

## Sample Costs to Create a Conservation Easement

Creating a conservation easement (CE) can be expensive, because there are both upfront transaction costs to prepare the CE and related documents, and every CE that MLT accepts must be accompanied by a donation to MLT's restricted, pooled Stewardship and Legal Defense Fund, which enables MLT to annually monitor compliance with the CE and defend or enforce the CE as needed in perpetuity. Sometimes grant funding may be available to allow MLT to purchase a CE from a landowner, typically on larger properties or properties with particularly important conservation values to protect (old growth redwoods, salmon-bearing streams, endangered or threatened species); more commonly, though, landowners pay the transaction costs upfront and donate the CE and stewardship funding to MLT (which may be tax deductible).

Sample Transaction Costs to Create a CE (on a 100- to 200-acre parcel):

Activity	Estimated Cost
Work with landowner to create and refine conservation plan; Draft CE, Baseline Report, and other required documents; Site visits and due diligence; Legal and title review	\$20,000
Appraisal of value of CE conducted by qualified appraiser (timber valuation and/or forest management plan may also be required for properties with marketable timber, which could cost another \$10-20k or more)	\$10,000
Escrow, title insurance, and recording costs	\$5,000
Stewardship and Legal Defense Fund contribution to MLT	\$50,000
<b>TOTAL</b>	<b>\$85,000</b>

\* Note that every property is unique and as a result every CE we create is different; this is just an example with sample costs for a hypothetical 100- to 200-acre property. Each landowner's costs to create a CE will vary.