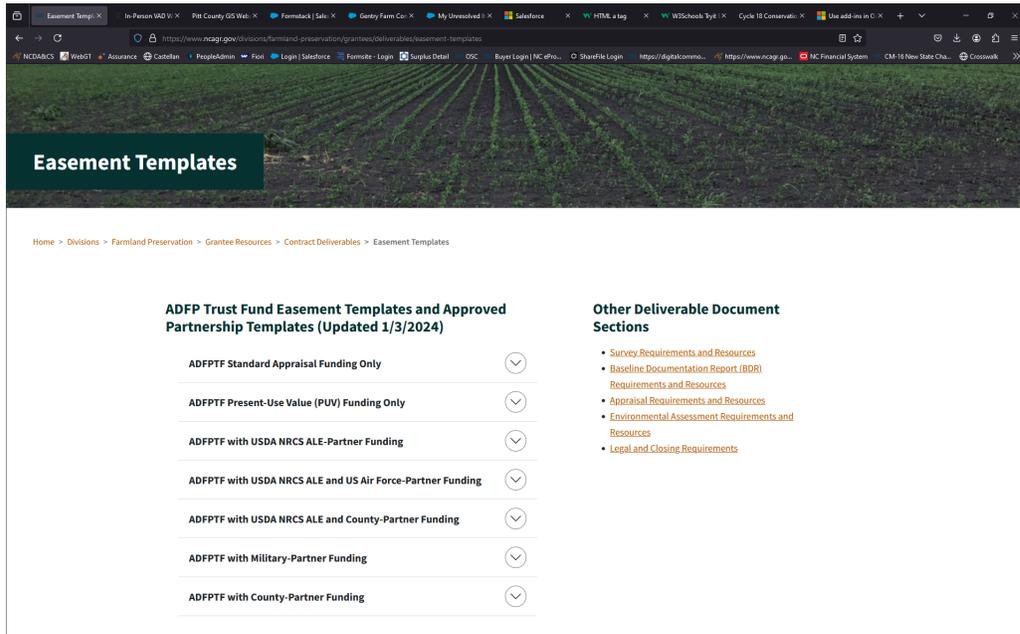
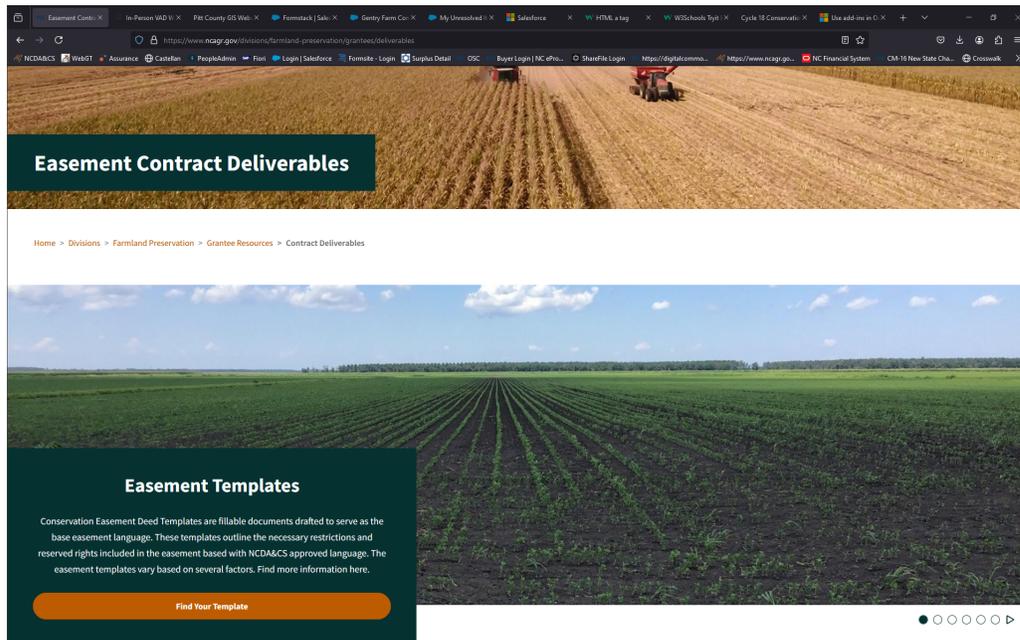
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Date

**\*Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.

## Conservation Easement Template

Please visit our website to view and download the current version of the appropriate conservation easement template for this project. Please ensure you use the most recent version of the appropriate template.

1. Go to <https://www.ncagr.gov/divisions/farmland-preservation/grantees/deliverables>
2. Click on the Find Your Template button in the banner carousel
3. Click on the appropriate template to download the most recent version



Grantees will select the appropriate conservation easement template depending on the particulars of their project, such as the number of additional funding partners and the presence or absence of building envelopes. Please refer to our website for the correct and up-to-date template for your project.



**N.C. Department of Agriculture & Consumer Services**  
**N.C. ADFP Trust Fund**  
*Survey Requirements and Checklist for Conservation Easement Programs*



***Grantees:***

**The Grantee is responsible for verifying that subcontractors meet the requirements described below and for supplying the subcontractors with the attached checklist and narrative. Failure to do so may result in the rejection of due diligence items and subsequent delays.**

For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) or RCPP transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).

The Parties to this transaction are as follows:

State of North Carolina:  
 N.C. Dept. of Agriculture & Consumer Services  
 NC ADFP Trust Fund  
 2 West Edenton Street  
 Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Survey Requirements and Checklist for Conservation Easement Programs*



**Surveyor Qualifications and Responsibilities**

1. Have current licensure through the N.C. Board of Examiners for Engineers and Surveyors. The certification must be shown on the map and shall be in accordance with the example set forth in the “Manual of Practice for Land Surveying in North Carolina.”
2. Agree to certify the plat was drawn from an actual survey made under the surveyor supervision.
3. Agree to produce a survey meeting current N.C. recording standards, pursuant to G.S. 47-30, and, if applicable, any recording standards for the county of recordation.
4. Agree to certify to G.S. 47-30(f)(11)(d) exemption or exception to the definition subdivision on the plat.
5. Agree to produce a survey tied to the North Carolina State Plane Coordinate System NAD83(2011) Feet per the Standards of Practice for Land Surveying in North Carolina, Title 21 NCAC 56.1602(g) and Title 21 NCAC 56.1607, regardless of whether the property is not within 2,000 feet of a geodetic monument.
6. Agree to produce a certifiable boundary survey map that is properly and accurately drawn, revealing all the information developed by and during the survey, and of a size that allows all details to be clearly visible. The survey map must meet all the requirements outlined herein.
7. Provide the Grantee and, subsequently, ADFPTF with an electronic copy for review.
8. Agree to provide, by e-mail, a shapefile or feature class file before payment is made. The digital file must be tied to the N.C. State Plane Coordinate System (NAD 83) Grid (georeferenced).

**Grantee Responsibilities**

1. Order the completion of a new survey to delineate easement boundaries and follow all requirements within this document.
2. Provide the survey checklist to surveyors for reference and review the survey *prior to* submission to NCDA&CS staff.
3. Forward any copies of surveys to partnering funding agencies if applicable.
4. Maintain the acreage presented in the survey as the conservation easement across **ALL** documents on the easement deliverables list, including but not limited to the title commitment, preliminary title opinion, environmental audit, certified development rights appraisal, conservation plan, forestry plan, baseline documentation report, conservation easement language, HUD statement, final title commitment, and subordination agreement.
5. Record the survey only once approval has been received from NCDA&CS and other partnering agencies.
6. Attach the final approved survey to all the subsequent easement due diligence deliverables.



**N.C. Department of Agriculture & Consumer Services**  
**N.C. ADFP Trust Fund**  
*Survey Requirements and Checklist for Conservation Easement Programs*



**Note: Access to out parcels in the easement will need to be removed unless providing access to a portion of the easement otherwise not accessible**

**Note: Any access agreements denoted on the survey MUST be recorded prior to the easement draft, and the book and page recorded on the survey**

*By signing this “Survey Requirements and Checklist for Easement Programs,” I certify that I meet all specified requirements and agree to complete all required deliverables and outputs in accordance with the prescribed standards in this contract. I further acknowledge that my execution of these obligations ensures that State funds received for services provided are utilized in a manner that safeguards the interests of the State of North Carolina. If any certification of qualifications is found to be false, or if the deliverables or outputs are incomplete or fail to meet the prescribed standards, the State of North Carolina reserves the right to withhold grant payments until such deficiencies are corrected to the State’s satisfaction.*

\_\_\_\_\_  
Signature of Surveyor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Surveyor

*By signing this “Survey Requirements and Checklist for Easement Programs,” I agree to the surveyor’s qualifications and the requirements.*

\_\_\_\_\_  
Signature of Grantee Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Grantee Representative



**N.C. Department of Agriculture & Consumer Services**  
**N.C. ADFP Trust Fund**  
*Survey Requirements and Checklist for Conservation Easement Programs*



**REQUEST TO ADFP TRUST FUND FOR APPROVAL OF SUBCONTRACTING**

*This form is required.*

Grantee:

Contract Number:

Pursuant to the General Terms and Conditions of the Contract\* between the Grantee and the Agency, Grantee hereby requests approval of the Subcontractor, \_\_\_\_\_, to assist in carrying out the purposes of the above-referenced contract.

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Name of Grantee

\_\_\_\_\_  
Date

Subcontracting Approved

Subcontracting Denied

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Date

**\*Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Survey Requirements and Checklist for Conservation Easement Programs*



## **Survey Guidelines**

1. The minimum standards of specification to be observed in the practice of Land Surveying for Rural and Farmland surveys (Class C) in the State of North Carolina are:
  - a. The linear error of closure shall not exceed one (1) foot per 5,000 feet of the perimeter of the tract of land (1:5,000)
  - b. For special circumstances when a survey is needed that is not a Class C survey, the following minimum standards of specification are to be observed:
    - i. Urban Land Surveys (Class A) – The linear error of closure shall not exceed one foot per 10,000 feet of the perimeter of the tract of land (1:10,000)
    - ii. Suburban Land Surveys (Class B) – The linear error of closure shall not exceed one (1) foot per 7,500 feet of the perimeter of the tract of land (1:7,500).
2. The stated linear error of closure shall be computed by latitudes and departures, and the closure shall be stated before balancing.
3. Where a boundary of a tract is formed by a curved line, the actual survey data from the point of curvature of the curve to the point of tangency shall be shown on the map.
4. Where a boundary of a tract is formed by a creek or river, an offset traverse shall be run, and offset points will be shown on the map with reference to boundary points in the center of the stream, as called for in the deed. Alternatively, GIS data may be used if the method is noted on the survey and certified.
5. Courses and distances of boundary lines and other lines shall be lettered neatly thereupon in feet and hundredths of a foot and in degrees, minutes, and seconds.
6. The survey must show all access easements over and across the landowner's property to adjoining tracts. If the easement area is less than the landowner's entire tract of land, the survey must show access to the landowner's remaining parcel of land.
7. The survey must show access from the easement area to the state-maintained road, denoted with a Site Access label and/or arrow.
8. Access easements to parcels excluded from the conservation easement must be a minimum of 20 feet in width unless the county zoning and planning office, local ordinances, or applicable regulations require a larger width.
9. If the easement uses road frontage for access, an arrow must show the exact location free of roadside encumbrances, such as canals and ditches.
10. If access is possible at any point along the road frontage, this must be noted on the survey.
11. If GPS data is used in the survey preparation, the surveyor must follow the guidelines of 21 NCAC 56.1607, including all data notes and the proper certifications.



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*Survey Requirements and Checklist for Conservation Easement Programs*



**Survey Checklist**

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | 1. The North Arrow must be accurately positioned and designated as NC Grid North.  |
| <input type="checkbox"/> | 2. The minimum standards of specification to be observed in the practice of Land Surveying for Rural and Farmland surveys (Class C) in the State of North Carolina must be stated, unless a special circumstance applies.  |
| <input type="checkbox"/> | 3. The stated linear error of closure shall be noted.  |
| <input type="checkbox"/> | 4. Property corners shall be adequately identified, marked, and labeled. <ul style="list-style-type: none"> <li>a) Two corners of the survey shall have N.C. Grid coordinates (using the current N.C. grid datum at the time of the survey) and be shown on the survey plat.</li> <li>b) Coordinates will be clearly identified in a callout box.</li> </ul>   |
| <input type="checkbox"/> | 5. Tract boundaries formed by curved lines, creeks, or rivers must have a method for determination noted and certified.  |
| <input type="checkbox"/> | 6. G.S. 47-30(f)(11)(d) exemption or exception to the definition subdivision must be noted on the map.   |
| <input type="checkbox"/> | 7. Clear markings of easement boundaries shall be indicated with dark or thicker lines, shading, etc., and clear points of a boundary line change. <ul style="list-style-type: none"> <li>a) Farmstead Building Envelopes must be indicated with differing symbology.</li> <li>b) Any symbology used on the map <b>MUST</b> be represented in the legend.</li> </ul>   |
| <input type="checkbox"/> | 8. The survey shall indicate where the easement area is in relation to the entire tract owned by the landowner with a vicinity map.  |
| <input type="checkbox"/> | 9. The title block of each map shall contain <b><u>ALL</u></b> the following: <ul style="list-style-type: none"> <li>a. Funding Source: (NCDA-ADFPTF, USDA-ALE, USDA-RCPP, US-Navy, USAF) list all that apply</li> <li>b. Type of Easement (Perpetual or Term)</li> <li>c. Easement-Holding Entity</li> <li>d. Name of the Landowner(s) as stated in preliminary title opinion</li> <li>e. Location (County and Township)</li> <li>f. Acreage in Conservation Easement (to the nearest hundredth decimal point)</li> <li>g. Date Surveyed</li> <li>h. Scale of the Drawing</li> <li>i. Name, Address, Registration/License Number, and Seal of the surveyor</li> </ul> |
| <input type="checkbox"/> | 10. An acreage table shall be included to identify the following: <ul style="list-style-type: none"> <li>a. Total acres of land surveyed.</li> </ul>   |



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- b. The acreage of each labeled exclusion(s) from the easement area.
  - c. Total acreage of exclusions from within the easement area.
  - d. Acreage of each Building Envelope within the conservation easement.
  - e. Total acreage in farmstead building envelopes.
  - f. Total acreage in the conservation easement (with only exclusions removed).
11. All Building Envelopes must be properly identified with bearings and calls provided.
12. Each Building Envelope **MUST** be labeled as **ONE** of the following on the map as well as the acreage table:
- Residential Building Envelope: Existing;
  - Residential Building Envelope: Future;
  - Residential Building Envelope: Farm Support Housing;
  - Recreational and Accessory Structures;
  - Farmstead Building Envelope
13. The following must be accurately located and clearly indicated on the map with the corresponding symbology noted in the legend:
- a. Names of all adjoining owners or utilities bordering on or crossing the premises or tract.
  - b. Names and numbers of roads and highways.
  - c. All easements and encroachments on the property, including existing and proposed.
  - d. All control corners, coordinated markers, and permanent markers or monuments on adjoining properties shall be identified.
  - e. Adjoining streams, ponds, lake boundaries, or other pertinent details.
  - f. Ingress and egress are defined and located on the map if they are visible and cross or form a boundary of the property being surveyed.
  - g. All existing structures within the conservation easement boundary are subject to impervious surface requirements.
14. The survey must show all access easements within the landowner's remaining parcel of land.
- a. Access from the easement area to the state-maintained road, denoted with a Site Access label and/or arrow OR if access is roadside, this must be an included note.
  - b. Access easements with width and book and page noted.



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15. A zipped folder of a GIS shapefile that clearly identifies the Boundaries of the Conservation Easement must be submitted for each conservation easement. Additionally, all Farmstead Building Envelopes must be included as polygons within the Conservation Easements shapefile and labeled by use within the attribute table. The Conservation Easement polygon and any Farmstead Building Envelope polygons will exist in the single shapefile. Store this shapefile within a zipped folder.
- a) The minimum required files for one shapefile include:
    - i. shp (feature geometry)
    - ii. shx (index of feature geometry)
    - iii. dbf (attribute information)
    - iv. prj (coordinate system)
  - b) There may be more files that can be included, but those listed are the absolute minimum required.
  - c) **AutoCAD files will not be accepted.**



16. Preliminary approved surveys must remove any language referring to limitations for the use of the survey, including but not limited to recordation, conveyance, or sales; it is not a complete survey for review only.

Optional: The surveyor may furnish the reviewers with a written description for each tract surveyed.

**This may incur additional fees. Please check with the surveyor.**



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**N.C. ADFP Trust Fund**  
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**Grantees:**

**The Grantee is responsible for verifying that subcontractors meet the requirements described below and for supplying the subcontractors with the attached checklist and narrative. Failure to do so may result in the rejection of due diligence items and subsequent delays.**

N.C. Agricultural Development and Farmland Preservation Trust Fund (NCADFPTF) Easement Program (check only one):

- NCADFPTF Easement
- NCADFPTF and County or NGO Easement
- NCADFPTF and USDA-NRCS ALE Easement
- NCADFPTF and USDA-NRCS RCPP Easement
- NCADFPTF and US Air Force Easement
- NCADFPTF and US Navy Easement
- NCADFPTF, USDA-NRCS ALE, and US Air Force Easement

For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) or RCPP transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).

The Parties to this transaction are as follows:

State of North Carolina:  
 N.C. Dept. of Agriculture & Consumer Services  
 NC ADFP Trust Fund  
 2 West Edenton Street  
 Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_



**N.C. Department of Agriculture & Consumer Services**  
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Certified Development Rights Appraisals ("Appraisals") will only be accepted and approved by the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) if the following qualifications are met and documentation of such is provided in the appraisal.

**Responsibilities of the Grantee**

1. The Grantee is responsible for contracting a qualified appraiser and identifying the scope for the assignment. The appraiser must be licensed in the proper standards for the assignment. Based on the funding partnerships, the following types of appraisals shall be used to determine the effect of the conservation easement on the subject property:

ADFPTF as the sole funding or County/NGO partnership projects:	Uniform Standards of Professional Appraisal Practice (USPAP) OR Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA "Yellow Book") appraisal
USDA-NRCS partnership projects:	NRCS maintains specific qualifications for real property appraisals and conservation easement-specific appraisers. Please contact Brian Loadholt, state NRCS easement coordinator, for specific requirements.
Military partnership projects:	Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA "Yellow Book") appraisal

2. The Grantee must supply the appraiser with the following documents:
  1. A copy of the survey approved by NCDA&CS staff AND any additional funding partners.
  2. The environmental and legal prescreen and/or the Environmental Site Assessment or Environmental Audit.
  3. A copy of all ownership documents, including the property deed highlighting all existing landowners.
  4. A copy of the current tax card.
  5. A copy of the ADFPTF-approved easement template identified in the contract.
  6. Provide the following appraisal checklist to the appraiser for reference.
3. Review the appraisal with the landowner for approval before submission to NCDA&CS staff.
4. The Grantee must forward copies of the appraisal to NCDA&CS staff and, if applicable, partnering funding agencies.
  - a. NCDA&CS asks to review all NRCS partnership appraisals before requesting NRCS technical review to avoid extensive delays.



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**Additional Grantee Acknowledgements**

5. Final conservation easement values must be determined by a Certified Development Rights Appraisal and must be dated within the contract period and with an effective date of valuation dated less than 365 days before closing. If the appraisal falls outside of these dates, one of the following options must be completed:
  - a. An appraisal update that brings forward the effective date of appraisal by the appraiser. This update will validate the appraisal for an additional 365 days after the new effective date of valuation.
  - b. An appraisal update that certifies the value but does not bring forward the effective date of valuation. This option will result in an additional 60 days of appraisal approval to reach closing.
  - c. A recertification of value. A recertification of value does not change the effective date of the value opinion. Appraisers may perform a recertification of value to confirm whether the conditions of a prior appraisal have been met. This option will result in an additional 60 days of appraisal approval to reach closing.
  
6. For the purposes of updating the values of the conservation easements for the federal permanent conservation easement tax incentive, supplemental appraisals, updates, or recertification letters may be submitted within 60 to 32 days before a potential closing date, pending the approval of all funding partners. All other deliverables must be approved prior to submission of an update.
  - a. **No appraisals, supplemental appraisals, appraisal updates, or recertification letters by the appraiser for the original appraisal will be accepted 30 days before a potential closing date or end of a contract.**
  - b. **NOTE:** All update options are considered “new assignments” for an appraiser and may incur additional costs. It is important to discuss appraisal requirements before engaging an appraiser to reduce confusion and subsequent fees.
  
7. The ADFPTF does not pay for property appraisals. The Grantee must order the appraisal and be identified as the client. The landowner may not be the client but should be listed as an intended user.
  
8. ***Please note: the N.C. Department of Agriculture and Consumer Services does not provide tax or legal advice to entities or individuals. Before considering an appraisal update or recertification of value by the appraiser within 60 of the potential closing, consult with your appraiser and tax or legal advisors.***



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**Responsibilities and Qualifications of the Appraiser**

By signing this document, the appraiser is certifying the following:

1. Submission of a *qualified* appraisal by a *qualified* appraiser meeting the definitions of such set forth in U.S. Public Law 109-280, including but not limited to:
  - a. Appraisers must be state-certified general appraisers with current registration.
  - b. Appraisers must provide documentation of completion of a valuation of conservation easements or eminent domain appraisal course.
  - c. Appraisers must be familiar with conducting appraisals of rural and agricultural properties of the requested type.  
<https://www.govinfo.gov/content/pkg/PLAW-109publ280/html/PLAW109publ280.htm>.
2. Understand that a substantial or gross valuation misstatement resulting from an appraisal value that they know, or reasonably should have known, would be used in connection with a tax return may subject the appraiser to a civil penalty under IRC §6695A.
3. Are not an excluded individual, which generally includes the taxpayer.
4. Understand that an intentionally false overstatement of the value of the property may subject them to the penalty for aiding and abetting an understatement of tax liability.
5. The appraisal must contain the name, address, and taxpayer ID of every appraiser who participated in the appraisal.
6. Certifies to the following conditions:
  - a. Appraiser is NOT the donor of the property or the taxpayer who claims the deduction.
  - b. The Appraiser is NOT the donee of the property.
  - c. The Appraiser is NOT any person employed by, married to, or related to any of the above persons.
  - d. The Appraiser is NOT an appraiser who appraises regularly for any of the above and who does not perform a majority of their appraisals during a tax year for other persons.



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***By signing this “Appraisal Requirements and Checklist for Conservation Easement Programs,” I certify that I meet all specified requirements and agree to complete all required deliverables and outputs in accordance with the prescribed standards in this contract. I further acknowledge that my execution of these obligations ensures that the services provided for this publicly funded project are utilized in a manner that safeguards the interests of the State of North Carolina. If any certification of qualifications is found to be false, or if the deliverables or outputs are incomplete or fail to meet the prescribed standards, the State of North Carolina reserves the right to withhold grant payments until such deficiencies are corrected to the State’s satisfaction.***

\_\_\_\_\_  
 Signature of Appraiser

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name of Appraiser

***By signing this “Appraisal Requirements and Checklist for Conservation Easement Programs,” I concur with the preparer’s qualifications and agree to comply with the requirements.***

\_\_\_\_\_  
 Signature of Grantee Representative

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name and Title of Grantee Representative





**N.C. Department of Agriculture & Consumer Services**  
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**APPRAISAL CHECKLIST**

	1. The appraiser must provide a full narrative appraisal report.
	2. The appraisal must reflect the value of the donation as of the Valuation Effective Date.
	3. The client must be listed as the Grantee.
	4. Intended users <b>MUST</b> include: <ul style="list-style-type: none"> <li>• The eligible entity (Grantee of the ADFPTF easement contract),</li> <li>• North Carolina Department of Agriculture and Consumer Services (NCDA&amp;CS) AND the Agricultural Development and Farmland Preservation Trust Fund (NC ADFPTF)</li> <li>• Any additional funding entities,</li> <li>• The landowner</li> </ul>
	5. The NCDA&CS-approved survey <b>MUST</b> be the version used for valuation. <ul style="list-style-type: none"> <li>• The acres used to determine the easement value in the appraisal must be equal to the acres in the survey of the conservation easement area.</li> <li>• The survey used for the valuation of the property must be included in the appraisal addenda.</li> </ul>
	6. The NCDA&CS-approved easement template <b>MUST</b> be the version used for valuation. <ul style="list-style-type: none"> <li>• The easement holder should be identified, and the enforcement rights and legal remedies given.</li> <li>• The appraisal will clearly state the specific restrictions on the use of the property and consider the permitted rights.</li> <li>• The narrative must address the impacts these restrictions will have on the valuation.</li> </ul>
	7. The appraiser must reference the environmental assessment, audit, or prescreen. Any potential Recognized Environmental Conditions or other potential hazards must be addressed and recognized in the valuation.
	8. The appraiser must list the provisions related to the subordination of current and future mortgages and liens.
	9. The appraisal must clearly identify the following calculations: <ul style="list-style-type: none"> <li>• Highest and Best Use Before Value,</li> <li>• Highest and Best Use After Value,</li> <li>• Conservation Easement Value</li> </ul>
	10. The appraisal must depict an accurate assessment of the physical characteristics of the land that reflect its value (for example, wetlands, ledge, road frontage, developable and undevelopable areas, views and other value enhancements, neighborhood location and



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so forth) and contain a good description of the property, its physical attributes and its location.

11. The subject property must be extensively defined, photographs, and other documentation of property condition must be included.
12. Any extraordinary assumptions or Limiting Conditions must be defined.
13. If used, the highest and best use conclusion must be supported by market evidence. The conservation easement provisions affecting the analysis of highest and best use should be identified.
  - A non-economic highest and best use, such as "forever wild" or "natural lands," or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to base an estimate of market value.
14. The highest and best use of the property should be legally permissible, physically possible, AND financially feasible as well as maximally productive.
15. If the Sales Comparison Method is used, the following should be considered:
  - Comparable sales must use easements with similar character. Highly restrictive easements, including wetland easements, may not be used as a comparable sale.
  - Nearby transactions comparable to the land under appraisal with similar easement restrictions and reasonably current may provide the best evidence of market value.
16. The appraisal must provide a sales adjustment chart **FOR BOTH BEFORE AND AFTER COMPARISONS** that clearly:
  - Summarizes the adjustments.
  - Shows the final adjusted sale price and how the sales compare with the subject property is required
  - Shows market evidence and provides a supporting narrative for each adjustment used.
  - Include details on adjustments for differences in the easement deed terms, particularly restrictions.
17. The appraisal must identify all existing and future options for residential building envelopes and recognize the impact on valuation.
18. The appraisal must identify any existing easements that restrict property rights and recognize the impact on valuation.



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19. Enhancements to other or adjacent unencumbered property should not be considered as part of the valuation of the easement or quantified in the report. For ADFPTF use, only the prescribed or defined easement area being acquired using state funds is appraised.
  - To meet the requirements of a qualified appraisal, the appraiser may identify the contiguous property and the other property that potentially will be enhanced.
  - If no contiguous property exists, the question of the potential effect on value can be addressed in discussion.
  - If the landowner seeks to claim a federal tax deduction, IRS regulations require additional enhancement considerations. It is advisable for the appraiser to meet with qualified tax counsel to discuss the best process to satisfy the IRS regulations on enhancements for deduction purposes.
20. Addenda Must Include:
  - Copy of the NCDA&CS approved survey
  - Copy of the tax card
  - Copy of the property deed
  - Copy of the Easement Template
  - Legal description with photographs and other documentation of property condition
  - Detailed qualifications of the appraiser, including a highlight of conservation easement or eminent domain coursework.
21. The appraisal must include the qualifications of the appraiser and should contain a recitation of the appraiser's experience, specifically as it relates to appraising conservation properties and conservation easements.
22. Appraiser must certify appraisal identifying that it is prepared, signed and dated by a qualified appraiser, an individual who declares on the appraisal summary that they:
  - Hold themselves out to the public as an appraiser or perform appraisals regularly.
  - Are qualified to make appraisals of the type of property being valued because of their background, experience, education and membership in professional associations and other qualifications described in the appraisal.
  - Understand that a substantial or gross valuation misstatement resulting from an appraisal value that they know, or reasonably should have known, would be used in connection with a tax return may subject the appraiser to a civil penalty under IRC §6695A.
  - Are not an excluded individual, which generally includes the taxpayer.
  - Understand that an intentionally false overstatement of the value of the property may subject them to the penalty for aiding and abetting an understatement of tax liability.
  - Provide: Name, Address, Registration #'s and Signature
  - Provide copy of current registration card



**N.C. Department of Agriculture & Consumer Services**  
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**Additional Considerations for the Appraiser:**

- Finding sales of conservation easement encumbered properties is becoming easier. A useful starting point is the interactive national map on the Land Trust Alliance website. [www.lta.org/landtrustdirectory/](http://www.lta.org/landtrustdirectory/). If you click on the state, county, and easement organization, you can find the number of acres conserved and other details.
  - The National Conservation Easement Database may provide easement information that is comparable as well. The NCED works to provide a comprehensive picture of encumbered properties, including easements on over 24.7 million acres.
- Assignment may include the development of two opinions of the value of the subject property: One before placement of the conservation easement and the second after placement of the conservation easement. The after condition or second value will be based upon a hypothetical condition that the conservation easement is in place and the effects on the value that may be created. The difference in the two values is the proposed conservation easement's effect on the property's value, otherwise denoted as Conservation Easement Value.
- The determination of the significance and contribution to the value of any existing improvements on the appraised property is the responsibility of the appraiser.
- The property rights, such as mineral, water, timber, and hunting, must be owned in fee simple terms by the current landowners.
- Surface rights, including improvements such as structures, barns, hay sheds, fencing, orchards, or other plantings, and any irrigation water rights, including but not limited to wells, ditches, ponds, and lakes that provide irrigation on the subject property and are legally permitted, may be appraised. Crop base and allotments, including timber value on the subject property, may be appraised and included in any valuations.
- If the survey identifies Building Envelopes for future residential development, those sites for development may also be valued based on the highest and best use, particularly with designated road easements, road frontage, view sheds, utility, etc.
- The contract appraiser must be aware that all appraisal reports completed for ADFPTF grants will be used by staff who will rely on the details in the report to understand the property and market characteristics.
- The appraisal report must include the level of detail necessary to thoroughly explain and support the property description, highest and best use analysis, market characteristics, adjustment process, and all conclusions so that all users have an adequate understanding of the statements, opinions, and conclusions offered within the report.



N.C. Department of Agriculture & Consumer Services  
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*Environmental Audit Requirements and Checklist  
for Conservation Easement Programs*



***Grantees:***

The Grantee is responsible for verifying that subcontractors meet the requirements described below and for supplying the subcontractors with the attached checklist and narrative. Failure to do so may result in the rejection of due diligence items and subsequent delays.

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**General Environmental Audit Guidelines**

An Environmental Audit (EA) or Environmental Site Assessment (ESA) identifies potential or existing environmental contamination liabilities. The analysis addresses the underlying land and physical improvements to the property.

An EA can be conducted by USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview, local soil and water conservation district staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview, or with an environmental firm qualified to conduct Phase I Environmental Site Assessments.

For USDA NRCS Agricultural Land Easement (ALE) or Regional Conservation Partnership Program (RCPP) projects, only an EA conducted by USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview will be accepted.

If the on-site inspection identifies environmental conditions that negatively impact the property, such as the presence of petroleum products or hazardous substances in the subsurface of the site, and these findings necessitate further investigation of environmental conditions with a Phase II ESA or equivalent, **the Grantee is required to conduct these assessments through a qualified environmental firm.**

**If the EA or ESA includes required remediation to resolve environmental concerns, the Grantee must complete all required remedies in the EA or ESA and is encouraged to complete all recommended remedies. All required remedies must be completed before the recording of the conservation easement.**

**The conservation easement project will be canceled if the remediation requests identified therein are not completed.**

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**N.C. Department of Agriculture & Consumer Services**  
 N.C. ADFP Trust Fund  
*Environmental Audit Requirements and Checklist  
 for Conservation Easement Programs*



For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) or RCPP transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).

The Parties to this transaction are as follows:

State of North Carolina:  
 N.C. Dept. of Agriculture & Consumer Services  
 NC ADFP Trust Fund  
 2 West Edenton Street  
 Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Environmental Audit Requirements and Checklist  
for Conservation Easement Programs*



### **Environmental Assessor Qualifications**

- Qualified individuals to complete an environmental assessment include:
  - USDA NRCS staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview.
  - Local soil and water conservation district staff using the latest version of the NRCS Hazardous Materials Checklist and Landowner Interview.
  - An environmental firm qualified to conduct Phase I Environmental Site Assessments. The report must meet the requirements of ASTM E 1527-21 Standard Practice for Environmental Sites Assessments: Phase I Environmental Site Assessment Process and EPA Standards and Practices for All Appropriate Inquiry per 40 CFR Part 312 and include the latest version of the NRCS Hazardous Materials Checklist.

### **Grantee Responsibilities**

- Provide contractors with a copy of the following checklist to reference and review the report *prior to* submission to NCDA&CS staff.
- Complete the audit pursuant to the requirements contained herein and furnish the Grantee and NCDA&CS an electronic copy for review.
- If applicable, forward copies of the report to partnering funding agencies.
- Supply the report to any contracted appraisers to be used in the valuation of the conservation easement purchase price.
- The Environmental Audit or Environmental Site Assessment is a standalone document and must be submitted as such. Additionally, it should be included in the Baseline Documentation Report.
- Alert NCDA&CS staff immediately following any evaluation that finds evidence of *Recognized Environmental Concerns* or other issues that warrant either a Phase II or remediation before closing. Remediation includes trash or debris within the easement area.

**NOTE: The Environmental Assessment is valid for one year (365 days) from the effective date. If the conservation easement is not closed within that time, an update must be submitted.**



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***By signing this “Environmental Audit Requirements and Checklist for Easement Programs”, I certify that I meet all specified requirements and agree to complete all required deliverables and outputs in accordance with the prescribed standards in this contract. I further acknowledge that my execution of these obligations ensures that State funds received for services provided are utilized in a manner that safeguards the interests of the State of North Carolina. If any certification of qualifications is found to be false, or if the deliverables or outputs are incomplete or fail to meet the prescribed standards, the State of North Carolina reserves the right to withhold grant payments until such deficiencies are corrected to the State’s satisfaction.***

\_\_\_\_\_  
 Signature of Preparer

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name of Preparer

***By signing this “Environmental Audit Requirements and Checklist for Easement Programs,” I concur with the preparer’s qualifications and agree to comply with the requirements.***

\_\_\_\_\_  
 Signature of Grantee Representative

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name and Title of Grantee Representative



**N.C. Department of Agriculture & Consumer Services**  
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**REQUEST TO ADFP TRUST FUND FOR APPROVAL OF SUBCONTRACTING**

*This form is required to subcontract with a qualified preparer who is not an employee of the Grantee entity.*

Grantee:

Contract Number:

Pursuant to the General Terms and Conditions of the Contract\* between the Grantee and the Agency, Grantee hereby requests approval of the Subcontractor, \_\_\_\_\_, to assist in carrying out the purposes of the above-referenced contract.

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Name of Grantee

\_\_\_\_\_  
Date

Subcontracting Approved

Subcontracting Denied

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Date

**\*Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.



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## **Environmental Audit (EA) Requirements Checklist**

	<ol style="list-style-type: none"><li>1. Summary Page<ol style="list-style-type: none"><li>a. Conservation Easement Farm and Landowner Name(s)<ol style="list-style-type: none"><li>i. Must match those identified on the Preliminary Title Policy</li></ol></li><li>b. ADFP Tracking Number and NCDA&amp;CS Contract Number</li><li>c. Date of Inspection</li></ol></li></ol>
	<ol style="list-style-type: none"><li>2. Site Description<ol style="list-style-type: none"><li>a. Written Description of Current Land Uses and Improvements that match the description found in the Baseline Documentation Report.</li><li>b. Written description of all types of land use on the easement and the surrounding area.</li><li>c. Written description of implied and prevalent easement ingress and egress.</li><li>d. Photos depicting ingress and egress, as well as any access easements that remain within the conservation easement.</li><li>e. Photos of EACH land use and Improvement, including Farmstead Building Envelope Area.</li><li>f. Updated Map with photo points and land improvements or features identified.</li></ol></li></ol>
	<ol style="list-style-type: none"><li>3. Written description of Trash and Debris<ol style="list-style-type: none"><li>a. Any trash, debris, chemicals, abandoned equipment and vehicles, or other non-natural land use <b>MUST</b> be identified, photographed, and mapped.</li><li>b. If trash and debris are found on site, the following actions are required:<ol style="list-style-type: none"><li>i. Removal of trash must occur before easement recordation.</li><li>ii. If the location makes removal impractical <b>AND</b> the trash and debris do not present a negative environmental or agricultural impact, the environmental auditor or report preparer must certify:<ol style="list-style-type: none"><li>1. There are no current negative environmental impacts due to the trash and debris, and it is limited and localized in scope.</li><li>2. Due to the location of the abandoned vehicle or machinery, there is no negative impact on the agricultural operation, and it is impractical to remove.</li><li>3. The following clause must be included:<ol style="list-style-type: none"><li>a. If conditions change to where there are negative environmental or agricultural impacts, the easement-holding entity will be required to take proper action to remedy.</li></ol></li></ol></li></ol></li></ol></li></ol>



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4. Checklists, Prescreen, and Landowner Interview or equivalent
  - a. Written description of any *Yes or Unknown* Checklist Items from the Hazardous Materials Checklist, Landowner Interview, or Environmental Concern Prescreen.
  - b. Every question **MUST** be addressed.
  - c. Must include a written description of **EACH** checklist item without a **NO** response- this will be separate from the actual form.
  - d. Must include a written description of Item G on Hazardous Materials Checklist, including what was found, and which federal or State agency sites were searched.
    - i. This description may include any of the following:
      1. Reports and documents that can help identify prior owners, tenants, and uses of the property, as well as help reveal any known spills or releases on the property or in the area, such as:
      2. Federal and State environmental and health agency records
      3. Title reports
      4. Local assessors and fire department records
      5. Building permits
      6. Environmental assessments
      7. Technical studies
      8. Newspaper clipping files
    - ii. Must identify any environmental liens on the property- past or present
5. A completed, dated, and signed Hazardous Materials Checklist
  - a. This is required for an Environmental Audit or Full Phase I ESA
6. A completed, dated, and signed Landowner Interview
  - a. This is required for an Environmental Audit or Full Phase I ESA
7. If the following items are found on site, the narrative must include a discussion with the listed elements:
  - a. Aboveground Storage Tanks (AST) or Underground Storage Tanks (UST):
    - i. Tanks must be identified by survey, aerial map, and photo.
    - ii. UST must be identified as registered with NC DEQ.
    - iii. Both the AST and UST's approximate age, condition, and indication of stains, leaks, etc. must be discussed in the narrative.



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- b. Indication of lead and asbestos:
  - i. If the environmental auditor or report preparer indicates the possible presence of lead and asbestos:
    - 1. Each structure must be identified by a survey or aerial map and by a photo.
    - 2. Each structure should be identified by approximate age and include a current condition.
    - 3. Note: Any asbestos or lead finding may require an indemnity clause. Please reach out to NCDA&CS staff.

8. Environmental Opinion

- a. A certified statement with the environmental opinion review of the land by the agency performing the EA or ESA
- b. Must include on-site and off-site REC findings, as well as indications of trash and debris.
- c. Name, signature, and date of the land investigator and or reviewer
- d. Brief qualifications of the reviewer

9. Addenda

- a. NCDA&CS Approved Survey
- b. Environmental Records Search (if applicable)
- c. Map of the Conservation Area associated with the EA that includes any land improvements or special land use features
- d. Documentation of land ownership associated with the EA, such as a property tax card, land deed, etc.
- e. Must match the preliminary title policy and the preliminary attorney's signed title opinion

***Note: If a Phase I ESA has been performed, the items within the checklist, including addenda items, must be included within the submitted report.***



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**Grantees:**

**The Grantee is responsible for verifying that subcontractors meet the requirements described below and for supplying the subcontractors with the attached checklist and narrative. Failure to do so may result in the rejection of due diligence items and subsequent delays.**

Baseline documentation reports (BDRs) establish the condition and characteristics of the land parcel at the time of conservation easement closing and serve as the basis for easement management and monitoring. Therefore, the BDR is critical to enforcing the terms and conditions of the easement in perpetuity.

BDRs also help document how the land’s characteristics support the conservation easement’s purposes and help justify the expenditure of public funds.

BDRs include narrations, pictures, and maps to provide a complete understanding of a given parcel. It is recognized that no two land parcels are the same, and there is an expected level of variation in the content of BDRs. However, the following requirements, where applicable, are considered a minimum that should be found in the document.

For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) or RCPP transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).

The Parties to this transaction are as follows:

State of North Carolina: N.C. Dept. of Agriculture & Consumer Services; NC ADFP Trust Fund  
 2 West Edenton Street  
 Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_



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**Baseline Documentation Report Preparer Qualifications**

- Have current licensure as an environmental engineer or be a qualified employee of the land trust or Soil and Water Conservation District. The individual's credentials must be recorded in the baseline report.
- Agree to complete the report pursuant to the requirements contained herein and furnish the Grantee and, subsequently, NCDA&CS an electronic copy for review.
- Agree to produce maps and photographic documentation that are properly and accurately drawn, revealing all the information developed by and during the survey of the property.
- Agree to provide an unbiased portrayal of the property, including but not limited to assessing environmental conditions such as trash, debris, and abandoned vehicles.

**Grantee Responsibilities**

- Provide all necessary documents to staff or environmental engineers for reference and review the report *before* submission to NCDA&CS staff.
- If applicable, forward any copies of the report to partnering funding agencies.
- Maintain the acreage and other calculations determined in the survey as the conservation easement across *ALL* documents presented within the report.
- Ensure that all due diligence items within the baseline documentation report are versions that have been previously approved by NCDA&CS staff.
- Review the document in detail with the landowner, emphasizing the conservation easement restrictions as dictated by the conservation easement deed. After reviewing the document, the entity and landowner will sign the acknowledgment forms.
- If a BDR was completed more than three months prior to the execution of the conservation agreement, or if there was a known event or disturbance, the preparing organization must revisit the property to ensure that it accurately represents the current conditions and provide the date of the visit to NCDA&CS staff. NCDA&CS may also require a supplemental statement that attests to current conditions.



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***By signing this “Baseline Documentation Report Requirements and Checklist for Easement Programs,” I certify that I meet all specified requirements and agree to complete all required deliverables and outputs in accordance with the prescribed standards in this Contract. I further acknowledge that my execution of these obligations ensures that State funds received for services provided are utilized in a manner that safeguards the interests of the State of North Carolina. If any certification of qualifications is found to be false, or if the deliverables or outputs are incomplete or fail to meet the prescribed standards, the State of North Carolina reserves the right to withhold grant payments until such deficiencies are corrected to the State’s satisfaction.***

\_\_\_\_\_  
 Signature of Preparer

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name of Preparer

***By signing this “Baseline Documentation Report Requirements and Checklist for Easement Programs,” I concur with the preparer’s qualifications and agree to comply with the requirements.***

\_\_\_\_\_  
 Signature of Grantee Representative

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name and Title of Grantee Representative



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**REQUEST TO ADFP TRUST FUND FOR APPROVAL OF SUBCONTRACTING**

*This form is required to subcontract with a qualified preparer who is not an employee of the Grantee entity.*

Grantee:

Contract Number:

Pursuant to the General Terms and Conditions of the Contract\* between the Grantee and the Agency, Grantee hereby requests approval of the Subcontractor, \_\_\_\_\_, to assist in carrying out the purposes of the above-referenced Contract.

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Name of Grantee

\_\_\_\_\_  
Date

Subcontracting Approved

Subcontracting Denied

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Date

**\*Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the Contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.



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**Baseline Documentation Report Checklist and Required Elements**

**Title Page:**

	<p>Title Page Must Include:</p> <ul style="list-style-type: none"> <li>• Title of the easement as stated in the Contract,</li> <li>• ADFP Trust Fund tracking number,</li> <li>• NCDA&amp;CS contract number,</li> <li>• Date of completion and date of conveyance,</li> <li>• Name, title, and affiliation of the author(s)</li> </ul>
	Table of Contents with Page Numbers: Section Headers, Maps, Photos, Addenda
	Landowner Contact Information: Names, addresses, email, phone numbers, etc.

**Section 1: Purpose and Easement Holder**

	Brief statement of purpose for BDR
	<p>Purpose of the Conservation Easement: Conservation Easement Values as stated under IRC Section 170(h):</p> <ul style="list-style-type: none"> <li>• Required:             <ul style="list-style-type: none"> <li>○ Agricultural Farmland and/or Woodlands/Forestry</li> </ul> </li> <li>• Optional or Secondary:             <ul style="list-style-type: none"> <li>○ Wildlife Habitat</li> <li>○ Surface Waters</li> <li>○ Rural and Scenic Vistas</li> <li>○ Proximity to Protected Lands</li> </ul> </li> </ul>
	Identification, qualifications, and parcel selection methods of the easement holder

**Section 2: Property Background**

	Total parcel acreage and easement acreage (if different)
	Location and Physical Setting – General description of the parcel and adjacent land
	Enrollment in a Voluntary Agricultural District (VAD) or Enhanced Voluntary District (EVAD) (if applicable)
	Enrollment in Century Farm, Bicentennial Farm, Got to Be NC, or other programs offered through NCDA&CS (if applicable)
	History of the parcel, including description of past farming operations and land use
	Any other significant features identified by the Grantee or landowner
	<i>Map: Imagery of the area within 5 miles of the easement property, showing the specific location of the parcel. Include all other easements and protected lands in proximity (if applicable).</i>



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	<p><i>Map: General reference map scaled to show the entire county boundary. The map must show the specific location of the easement property, and may include municipalities, major interstates or highways, and other significant landmarks.</i></p>
	<p>Discussion of environmental conditions.          Identify any areas for potential monitoring or summary of Phase or Phase II Environmental Site Assessment findings and subsequent remediation actions (The complete EA will be included in the addenda).</p> <ul style="list-style-type: none"> <li>• Any recognized environmental conditions, including potential or de minimis, must be discussed.</li> <li>• If lead and asbestos were identified, the environmental warranty found within the easement template must be included, as well as the indemnity clause signed by the landowner.</li> <li>• Any notations of trash and debris must be discussed, and a monitoring plan must be established.</li> </ul>

**Section 3: Existing Land Use and Management**

	<p>Landowner objectives for the management of the parcel and current agricultural practices and goals.</p>
	<p>Describe any recorded, verbal, or otherwise allowable leases. Provide name and contact of individual(s) and allowable use and or restrictions (if applicable).</p>
	<p>Statement on the general condition and management of each land use type (including cropland, forestland, pastureland, mixed use, etc.).          Include acreage and percentage of each land use in the easement (if applicable)</p>
	<p>Include a copy of the current USDA-NRCS or local Soil and Water Conservation District conservation plan (if applicable under HEL status)</p> <ul style="list-style-type: none"> <li>• If managed for HEL, include: Form NRCS-CPA-026 “<i>Highly Erodible Land and Wetland Conservation Determination</i>” which documents the fields and acreage of HEL, along with a map labeling fields HEL or NHEL (non-highly erodible land).</li> </ul>
	<p>Statement on Potentially Highly Erodible Land (PHEL) soils.          Description of soils, slope, etc., (if applicable).</p>
	<p><i>Map: Aerial or satellite imagery of the property with the easement boundary map overlay. Include callouts of significant features, including building envelopes, and legal access (ingress/egress) from a publicly maintained road.</i></p>

**Section 4: Documentation of existing conditions and Summary of Grantors’ and Grantee’s Rights and Restrictions**

	<p>List and describe Restricted Uses of the Property -Summary of Grantee’s Restrictions</p>
--	---



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	List and describe Permitted Uses of the Property -Summary of Grantee’s Rights
	List and describe all existing human modifications, including all roads, ROWs, utility easements, cemetery plots, etc.
	List in table form, each permanent structure or other area that meets the impervious surface qualification. Identify dimensions, approximate impervious surface, and corresponding photo for each.
	Calculate the total extent of impervious structures.
	Calculate the maximum allowable impervious surface area within the easement.
	Calculate the remaining allowable surface area within the easement, converted to square feet and acres.
	List all Building Envelopes by use and type, with accompanying acreage.
	<i>Map: All human modifications to the property with the following labeled: structures, roads, trails, dikes and impoundments, wells, fences, utility lines and corridors, cemeteries, trash piles/dumps, etc., within the easement area and farmstead building envelopes identified.</i>

**Section 5: Land Parcel Topography and Soil Types**

	A short paragraph summarizing the general topography of the easement area, highlighting any extremes.
	Discussion of all soil types within the land parcel, including a description of each.
	Table of all soils found within the easement area. Include soil type, name, acreage, percent of total soils in the easement, and designation as prime, unique, or statewide importance.
	<i>Map: USGS US Topo or 7.5-minute quadrangle topo map (overlay of an aerial/satellite view, if possible) of the property or the best available map showing the property’s elevation profile</i>
	<i>Map: USDA-NRCS soils map (available through USDA Web Soil Survey) with appropriate labels that match figures in the table.</i>
	<i>Map: Highly Erodible Soils (overlay of an aerial/satellite view, if possible) of the property with any building envelopes</i>

**Section 6: Description of the Property’s Natural Features**

	List and describe all wildlife habitats and natural communities of significance found within the easement area (e.g., common wildlife, rare and endangered species, etc.).
	<i>Optional: Map: Wildlife and natural communities</i>
	General description of forest types within the easement area (if applicable).
	<i>Map: Stand or reference map with labeled stands</i>



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	List and description of all significant aquatic features (streams, water bodies, wetlands, major waterways, etc.).
	<i>Map: Aquatic map (overlay of an aerial/satellite view, if possible)</i>
	<i>Map: General hydrology map</i>

**Section 7: Archeological and Historical Features**

	List and description of all historical features of significance, including cemeteries, monuments, etc. (if applicable).
	<i>Map: Archeological and historical features on the property (if applicable)</i>

**Section 8: Photographic Documentation**

	General landscape pictures that are representative of the easement area.
	Photographs at regular intervals along the property line that capture the property in its entirety, including photos from each property corner, and highlighting ingress and egress or access points
	Photographs of each permanent structure within each building envelope or farmstead area. These must match the photo points with the impervious surface table.
	All other impervious surfaces in the easement, if not included above
	Photographs of any other human modifications to the property (including roads, ditches, dams, etc.)
	Photographic index with descriptions of each photo
	<i>Map: Documentation map with photos numbered. Include a compass direction to note the direction the photo was taken</i>

**Section 9: Addenda**

	NCDA&CS Approved or Recorded Survey
	Abbreviated biography with qualifications of the author
	Approved Environmental Assessment
	Approved Conservation Plan, Forest Management Plan, or Both (if applicable)

**Section 10: Signature Pages**

	Declaration of Report Accuracy with authorized signature of the Grantee organization
	Declaration of Report Accuracy and Acceptance (Grantee) with ALL landowners' signatures
	Signed easement restriction acknowledgment form



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	Attestation (optional)
	Declaration of Reliance and Certification of Record (optional)

**Description of Baseline Documentation Report (BDR) Items**

**Title Page:**

Include the title of the easement as stated in the ADFP Trust Fund contract (e.g., Rocky Ridge Farm Easement), ADFP Trust Fund tracking number, NCDA&CS contract number, date of the BDR site visit, date of certification, and name, title, and affiliation of the BDR author(s).

- **Table of Contents:** Include all section headers, maps, and photographic documentation with automatically generated page numbers.
- **Landowner Contact Information:** Names, addresses, email, phone numbers, etc. of landowners. This may also include the names, email addresses, and phone numbers of any land managers, lessees, gatekeepers, etc., as appropriate. Email addresses are essential.
  - **Please ensure that you highlight the primary contact and any other associated landowners.**

**Section 1: Purpose and Easement Holder**

- **Purpose of the Conservation Easement:** Briefly summarize the purposes as found in the easement document. This should include the conservation values from the easement deed and elaborate on the landowners’ objectives for land preservation and agricultural value.
  - Include a brief statement that the purpose of the BDR is to document the property’s conservation values and existing conditions, provide a basis by which to measure compliance with the conservation agreement, and provide information for annual monitoring of the property.
  - Include a disclaimer that the BDR does not preclude the use of other information for purposes of enforcement.
  - Specifically, regarding the former, the “conservation purposes” that **must be referenced** and are stated under Internal Revenue Code Section 170(h) are:
    - i. The preservation of land areas for outdoor recreation by, or the education of, the public;



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- ii. The protection of a relatively natural habitat of fish, wildlife, or plants, or a similar ecosystem;
- iii. The preservation of open space (including farmland and forest land) where such preservation is for the scenic enjoyment of the public, or pursuant to a clearly delineated Federal, State, or Local governmental conservation policy, and will yield a significant public benefit;
- iv. The preservation of a historically important land area or a certified historic structure.
  - *Example: The Grantee's primary intent is to conserve and protect productive agricultural and forestry uses, and secondarily to encourage sustainable management of soil resources. Other goals in conserving this property include promoting non-commercial recreational opportunities and activities, as well as preserving the natural resources and scenic values of the protected property for present and future generations.*
- Identification, qualifications, and parcel selection methods of the easement holder: Briefly describe the easement-holding entity, highlighting the entity's qualifications to hold easements and intent to monitor.
- Describe the selection methods and reasoning behind the choice of this land parcel for conservation.

**Section 2: Property Background:**

Include a paragraph summarizing the property, including the following information:

- An overall description of the property and background information describing the conservation project.
  - The description and background are extremely valuable in helping subsequent generations understand the easement.
- A well-prepared BDR will provide a context for the easement by including a section that describes how the property fits within a larger conservation objective, how it was funded using public and/or private dollars, and how another conservation organization or governmental entity may refer to the project.
- If tenants are on the property or it is leased for grazing, timber harvesting, or other agricultural activities, this information should also be included in this section.

There must be some discussion of the following:

- Discussion on how the easement addresses the entities' mission and goals. Such documentation can include copies of relevant governmental policies, references to other projects the entity has completed in the area, descriptions of the funding sources received for the project, and other relevant information.
- Legal description of the property, including the property deed reference and the recording date of the conservation agreement



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- Directions to the property from the easement-holding entity office, including directions for legal access, parking location, and notes on gated or keyed entries.
- Total parcel acreage and easement acreage (if different). The acreage must match the NCDA&CS-approved survey and be consistent throughout the document. Please do not include +/- as the surveyor has certified the acreage.
- General location in the county.
- Enrollment in a Voluntary Agricultural District (VAD) or Enhanced Voluntary District (EVAD) (if applicable).
- Enrollment in Century Farm, Bicentennial Farm, Got to Be NC, or other programs offered through NCDA&CS (if applicable).
- History of the parcel, including description of past farming operations and land use.
- Location and Physical Setting, including a general description of the landscape and farming operations in the general area, including adjacent land.
- Discussion of the Environmental Audit (EA) or Environmental Site Assessment (ESA) regarding recognized environmental concerns, any items addressed prior to recordation, or lingering concerns for ongoing monitoring.
  - Trash, debris, or environmental conditions otherwise indicated in the easement deed as prohibited must be documented and discussed.
    - If the EA, ESA, or TSP included trash and debris, a discussion of the current status must be included.
    - If the identified trash, debris, abandoned vehicle, or abandoned machinery are not removed before easement recordation, the reason must be stated with the proper certification:
      - There are no current negative environmental impacts due to the trash and debris, and it is limited and localized in scope.
      - Due to the location of the abandoned vehicle or machinery, there is no negative impact on the agricultural operation, and it is impractical to remove.
    - The following clause must be included:
      - If conditions change to where there are negative environmental or agricultural impacts, the easement-holding entity will be required to take proper action to remedy.
  - If a Phase II is required, this will also be included, along with a narrative of findings and remediation activities. Areas and actions for future monitoring must also be discussed.
  - The Environmental Audit (EA) or the Environmental Site Assessment (Phase I) will be attached in the addenda in its entirety.
    - If above-ground storage tanks or underground storage tanks are identified, the discussion from the EA, ESA, or TSP narrative must be included and expanded to identify future monitoring.



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- If structures were identified as potentially containing lead and asbestos:
  - The narrative from the EA, ESA, or TSP must be included and expanded to identify future monitoring.
    - The following conservation easement language must be noted: must be identified by survey or aerial map and by photo.
    - The addenda must contain the indemnity clause signed by the landowners.
      - The NCDA&CS, its employees, agents, and assigns disclaim and will not be held responsible for Grantee's or Grantor's negligent acts or omissions or Grantee's or Grantor's breach of any representation, warranty, covenant, or agreements contained in this ALE Deed, or violations of any Federal, State or local laws, including all Environmental Laws defined in Section 5.2 including, without limitation, those that give rise to liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, costs of actions, or sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which the NCDA&CS may be subject or incur relating to the Protected Property.
      - Grantor agrees to indemnify and hold harmless NCDA&CS, its employees, the Grantee and the State of North Carolina harmless from any and all costs, claims or liability, including but not limited to reasonable attorney's fees arising from any personal injury, accidents, negligence or damage relating to the Protected Property, or any claim thereof, unless due to the negligence of Grantee or its agents, in which case liability shall be apportioned accordingly. Grantor is responsible for obtaining liability insurance covering the Protected Property with limits deemed necessary by Grantor, in their sole discretion.
      - The Grantor shall hold harmless and indemnify NCDA&CS and Grantee, its employees, agents, and



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assigns for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which NCDA&CS may be subject or incur relating to the Protected Property, which may arise from, but are not limited to, Grantor's negligent acts, omissions or breach of any representation, warranty, covenant or agreement contained in this ALE Deed or violations of any Federal, State, or local laws, including all Environmental Laws (defined above).

*Map 1: Include imagery of the area within 5 miles of the easement property, showing the specific location of the parcel. Include all other easements and protected lands in proximity (if applicable).*

*Map 2: General reference map scaled to show the entire county boundary. The map must show the specific location of the easement property, and may include municipalities, major interstates or highways, and other significant landmarks.*

**Section 3: Existing Land Use and Management:**

- Include the landowner's objectives for the management of the parcel and current agricultural practices. Also include the greater area if this easement is only one portion of a larger managed parcel.
  - What is the overall management objective of the landowner, and how does this easement area fit within it?
- Current land uses include all farm activities, property rights, and access.
- Easement broken down by land cover and use, with statements on the general condition and management of the following key areas:
  - Pasture and cropland – acreage and percent of land use in the easement (if applicable).
  - Horticultural – acreage and percent of land use in the easement (if applicable).
  - Forest and woodlands – acreage and percent of land use in the easement (if applicable). Include current (within 10 years) Forest management plan and practices (e.g., managed for maximum timber production or left to stand as a natural area for wildlife habitat).



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- Include a discussion of landowner management objectives, conservation concerns, and goals from the FMP.
  - A complete copy of the FMP will be provided in the addenda.
- Other significant land uses – include acreage and percent of land use in the easement of each (if applicable). Provide general descriptions of uses (e.g., irrigation ponds, canals, nursery areas, non-timber forest products, etc.).
- Include a summary of the existing conservation plan and practices, and the adequacy in achieving management goals.
- Include a copy of the current (must be within five years) USDA-NRCS or local Soil and Water Conservation District conservation plan (required for crop or pastureland for NRCS partner funding or parcels with Highly Erodible Land (HEL) (optional otherwise).
  - If HEL land is present, please include a copy of the NRCS associated plan Form NRCS-CPA-026 “*Highly Erodible Land and Wetland Conservation Determination*,” which documents the fields and acreage of HEL, along with a map labeling fields HEL or NHEL (non-highly erodible land).
  - If the NRCS conservation plan identifies the parcel or fields within as HEL, the conservation plan map provided by NRCS must also be attached. The HEL status of the field level must be discussed.
- Include a discussion of soil units if considered potentially highly erodible based on soil type, slope, etc.

*Map 3: Aerial or satellite imagery of the property with the easement boundary map overlay. Include callouts of significant features, including farmstead building envelopes, residential building envelopes, recreational building envelopes, existing structures, and legal access (ingress/egress) from a publicly maintained road.*

**Section 4: Documentation of existing conditions that relate to the easement’s restrictions and reserved rights.**

The first paragraph should explicitly and completely list and describe the rights that are restricted and the rights that are retained through the easement. This would include all parts of the easement template and any additional exhibits added to the conservation easement language.

Thorough documentation of all man-made improvements on the property is required. This must include a narrative description of the improvements, their location on a map, and photographs of their condition.

The status of any reserved rights and prohibited uses contained in the conservation easement should also be documented (for example, if the easement permits a total of two single-family homes on the protected land, it is important that the baseline document how many homes exist on the land as of the easement’s date), as well as other pre-existing conditions or features that may threaten the property’s conservation values. This may include access easements for areas excluded from the easement or adjoining landowners.



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**Impervious Surfaces and Existing Human Modifications:**

- List each permanent structure and other impervious surfaces, showing length/width measurements. Include a calculation of the total extent of impervious structures, the maximum allowable impervious surface area within the easement (2% of total acreage) converted to square feet and acres, and the remaining allowable surface area within the easement converted to square feet and acres.
  - **The current impervious surfaces and the remaining allowable impervious surface for the conservation easement must be calculated.**
- List the current Building Envelopes with acreage for each of the approved uses:
  - Current Residential
  - Future Residential
  - Farm Support Housing
  - Recreational and Accessory Structures
  - Farmstead
- For existing impervious structures, you must include a table of each item with a corresponding photo point, the dimensions, and the calculations by square foot and acreage.

The following is an example of adequate documentation for impervious structures:

- Residential Building Envelope: Existing Residential. The primary family residence is a 1,970-square-foot brick ranch built in the 1970s. The landowner plans to keep this as the farm's primary residence.
- Farmstead Building Envelope: Farmstead- The farmstead envelope contains several farm-related structures.
  - The creamery building is a wood-sided structure that has been restored from its original form as a store building.
  - Two open-sided barns that serve as winter feed stations for cattle and hay storage are located in this area.
  - Two silage storage areas consisting of concrete bunker silos outfitted with plastic for fermentation are also located here.
  - One concrete pad that holds feed storage tanks is located to the west of the silage areas.
  - A recently dug agricultural well with the associated well house is also found in the FBE.
  - Photo points 1-7, 15-18, 33, 34. Modifications in this area include the following dimensions, and the approximate impervious surface for each of these areas is listed in Table 1:



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<b>Impervious Surface Area</b>	<b>Photo point</b>	<b>Dimensions</b>	<b>Impervious Surface (sq. ft.)</b>	<b>Impervious Surface (acres)</b>
Barn 1, storage shed	17	40' x 35'	1,400	0.032
Barn 2	18	12' x 24'	288	0.007
Well	1	10' x 6'	60	0.001
Creamer building	2	50' X 40'	2,000	0.046
Residence	34		2,240	0.051
Silo storage areas	5	80' x 200'	16,000	0.367
Concrete pad	16	27' x 24'	648	0.015
<b>Total Impervious Surface</b>			<b>22,636 sq. ft</b>	<b>0.519 acres</b>

The easement allows for a maximum impervious surface area of 2% or 85,987.20 sq. ft. (1.97 acres). Based on the above approximations, a remaining 63,351.44 sq. ft. (1.45 acres) of impervious surface is allowed under the easement.

**The remaining allowable impervious surface for the conservation easement must be calculated.**

*Map 4: Conservation easement map with labels for all human modifications to the property, with the following labeled: i.e., structures, roads, trails, dikes and impoundments, wells, fences, utility lines and corridors, cemeteries, trash piles/dumps, etc., within the easement area. Building Envelopes must be clearly identified on the map.*

**Section 5: Land Parcel Topography and Soil Types:**

- **Topography:** Short paragraph summarizing the general topography of the easement area, highlighting any extremes.
- **Soils:** Protecting the soil resource base and sustainable food and fiber production are essential purposes of conservation easements. Therefore, explaining the soil resources on the easement property is very important. The BDR should include a discussion of all soil types within the land parcel, including a description of each. All soil types and descriptions are available through USDA-NRCS.
- The following is provided as an example for a soils discussion:
  - There are six soil units mapped on the parcel, as shown on the General Soils Map. Four of the six soils are classified as prime farmland or farmland of statewide importance.
  - The soil types are as follows: (Note: Only one soil type is shown as an example. All soils shown on the soils map should be listed.)
    - Georgeville silty clay loam, 2-6% slopes.
    - GeB2 — Georgeville silty clay loam, 2-6% slopes. Georgeville soils are very deep, well-drained, and moderately permeable. The parent material



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for the soil is weathered fine-grained metavolcanic rocks. It is a moderately eroded soil found on uplands with elevations ranging from 300 to 750 feet. It is a well-drained soil with moderate available water capacity. *Georgeville is considered a prime farmland soil.*

Utilize the following table format to list all soils found within the easement area:

Soil Type	Name	Acreage	% of Total	Prime, Unique, or Statewide Importance? Y/N
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*Map 5: USDA-NRCS soils map (available through USDA Web Soil Survey) with appropriate labels.*

*Map 6: U.S. Geological Survey (USGS) U.S. Topo or 7.5-minute quadrangle topo map with clear contour lines.*

**Section 6: Descriptions of the Property’s Natural Features:**

In this section, highlight all the property features at the time of the easement, including but not limited to:

- Man-made features: Existing man-made improvements or incursions, such as roads, buildings, fences, man-made ponds, canals, or gravel pits. This section will highlight all impermeable features.
- Vegetation, habitat, and animal presence: Identification of flora and fauna, such as rare species locations, natural habitats, animal breeding and roosting areas, and migration routes.
- Land use history: Present uses and recent past disturbances.
- Special use areas: Land management areas such as logging roads, landing decks, general forest management zones, protected riparian zones, trails, etc.
- Forest description (if applicable): General description of forest types within the easement area (e.g., hardwood, pine, ornamental, etc.).
  - *Map 7: Accompanying stand map or reference map with labeled stands (if applicable).*
- Aquatic features: List and describe all significant aquatic features (streams, water bodies, wetlands, floodplains, major waterways, etc.). Provide a brief narrative regarding how the easement positively impacts those features.
  - *Map 8: Accompanying labeled aquatic map (overlay of an aerial/satellite view, if possible).*
  - *Map 9: General hydrology map.*
- Wildlife and natural communities (*Optional*): List and describe all wildlife habitats and natural communities of significance found within the easement area (e.g., common wildlife, rare and endangered species, etc.).
  - *Map 10: Accompanying map of wildlife and natural communities.*



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- Additional distinct natural features: Please include any specialty areas of interest, such as large trees and ephemeral streams.

**Section 7: Archeological and Historical Features:**

- List and description of all historical features of significance, including cemeteries (if applicable).
  - *Map 11: Labeled map of archeological and historical features on the property (if applicable).*

**Section 8: Photographic Documentation:**

This section is one of the most important. A photographic record of the entire property is essential, as is an adequate representation of the site at the time of recording. All photos must be easily replicable from roads, permanent features, or GPS waypoints. Photographs are recommended to include timestamps, latitude and longitude, or GPS coordinates.

Please be diligent in representing the following:

- Photographs must be taken at regular intervals along the property line that capture the property in its entirety, including photos from each corner of the property.
- Photographs of each permanent structure within each building envelope or farmstead area.
- If not included above, all other impervious surfaces in the easement.
- Photographs of any other human modifications to the property (including roads, ditches, dams, etc.).
- General landscape pictures that are representative of the easement area.
- Photographic index with descriptions of each photo (photos must have descriptions next to them).

*Map 12: Photographic documentation map with photos numbered. Include a compass direction to note the direction the photo was taken or a GPS coordinate.*

**Section 9: Addenda**

- NCDA&CS Approved Survey
- Signed Easement Restriction Acknowledgement Form
- Environmental Site Assessment
- Forest Management Plan and/or Conservation Plan if applicable
- Preparer Information: Identity and qualifications of preparer(s) that demonstrate their experience, education, and expertise relevant to the resources, features, and characteristics being documented, the Conservation Values and purposes of the Conservation Easement, and the tasks necessary to prepare the Baseline Report.



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**Section 10: Signature Page (Acknowledgement of Property Condition Form):**

Signatures of acknowledgment that the landowner(s) agree with the BDR and the property’s condition when the easement is recorded on the property.

The preliminary Baseline Documentation Report, with any applicable updates, must be approved at least 30 business days prior to closing. **NO EDITS ARE PERMITTED AFTER APPROVAL.** In the event of a delay in closing, the entity must provide a signed certification letter stating that there have been no changes to the easement area after sixty days. The BDR is to be reviewed by the entity and landowner, signed, and returned. The BDR must be signed by all authorized signatories of the landowner and the entity, and it must be notarized.

*Note: Entities may use their own BDR acknowledgment page, including a notary individualization, but all forms must be complete.*

- **Date(s) of field work, report compilation, and any follow-up visits**
- **Summary of data collection methods, including the accuracy of GPS equipment**
- **Preparer’s qualifications**

**Acknowledgements Examples**

**Baseline Documentation Team:**

Sam Smart, Land Stewardship and Acquisition Specialist  
 Samantha Solid, Land Stewardship Specialist  
 Zoe Ground, Ph.D, Soil Scientist

**Location of the Original Document**

The original signed document is stored in a fireproof cabinet located within the Carolina Open Space Trust office. This original document was placed in this location on \_\_\_\_\_, 2027 by \_\_\_\_\_.

**I. Declarations of Accuracy**

This baseline report (consisting of xx pages of text including the table of contents, 4 appendices, 5 maps and 14 pages of photographs) is prepared to document the current status of the Great Ranch Conservation Property to be held by the Carolina Open Space Trust, a North Carolina 501(c)(3), nonprofit organization.

We declare that, in the preparation of this baseline report, we acted under and fulfilled our duty to gather and record the information contained herein accurately and in the regular course of the



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business of the Carolina Open Space Trust. Further, we declare that the information contained herein accurately reflects our personal knowledge gained by our field observations on December 2 through 4, 2026. We declare that the information contained herein was recorded at or near the time that the information was obtained and accurately describes the conditions of the physical features and uses of the Great Ranch Conservation Property.

We declare under penalty of perjury under the laws of the State of North Carolina that the foregoing is true and correct and that this declaration was executed on December \_\_, 2026.

Signatures X \_\_\_\_\_

**II. Declaration of Reliance and Certification of Record**

Acting as the President of the Carolina Open Space Trust and as its Custodian of Records, I declare that the Carolina Open Space Trust adopts, has relied upon, and will rely upon the information contained in this report to describe the condition of the Conservation Property. Further, I certify that the preparation of this document complies with our general procedures for creating and maintaining business records and specifically with our procedures for the creation of baseline reports. This document was created in the regular course of our business for the purpose of managing our conservation easement portfolio.

I declare under penalty of perjury under the laws of the State of North Carolina that the foregoing is true and correct and that this declaration was executed on December \_\_, 2026.

Helen Speaker X \_\_\_\_\_  
 President, Carolina Open Space Trust

**III. Declaration of Acceptance**

I, George F. Donor, as Trustee of the George Y. Donor Trust, am the current owner of the Great Ranch Conservation Property subject to the conservation easement dated December \_\_, 2026, to be conveyed to the Carolina Open Space Trust and recorded in the official records of \_\_\_\_\_ County. I have read and independently reviewed this baseline report and declare that this report accurately describes the status of the physical features and uses of the conservation easement area.

I declare under penalty of perjury under the laws of the State of North Carolina that the foregoing is true and correct and that this declaration was executed on December \_\_, 2026.

George F. Donor, X \_\_\_\_\_  
 Trustee of the George Y. Donor Trust



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**Easement Award Grantee Responsibilities and Acknowledgements**

It is the responsibility of the Grantee to provide these instructions to the closing attorney completing the title search and easement closing items. The closing attorney **MUST** complete the Closing Attorney Requirements for Conservation Easement Programs Form **AND** a State of North Carolina Substitute W-9 Form.

1. The Closing Attorney **MUST** complete the Closing Attorney Requirements for Conservation Easement Programs Form, State of North Carolina Substitute W-9 Form, at least **60 days** prior to a tentative conservation easement closing date.
  - **Due to the vendor registration requirements of the Office of State Controller, there are no exceptions to this 60-day policy.**
  
2. **The Grantee must ensure the following for an accurate and timely process:**
  - a. Discuss with the landowner any potential title issues that could affect the certification of the title **BEFORE** the execution of the grant contract. Use the NCDA&CS Title Prescreen document to facilitate the discussion.
  - b. Acknowledge that costs to clear title defects are the responsibility of the landowner.
  - c. Engage the closing attorney directly after the contract award.
  - d. Ensure the attorney has the necessary skills and schedule availability to complete a thorough review according to NCDA&CS standards, as described herein.
  - e. Maintain contact with the closing attorney throughout the process. The Grantee is responsible for ensuring the transaction meets contract requirements and is completed in a timely manner within the budget parameters.
  - f. Acknowledge Grantees need to fully understand the billing practices of the Closing Attorney before engagement.
  - g. Acknowledge the closing attorney must represent the Grantee only.
  - h. Acknowledge the closing attorney must be supplied with the most current information regarding ownership, easement area acreage, and parcel identification.
  - i. Acknowledge NCDA&CS legal will coordinate the closing date with the closing attorney and grantee upon approval of all required documents and closing check request.
    - i. The Request for Payment form, Easement Closing Check Request form, and all required documents must be submitted in one complete package to the NCDA&CS no later than 30 days before the proposed closing dates.
      1. Errors in the Grantee's forms and documents, or outdated State of North Carolina Substitute W-9 Form for the Grantee or Closing Agent may cause delays.



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For Agricultural Conservation Easement Program Agricultural Land Easements (ACEP-ALE) transactions, these requirements and instructions are in addition to any closing instructions provided by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS).

The Parties to this transaction are as follows:

State of North Carolina:  
 N.C. Dept. of Agriculture & Consumer Services  
 NC ADFP Trust Fund  
 2 West Edenton Street  
 Raleigh, NC 27601

**Landowner/Grantor (name & address below):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_

**Eligible Entity/Grantee (name & address below):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_

**Closing Agent (name & address below):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_



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**Closing Attorney Qualification Acknowledgements**

1. Acknowledge the closing attorney has up-to-date knowledge of the General Statutes of North Carolina and case law pertaining to conducting real estate transactions and obtaining title clearance.
2. Certify that the closing attorney is an attorney duly licensed to practice law in the State of North Carolina.

**Preliminary and Closing Attorney Requirements**

1. Certify that the title insurance company issuing the title commitment and final policy of title insurance is approved by the North Carolina Insurance Commissioner.
2. Provide all Parties evidence of liability insurance coverage or indemnification in an amount equal to or greater than the easement purchase value paid from State Funds for each NCADFPTF easement. Further, the closing agent agrees to provide reimbursement to NCAD&CS for any loss of State funds caused by errors, omissions, fraud, dishonesty, negligence, or failure by the attorneys, agents, or closing agent employees to comply with written closing instructions. An insured closing protection letter is satisfactory to meet this condition of responsibility.
3. Certify that he or she will not close on an easement purchase for his or her spouse, children, partners, or business associates, and that he or she does not have a financial interest in the real estate to be covered by the proposed easement.
4. The easement acquisition transition **MUST BE** completed within 30 calendar days of receipt of the State funds.
5. Return the easement funds and any accrued interest in accordance with NCDA&CS instructions if the conservation easement is not closed within 30 calendar days of receipt of the State funds.
6. Acknowledge that costs to clear title defects are the responsibility of the landowner.
7. Respond to requests for edits to documents.
8. Acknowledge receipt and agree to comply with the terms of these requirements by promptly signing and returning a signed copy of these closing agent requirements to NCDA&CS.



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9. Provide a complete State of North Carolina Substitute W-9 Form with this document. Per the Office of State Controller, the State of North Carolina Substitute W-9 Form must be dated within one year prior to transmitting funds to the closing agent's escrow account. Updated forms must be submitted before requesting funds.

**Attorney Requirements for Title Search**

Certify that he or she will:

10. Examine the real estate records and certify title for a period of sixty years or more. There are **NO EXCEPTIONS** to the sixty-year title search period.
  - a. The search period must show a beginning date and an ending date.
  - b. Updated title opinion search periods must be accompanied by new title commitments that reflect those search periods.
11. Provides a duly signed title opinion along with vesting deeds, exceptions, recorded plats and a copy of the tax parcel card.
  - a. A list of all title exceptions must be included in the title opinion.
  - b. If any exceptions are discovered after submission to NCDA&CS, the title opinion must be revised to include those exceptions.
12. Secure the title commitment including an Insured Closing Protection Letter.
13. Comply with any listed title commitment requirements. NCDA&CS requires the Grantee and NCDA&CS to be listed on the insured and the amount of title insurance is equal to the cash value of the easement purchase price (does not include landowner donation).
14. Obtain and record as instructed the properly executed curative documents for any exceptions noted on the title commitment required to be removed, released, subordinated, cancelled, waived, or otherwise addressed as required by the title commitment or proforma policy and closing instructions.

**Attorney Requirements for Settlement Statement**

15. Prepare settlement statement.
  - a. The following language must be included, which describes the 10% of amount of NCDA&CS easement purchase contribution to be held in escrow:



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- i. “A check in the sum of \$ \_\_\_\_\_ which is a portion of the grant award is being paid to \_\_\_\_\_, Settlement Agent, which represents the easement purchase price pursuant to the North Carolina Agricultural Development Farmland Preservation Trust Fund “NCADFPTF” grant. Pursuant to program guidelines, the Settlement Agent named herein will hold 10% of the easement purchase price or \$ \_\_\_\_\_ in escrow until such time as the recorded easement, recorded plat, signed settlement statement, final title policy and budget reports are received and approved by NCADFPTF. The NCADFPTF shall, upon receipt of the recorded easement, recorded plat, signed settlement statement, final title policy and approval of all budget reports authorize the Settlement Agent to release all remaining grant funds, if any, to the Seller or Seller’s designated payee. “

**Attorney Requirements for Closing**

1. Immediately following closing, provide policies of title insurance free and clear of all encumbrances (exceptions) to the title except those that NCDA&CS, has determined to be acceptable.
2. Certify that the following package will be delivered within 28 business days of receipt of recorded documents from the local land records office to NCDA&CS:
  - a. Policy of title insurance (original and one copy) on the appropriate form.
  - b. Recorder’s certified copy of the recorded conservation easement deed and a recording receipt.
  - c. Recorder’s certified copies of any curative documents, including subordination agreements.
  - d. Original and one copy of executed settlement statements.
3. Record of disbursement of funds to the landowner.
4. Immediately prior to closing, examine the real estate records covering the time from the effective date of the title commitment to the date of closing to determine that no new encumbrances have been recorded against the subject property, no adverse change in title has occurred, and that there are no intervening matters affecting the title that might result in a new title exception on the policy. Notify NC ADFPTF of any such changes or matters that are discovered, and delay the closing, the recording of the deed, and the disbursement of funds pending consultation with NCDAFPTF.



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5. Ensure all taxes, homeowners’ assessments, etc., are current as of the date the conservation easement deed is recorded.
6. Obtain the properly executed conservation easement deed from the landowner and any other required signatory parties.
7. Record the conservation easement deed within two business days of execution.
8. Complete Internal Review Service (IRS) tax reporting Form 1099 for the full easement compensation amount, as identified in the conservation easement deed.

***By signing this “Closing Attorney Requirements for Conservation Easement Programs,” I certify that I meet all specified requirements and agree to complete all required deliverables and outputs in accordance with the prescribed standards in this contract. I further acknowledge that my execution of these obligations ensures that State funds received for services provided are utilized in a manner that safeguards the interests of the State of North Carolina. If any certification of qualifications is found to be false, or if the deliverables or outputs are incomplete or fail to meet the prescribed standards, the State of North Carolina reserves the right to withhold grant payments until such deficiencies are corrected to the State’s satisfaction.***

\_\_\_\_\_  
 Signature of Closing Agent

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name of Closing Agent

***By signing this “Closing Attorney Requirements for Conservation Easement Programs”, I concur with the closing agent’s qualifications.***

\_\_\_\_\_  
 Signature of Grantee Representative

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name and Title of Grantee Representative



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**N.C. ADFP Trust Fund**  
*Closing Attorney Requirements for Conservation Easement Programs*



**REQUEST TO ADFP TRUST FUND FOR APPROVAL OF SUBCONTRACTING**

*This form is required.*

Grantee:

Contract Number:

Pursuant to the General Terms and Conditions of the Contract\* between the Grantee and the Agency, Grantee hereby requests approval of the Subcontractor, \_\_\_\_\_, to assist in carrying out the purposes of the above-referenced contract.

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Name of Grantee

\_\_\_\_\_  
Date

Subcontracting Approved

Subcontracting Denied

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director

\_\_\_\_\_  
Date

**\*Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Conservation Easement Monitoring Policy and Guidelines*



## **I. Purpose**

The N.C. Agricultural Development and Farmland Preservation (ADFP) Trust Fund, administered by the Farmland Preservation Division of the N.C. Department of Agriculture & Consumer Services, provides grants for agricultural conservation easements on family farms throughout the state of North Carolina.

The ADFP Trust Fund will “hold grantees accountable for the expenditure of State funds by performing monitoring and oversight functions,” in accordance with Administrative Code 09 NCAC 03M “Uniform Administration of State Grants” and Subsection .0400, pursuant to N.C.G.S. 143C-6-22 & 23. The ADFP Trust Fund will work with the grantee to ensure compliance with the terms and conditions of the easement. Monitoring is necessary to make certain the easements are maintained while ensuring a productive relationship between the funding source (ADFP Trust Fund), grantee (counties or private nonprofit conservation organizations, according to N.C.G.S. 106-744), and landowner.

## **II. Definition of Agricultural Conservation Easements**

According to N.C.G.S. 106-744, an “agricultural conservation easement” means a negative easement in gross restricting residential, commercial, and industrial development of land for the purpose of maintaining its agricultural production capability. Agricultural conservation easements may be perpetual or term-limited in duration. The agricultural conservation easement may permit the creation of not more than three lots that meet applicable county zoning and subdivision regulations, provided it is allowed in the original recorded easement.

## **III. Involved Parties**

The ADFP Trust Fund, administered by the Commissioner of Agriculture, is the funding source for purchasing conservation easements. The ADFP Trust Fund has full-time staff located in Raleigh, North Carolina. Part-time field staff members are located throughout the state. The ADFP Trust Fund Monitoring and Stewardship Coordinator is the monitoring program manager, unless otherwise designated by the Farmland Preservation Division Director. ADFP Trust Fund Field Staff and the Monitoring and Stewardship Coordinator will conduct on-site monitoring. On-site monitoring visits are assigned by the Monitoring and Stewardship Coordinator. In-office monitoring reviews are the responsibility of the Monitoring and Stewardship Coordinator.

The ADFP Trust Fund Advisory Committee is administratively located within the N.C. Department of Agriculture and Consumer Services. The Advisory Committee will advise the Commissioner on the prioritization and allocation of funds, the development of criteria for awarding funds, guidelines for monitoring easements and projects, program planning, and other areas where monies from the ADFP Trust Fund can be used to promote the growth and development of family farms in North Carolina.

Grantees are counties or private nonprofit conservation organizations. **Grantees are the first point of contact for monitoring conservation easements, discussing potential violations of contracts and/or recorded easements and enforcement of deed terms. Grantees are required to monitor the easement at least once a year and complete annual monitoring reports for the length of the term**

**of the easement. Grantees shall invite all funding partners and easement co-holders to join the monitoring visit.**

Landowners will work with grantees to ensure compliance with the terms and conditions of conservation easements and will be notified of site visits by the grantee.

#### **IV. Grantee Monitoring Responsibilities and Expectations**

After the approval of final budget and progress reports, and the closeout of the contract, Grantees will complete and submit the online “Grantee Monitoring Report – Perpetual or Term Easement” to ADFP Trust Fund office annually on or before December 31, beginning the year after the recording of the easement. The “Grantee Monitoring Report – Perpetual or Term Easement” is accessed through NC ADFP Trust Fund’s website. For the direct link to the portal, click [here](#). Grantees will be required to create a Formsite account to access the report portal. Grantees should follow the prompts in the online portal to complete and submit their report.

**Failure to file annual monitoring reports on or before December 31 of each year shall constitute a violation of the easement and the grant contract.**

- Each January, ADFP Trust Fund staff will inform grantees of the easements scheduled for a combined site visit with ADFP Trust Fund personnel during that calendar year. Grantees will coordinate these visits and promptly notify the relevant ADFP Trust Fund staff members to ensure simultaneous participation. The responsible entities will also ensure the landowner is informed about the site visit and the monitoring method to be employed. The use of unmanned aerial vehicles (UAVs), or drones, can supplement the in-person site visit with the landowner’s permission. If drones are involved, the entity will obtain the landowner’s consent. Regardless of the monitoring method, every effort will be made to thoroughly assess as much of the easement area as possible.
- Remote Monitoring Guidelines (third party satellite or commercial imagery): Entities must annually assess the suitability of remote monitoring for each conservation easement property. It is recommended that if entities conduct remote monitoring, they rotate between remote and in-person monitoring. At a minimum, in-person monitoring is required the year in which the following conditions occur: a change in landownership, the landowner indicates interest in land management changes, or a property has a violation within the last five years. If a potential violation is identified from remote monitoring, an in-person visit must occur within the same year.

NCDA&CS may request follow-up in-person monitoring visits when the imagery does not meet the criteria above or is insufficient to verify a property’s on-the-ground conditions. Remote imagery should be captured within the current calendar year and must have a spatial resolution no coarser than 1.5 meters.

#### **V. ADFP Trust Fund Staff Monitoring Roles and Responsibilities**

The ADFP Trust Fund staff monitoring methods include but are not limited to:

- In-person monitoring visit: ADFP Trust Fund staff are required to physically visit the easement the first year after the easement is recorded and every three years thereafter. These monitoring visits will be coordinated with the grantee’s annual monitoring visit. All interested parties will be invited.

- In-office: ADFP Trust Fund staff will review grantee monitoring reports and verify the information from the reports.

Site visit protocol for ADFP Trust Fund staff:

- Communicate with the grantee about the site visit. ADFP Trust Fund staff and grantee will coordinate annual monitoring visits to the extent possible.
- Prior to the site visit ADFP Trust Fund staff will review easement survey, BDR, and previous years' "Grantee Monitoring Report – Perpetual or Term Easement".
- Site visits can be conducted on foot, by vehicle or by drone as long as proper inspection of entire easement area is completed and necessary landowner permission is obtained.
- Compile documentation, including, but not limited to, photographs, including land condition, and current use data.
- Complete "ADFP Trust Fund Staff Monitoring Report – Perpetual or Term Easement."
- A site visit will occur the first year after the recording of the easement, and then every three (3) subsequent years unless otherwise directed.

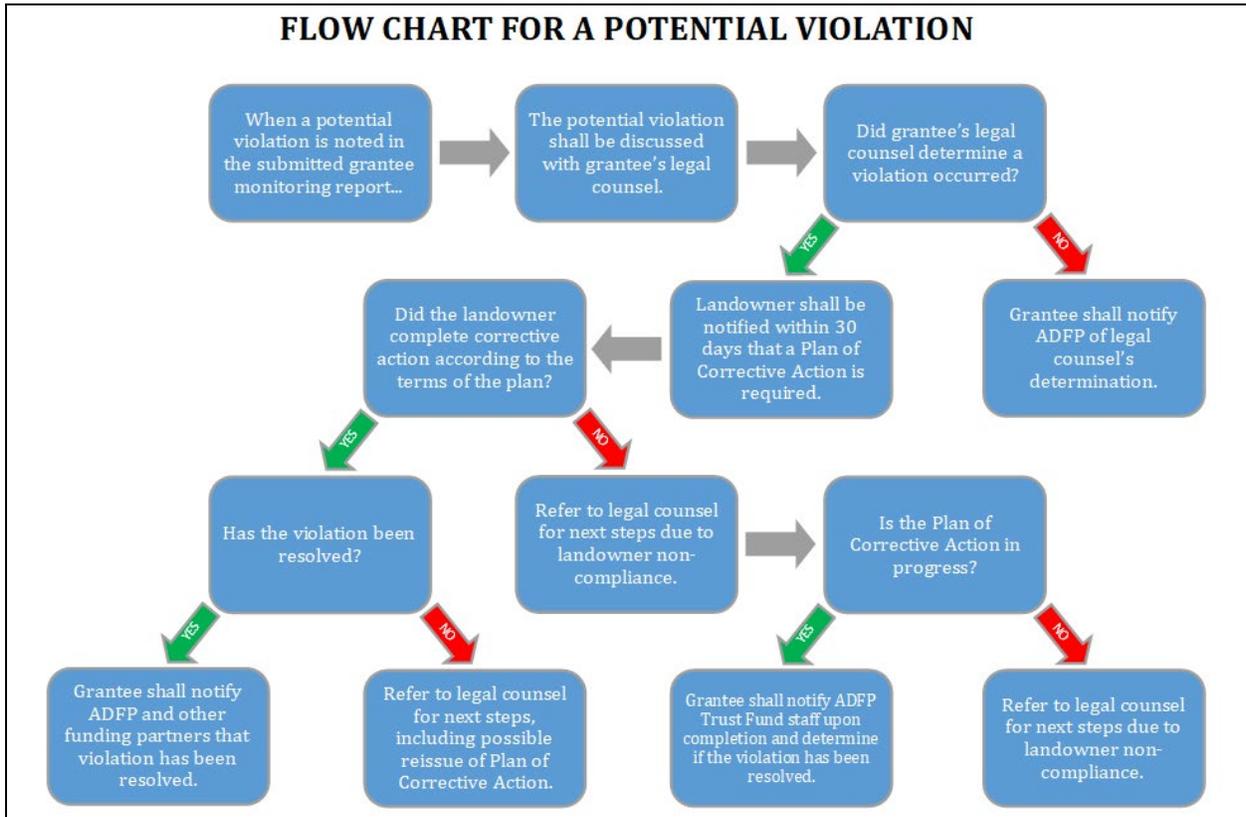
In-office monitoring protocol for ADFP Trust Fund staff:

- Review completed "Grantee Monitoring Report – Perpetual or Term Easement."
- Review the most current aerial photography data available (e.g. GIS via Multi-Hazard Threat Database (MHTD), Google Earth, etc.).
- Compare aerial photography with the Baseline Documentation Report and most recent ADFP Trust Fund Staff In-Office Monitoring Report.
- Complete "ADFP Trust Fund Staff In-Office Monitoring Report – Perpetual or Term Easement."
- In-office monitoring will be completed every three (3) years; the year prior to an ADFP TF staff monitoring site visit.

## **VI. Additional Guidance and Reference - Potential Violations**

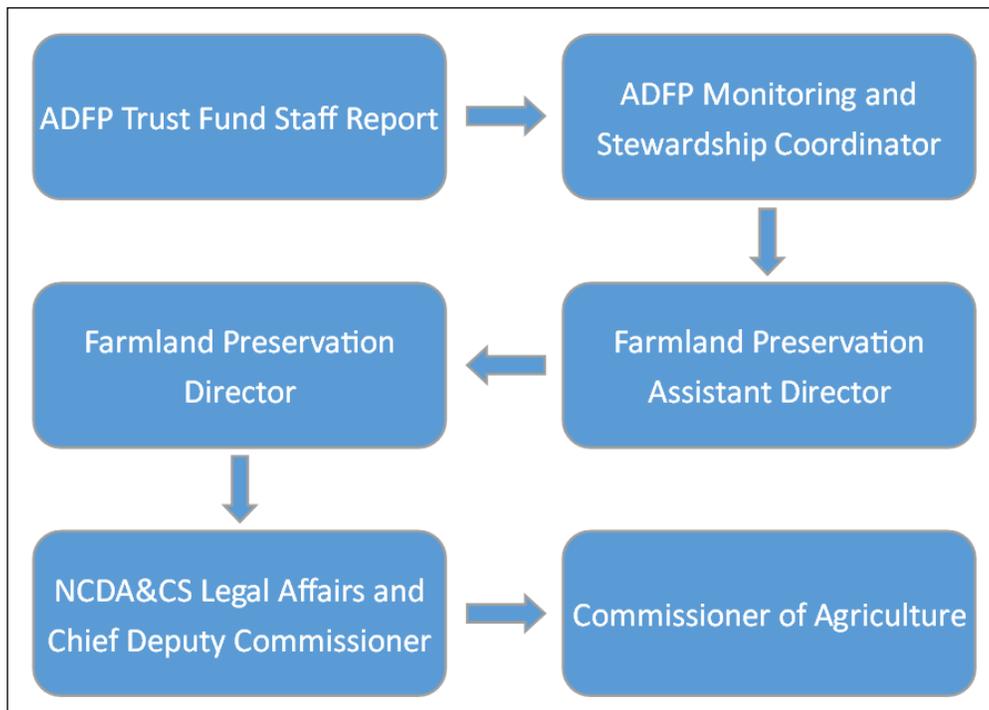
Grantees shall note any potential violation in their annual monitoring report and discuss with their organization's legal counsel. If the grantee's legal counsel determines a violation has occurred, the landowner shall be notified within 30 days that a Plan of Corrective Action is required (see chart below):

### FLOW CHART FOR A POTENTIAL VIOLATION



The Plan of Corrective Action must be a comprehensive plan detailing the corrective action that will be taken to remedy all violations and bring the project back in compliance.

In the event the grantee is unwilling or unable to enforce the terms of the easement, ADFP TF staff will note the potential violation in their annual monitoring report and start the internal review process (see chart below):



ADFP Trust

Fund Staff are

to follow appropriate approved ADFP Trust Fund Policies and Guidelines as directed by the ADFP Trust Fund Advisory Committee and the Commissioner of Agriculture, i.e. ADFP Trust Fund Grantee Eligibility Status.

## **VII. Monitoring Documents**

The following documents will be used for the monitoring of conservation easements:

- Grantee Monitoring Report – Perpetual or Term Easement
- ADFP Trust Fund Staff Monitoring Report – Perpetual or Term Easement
- ADFP Trust Fund Staff In-Office Monitoring Report – Perpetual or Term Easement
- Documents from the recorded conservation easement, including, but not limited to, recorded survey, baseline documentation report, previous monitoring reports, and the deed of conservation easement.

## **VIII. Document Filing, Retention, and Disposal**

All completed reports, including maps from GIS and supplemental documentation from grantees, will be scanned for electronic storage and printed for paper files. The North Carolina State Property Office, Land Asset Maintenance database (<http://www.ncspo.com/fis/dbLandAsset.aspx>) lists all ADFP Trust Fund funded easements. Electronic copies of monitoring documents will be stored on the ADFP Trust Fund server and SharePoint page.

All monitoring documents will be filed, retained, and disposed of pursuant to the ADFP Trust Fund records retention schedule.

**General Terms and Conditions**

**DEFINITIONS**

Unless indicated otherwise from the context, the following terms shall have the following meanings in this Contract. All definitions are from 9 NCAC 3M.0102 unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein:

- (1) "Agency" (as used in the context of the definitions below) shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subagency of government. For other purposes in this Contract, "Agency" shall mean the entity identified as one of the parties hereto.
- (2) "Audit" means an examination of records or financial accounts to verify their accuracy.
- (3) "Certification of Compliance" means a report provided by the Agency to the Office of the State Auditor that states that the Grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the Agency and copies of the submitted grantee reporting package.
- (4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.
- (5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.
- (6) "Fiscal Year" means the annual operating year of the non-State entity.
- (7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.
- (8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.
- (9) "Grant" means financial assistance provided by an agency, grantee, or subgrantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or subgrantee during the performance of the grant.
- (10) "Grantee" has the meaning in G.S. 143C-6-23(a)(2): a non-State entity that receives a grant of State funds from a State agency, department, or institution but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. For other purposes in this Contract, "Grantee" shall mean the entity identified as one of the parties hereto.
- (11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.
- (12) "Non-State Entity" has the meaning in N.C.G.S. 143C-1-1(d)(18): Any of the following that is not a State agency: an individual, a firm, a partnership, an association, a county, a corporation, or any other organization acting as a unit. The term includes a unit of local government and public authority.
- (13) "Public Authority" has the meaning in N.C.G.S. 143C-1-1(d)(22): A municipal corporation that is not a unit of local government or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation and (ii) operates on an area, regional, or multiunit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.
- (14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of federal or State awards.
- (15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.
- (16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal

financial assistance received by the State and transferred or disbursed to non-State entities. Both federal and State funds maintain their identity as they are subgranted to other organizations. Pursuant to N.C.G.S. 143C-6-23(a)(1), the terms "State grant funds" and "State grants" do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.

(17) "Subgrantee" has the meaning in G.S. 143C-6-23(a)(3): a non-State entity that receives a grant of State funds from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(18) "Unit of Local Government" has the meaning in G.S. 143C-1-1(d)(29): A municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

### **Relationships of the Parties**

**Independent Contractor:** The Grantee is and shall be deemed to be an independent Contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Agency.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the Contract documents are to be considered approved upon award of the Contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.

**Subgrantees:** The Grantee has the responsibility to ensure that all subgrantees, if any, provide all information necessary to permit the Grantee to comply with the standards set forth in this Contract.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

- (a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or
- (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all Contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any such person or entity, other than the Agency or the Grantee, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

### **Indemnity**

**Indemnification:** The Grantee agrees to indemnify and hold harmless the Agency, including any of its Divisions, and any of its officers, agents and employees, from liability of any kind, and from any claims of third parties arising out of any act or omission of the Contractor in connection with the performance of this Contract to the extent permitted by law.

### **Default and Termination**

**Termination by Mutual Consent:** The Parties may terminate this Contract by mutual consent with 60 days notice to the other party, or as otherwise provided by law.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Agency shall have the right to terminate this Contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this Contract

shall, at the option of the Agency, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of the Grantee's breach of this agreement, and the Agency may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this Contract.

**Waiver of Default:** Waiver by the Agency of any default or breach in compliance with the terms of this Contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this Contract unless stated to be such in writing, signed by an authorized representative of the Agency and the Grantee and attached to the Contract.

**Availability of Funds:** The parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Agency.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statutes of limitation.

### **Intellectual Property Rights**

**Copyrights and Ownership of Deliverables:** All deliverable items produced pursuant to this Contract are the exclusive property of the Agency. The Grantee shall not assert a claim of copyright or other property interest in such deliverables.

### **Compliance with Applicable Laws**

**Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations,

and licensing requirements that are applicable to the conduct of its business, including those of federal, State, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall take affirmative action in complying with all federal and State statutes and all applicable requirements concerning fair employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or disability. For additional information see Title VI of the Civil Rights Act of 1964 (42 U.S.C., 2000d, 2000e-16), Title XI of the Education amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686), and section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794).

**Executive Order 24:** In accordance with Executive Order 24, issued by Governor Perdue, and N.C.G.S. § 133-32, a vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, vendor, or grantee), is prohibited from making gifts or giving favors to any employee of the Agency of Agriculture and Consumer Services. This prohibition covers those vendors, contractors, and/or grantees who:

- (a) have a Contract with a governmental Agency; or
- (b) have performed under such a Contract within the past year; or
- (c) anticipate bidding on such a Contract in the future.

For additional information regarding the specific requirements and exemptions, vendors, contractors, and/or grantees are encouraged to review Executive Order 24 and N.C.G.S. § 133-32.

### **Confidentiality**

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Agency. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this Contract.

### **Oversight**

**Access to Persons and Records:** The State Auditor and the using agency's internal auditors shall have

access to persons and records as a result of all Contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and internal auditors may audit the records of the contractor during the term of the Contract to verify accounts and data affecting fees or performance).

**Record Retention:** Records shall not be destroyed, purged or disposed of without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the Contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

**Miscellaneous**

**Choice of Law:** The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters whether sounding in Contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Time of the Essence:** Time is of the essence in the performance of this Contract.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this Contract and will reimburse the

Agency for loss of, or damage to, such property. At the termination of this Contract, the Grantee shall contact the Agency for instructions as to the disposition of such property and shall comply with these instructions.

**Amendment:** This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this Contract shall be reasonable and supported by documentation. State rates shall be used. International travel shall not be reimbursed under this Contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this Contract as a part of any news release or commercial advertising.

**Indirect Costs Policy:** The Agency has adopted a "Zero" policy that indirect costs are unallowable expenditures in all State funded grant applications and/or grant guidance, informational or directional documents.

**Allowable Uses of State Funds:** Expenditures of State funds by any grantee shall be in accordance with the Cost Principles outlined in the Office of Management and Budget (OMB) CFR Title 2, Part 200 Uniform Administrative Requirements, as applicable. If the grant funding includes federal sources, the grantee shall ensure adherence to the cost principles established by the Federal Office of Management and Budget. [09 NCAC 03M.020]

