

Sample IRS Form 8283
Conservation Easement Narrative

CHARITABLE CONTRIBUTION OF CONSERVATION EASEMENT

Ima Landsaver [Name of Taxpayer]

Tax ID: 123-45-6789

Pursuant to Internal Revenue Code section 170(h), the taxpayer, Ima Landsaver (“**Donor**”), donated, through a bargain sale, a qualified conservation contribution (“**Conservation Easement**” or “**Easement**”) on approximately 500 acres (“**Property**”) of Donor’s property to the California Agricultural Land Trust (“**Donee**”), a California nonprofit public benefit corporation and a “qualified organization” pursuant to Internal Revenue Code section 170(h)(3), on December 28, 2022, recorded as Document Number 2022-00123456 in the Official Records of the County of Rolling Hills, State of California. Donee has represented that it possesses the resources and commitment to monitor and enforce the subject Conservation Easement in perpetuity.

The subject Property is located 235 Lovely Creek Road, Green Valley City, California, and is more particularly described on Exhibit A of the Conservation Easement document attached hereto as Attachment 1. The condition of the Property at the time of the donation was documented and established through extensive baseline documentation (“**Baseline Documentation Report**”) acknowledged by the parties to be an accurate representation of the condition of the Property as of the time of the donation.

The Property possesses significant scenic, open-space, agricultural, wildlife habitat, and watershed values (collectively, the “**Conservation Values**”) of great importance to Donor, Donee, the people of Rolling Hills County, and the people of the State of California.

In particular, the Property contains extensive frontage along Lovely Creek, and, therefore, the Conservation Values of the Property include its significant wildlife habitat, watershed, and riparian values, including habitat for central California coast (“CCC”) coho salmon (*Oncorhynchus kisutch*), central California coast steelhead (*Oncorhynchus mykiss irdeus*), California red-legged frog (*Rana draytonii*), and northern spotted owl (*Strix occidentalis*). The CCC coho salmon spawns in Lovely Creek and its tributaries on the Property. Lovely Creek also provides habitat and spawning grounds for CCC steelhead. Approximately fifteen percent of the Lovely Creek watershed, and 30 percent of main-stem aquatic habitat known to support coho salmon and steelhead, is in private ownership. Protection of habitat on private lands is critical for the success of salmonids in the Lovely Creek watershed. The Property supports two California red-legged frog habitats: fresh emergent wetlands and wetland-riparian. The Property is located in the Rolling Hills Core Area for California red-legged frog recovery actions, according to the 2002 Recovery Plan for the California Red-legged Frog.

The Property also contains significant forest values, including the coastal conifer forest, coastal redwood forest, and mixed broadleaf-evergreen forest on the Property, which support nesting pairs of northern spotted owl. Two separate nest sites that may represent a single pair or two different territories have been confirmed on the Property. Numerous other species reside within the forested portions of the Property.

Further, the Conservation Values of the Property include the scenic and open-space qualities of its forested and pastoral landscapes as the Property is adjacent to and visible from several public roads, including the heavily traveled California State Highway 1 and Lovely Creek Road. In addition, the Property is adjacent to and visible from the Rolling Waves National Seashore, a 71,028-acre park preserve located in Rolling Hills County and maintained by the US National Park Service as a nationally important nature preserve heavily utilized by the public.

The protection of the Property is also pursuant to and consistent with clearly delineated public conservation policy, namely, the State of California’s and County of Rolling Hills’s public policies favoring the preservation of agricultural lands and their resources. The state’s public policies are set forth in a number of statutes of which the following are only a sample: California Civil Code Section 815 states that: “The legislature finds and declares that

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the preservation of land in its natural, scenic, agricultural, historical, forested or open-space condition is among the most important environmental assets of California.” California Government Code Section 51220 [Williamson Act] states, among other findings as to the significant public benefit of preserving agricultural lands, “that the preservation of a maximum amount of the limited supply of agricultural land is necessary to the conservation of the state’s economic resources, and is necessary not only to the maintenance of the agricultural economy of the state, but also for the assurance of adequate, healthful and nutritious food for future residents of this state and nation,” “that agricultural lands have a definite public value as open space,” and “that the discouragement of premature and unnecessary conversion of agricultural land to urban uses is a matter of public interest.” California Food and Agriculture Code Section 821 states that one of the major principles of the State's agricultural policy is “to sustain the long-term productivity of the State's farms by conserving and protecting the soil, water, and air, which are agriculture's basic resources.”

The County of Rolling Hills also supports the protection and preservation of agricultural land uses, agricultural land, and open land through goals and implementing programs as expressed in the Natural Systems & Agriculture Element of the Rolling Hills Countywide Plan adopted November 6, 2007, including, inter alia, the preservation of agricultural lands and resources by agricultural conservation easements (Goal AG-1 – Policy AG-1.2 and Implementing Programs AG-1.d and AG-1.1). Further, Rolling Hills County has enacted a Right-to-Farm ordinance, Rolling Hills County Code Chapter 23.03, the policy of which is to “conserve, protect, enhance and encourage agricultural operations within the county” and upholding the Right-to-Farm ordinance is one of the Implementing Programs of the Goals of the Countywide Plan (AG-1.j). (See also Cal. Civ. Code section 3482.5.)

Finally, the Conservation Values of the Property include the capacity of the forest, grassland, and soils to store atmospheric carbon as a means to mitigate global warming, which is recognized as being a significant public benefit by the 1993 United Nations Framework Convention on Climate Change and the Federal Energy Policy Act of 1992, Sections 1605(a) and 9(b), and the United States Climate Challenge Program.

Accordingly, pursuant to Treasury Regulations section 1.170A-14(d)(ii) and (iii), the qualified conservation contribution furthers the following conservation purposes (“**Conservation Purposes**”) for the reasons set forth above and more fully described in the Conservation Easement and Baseline Documentation Report: (1) the protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem, within the meaning of paragraph (d)(3) of that section; and (2) the preservation of certain open space (including farmland and forest land) within the meaning of paragraph (d)(4) of that section. In particular, the Property’s open space is preserved (A) pursuant to a clearly delineated federal, state, or local governmental conservation policy and will yield a significant public benefit; and (B) for the scenic enjoyment of the general public and will yield a significant public benefit.

The Conservation Easement will prevent subdivision of the Property and will preserve the Property’s significant habitat and other Conservation Values, including providing riparian protections on Lovely Creek, in perpetuity by prohibiting any use of the Property that will impair, degrade, or damage the Conservation Values. The Conservation Easement contains extensive prohibitions and restrictions designed to ensure that the Property will remain predominantly in its natural, scenic, forested, open-space, and agricultural condition in perpetuity.

According to the qualified appraisal, attached hereto as Attachment 2, the Conservation Easement is valued as follows:

The value of Property before the Easement:	\$9,000,000
The value of the Property after the Easement:	\$6,000,000
The value of the Conservation Easement:	\$3,000,000
<u>Bargain sale portion of Easement conveyance:</u>	<u>\$1,000,000</u>
Total charitable contribution:	\$2,000,000

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Donor obtained the two (2) parcels (Rolling Hills County Assessor's Parcel Numbers xxx-ccc-bb and aaa-ttt-ff) comprising the Property by inheritance in June 1980. The Property's adjusted basis in the hands of Donor is \$500,000.

The qualified conservation contribution was not made in order to obtain a permit or other approval from a local or other governmental authority and was not required by any contract or other agreement. The Property is not contiguous to any other real property owned by Donor or a related party to Donor. The appraisal addresses any enhancement to nearby property owned by Donor or related parties.

Pursuant to Internal Revenue Code section 170(f)(8), Donor received a contemporaneous written acknowledgement ("**Acknowledgement**" or "**170(f)(8) letter**") from Donee dated January 10, 2022, describing the contributed property (the Conservation Easement) and acknowledging that, other than the stated proceeds of the sale, Donor received no goods or services in consideration, in whole or in part, for Donor's contribution of the Conservation Easement. A copy of such Acknowledgement is attached hereto as Attachment 3.

Accordingly, pursuant to Code section 170(h) and the regulations promulgated thereunder, Donor is entitled to claim a federal income tax deduction in the amount of **\$2,000,000** for Donor's charitable contribution of the Conservation Easement to Donee, as shown on the Form 8283, which represents the difference between the fair market value of the Conservation Easement and the amount of cash proceeds received by Donor in the bargain sale.