

OLD DOMINION LAND CONSERVANCY, INC.

LETTER OF INTENT

Donation of a conservation easement helps landowners implement their desire to protect the land they own. It can also result, in appropriate cases, in significant tax benefits to the landowner.

Donation of an easement also imposes obligations on the Old Dominion Land Conservancy, Inc. ("ODLC"), both:

- The administrative costs of processing the easement, whether the easement is ever agreed to and recorded, and
- The stewardship costs of monitoring and protecting the easement and the donor's intent in perpetuity, both to present and future owners of the land.

The administrative costs represent large operating expenses for ODLC, and the stewardship costs represent a large contingent liability for ODLC.

Old Dominion Land Conservancy, Inc. is a charitable organization. While it is supported by member donations, without help from you or someone else when your easement is processed and accepted, it is not possible for it to operate professionally and in the sound, long term, responsible manner that you would expect it to do in protecting your conservation easement. Long term financial stability calls for ensuring the funding of both processing costs and the costs of future stewardship when easements are first taken.

ODLC estimates its direct costs involved in processing each conservation easement – from the initial site visit through the recordation of the executed easement document – to be approximately \$2,500.00. Consequently, ODLC asks each easement donor to provide a "processing fee", in the amount of \$2,500.00, prior to, or at the time that the easement document is executed.

The burden ODLC undertakes of caring for a conservation easement (called "stewardship") are perpetual, and arise from the terms and conditions of the easement documents, IRS regulations, rules and regulations of various agencies of the Commonwealth, the Virginia Conservation Easement Act, and the standards and practices adopted by the Land Trust Alliance, a national land conservation organization.

Stewardship activities typically include the monitoring of easement properties by periodic physical inspection; maintenance of landowner relations; ODLC's response to (1) permitted-use notifications from the property owner, and (2) requests for approvals and amendments of the easement; recordkeeping; stewardship fund management; and enforcement and defense of easement terms and conditions.

The costs associated with these perpetual stewardship activities can be significant and will vary according to the size and conservation features of the property, as well as to the rights reserved by the donor. ODLC has established and maintains a separate stewardship fund to defray such costs. Easement donors are asked to

contribute to ODLC's stewardship fund in an amount necessary to provide sufficient income to cover the anticipated stewardship costs their easement, thus insuring that every easement accepted and held by ODLC can be adequately stewarded – in perpetuity. ODLC has established a minimum Stewardship Contribution level of \$25,000 for each easement due upon final approval of the easement.

I understand and acknowledge that I am solely responsible for seeking and obtaining tax, legal, accounting, valuation and other advice regarding the donation of the conservation easement. I understand and acknowledge that the Old Dominion Land Conservancy, Inc. including its members and employees, have not provided any legal, tax, accounting, valuation or other related advice in any manner with respect to the donation of the conservation easement.

I agree to protect, defend, hold harmless, and indemnify the Old Dominion Land Conservancy, Inc., including its members and employees, from and against any claim, loss, liability, damage, cost or expense incurred or sustained by ODLC, including without limitation reasonable attorneys' fees and costs, regarding any matter or thing arising from or related to my donation of the conservation easement or land, except injury or damage that results from ODLC's negligent failure to take action required by the deed of conservation easement.

Please sign below where appropriate, fill out your attorney's information, if applicable, and return this form to the address below before submitting your easement for Board and/or Easement Committee review and approval.

I acknowledge that I have read and understood the above and that I have the present intention to proceed with negotiation of a conservation easement with the Old Dominion Land Conservancy, Inc.

Landowner's signature: _____

Print Name: _____

Attorney's name and address:

Property address: _____

County: _____

Mail To:
Old Dominion Land Conservancy, Inc.
621 W. Main Street
Purcellville, VA 20132