Department of Forestry and Fire Protection

Forest Legacy Program
Grant Guidelines 2024

Opening Date – March 18, 2024

Pre-Application Proposals Due: 11:59 p.m. April 16, 2024
- sent to forestlegacy@fire.ca.gov

Applicants will be notified if they are accepted to apply to the full application by May 7, 2024

Full Application Proposals Due: 11:59 p.m. June 7, 2024
– submitted through eCivis online grant platform

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FOREST LEGACY PROGRAM SUMMARY

CAL FIRE's Forest Legacy Program funds landscape-scale conservation projects intended to conserve working forests and working forested landscapes. Projects funded under the Forest Legacy Program contribute to the goals of the California Forest Legacy Program Act of 2007 (Act),Cal. Pub. Res. Code § 12200 et seq. Pursuant to Public Resources Code (PRC) sections 12240 – 12249.6, the Director may disburse funding for the fee title purchase or acquisition of working forest landscapes that meet eligibility requirements within the Act.

To date, CAL FIRE's Forest Legacy Program has been involved in conserving over 150,000 acres of lands. The majority of these lands have been conserved as working forest landscapes. Through grants to partners and collaboratives, CAL FIRE seeks to increase conservation of working forest landscapes through the Forest Legacy Program grant solicitation for projects to purchase either fee title of lands for conservation or conservation easements.

The Forest Legacy Program, as required by the Act, seeks willing landowners interested in selling or donating lands in fee title or a conservation easement for purposes of protecting landscapes from subdivision and conversion. These landscapes must be forested with a minimum of 10% canopy by conifer or hardwood species with a minimum of 75% forest cover of the project area. These forested landscapes must possess one of a suite of important environmental characteristics that are benefitted from land conservation, such as ecological importance, species protection, water source protection, or other values.

Under this grant program, CAL FIRE will provide funding for purchases of conservation easements or fee title of forest lands to encourage long-term conservation. For conservation easement projects, organizations must find an eligible entity that is willing to hold the conservation easement and perform the monitoring and protection of the easement. For fee title purchases, the Grantee shall record a Notice of Unrecorded Grant Agreement at close of escrow to hold the property owners accountable for maintaining the property's conservation values and not subdividing or materially altering the natural landscape of the property. All fee title purchases shall be accompanied with a conservation easement (CE) that shall be held in trust by an entity other than the intended landowner, or GRANTEE will gift a conservation easement to GRANTOR upon closing on the purchase of the parcel. Management of the forest for commercial and noncommercial uses and public access will be allowed.

FOREST LEGACY CONSERVATION VALUES

- CAL FIRE's Forest Legacy Program (FLP) does not support subdividing, parceling, or fragmenting project areas following establishment of the conservation easement. Projects funded by CAL FIRE's FLP and projects funded by the Federal FLP (16 U.S.C. § 2103c) that CAL FIRE supports shall

combine and relinquish all subdivision rights into a single parcel in perpetuity. (PRC § 12210(c), PRC § 12211(a))

- Forest Management – the FLP requires forest management on conservation easements to follow the Forest Practice Act and Rules (FPRs). CAL FIRE will negotiate values on forest management practices intended to provide higher standards than the FPR's. The FLP does not automatically provide value for enhanced forest management practices. Projects that substantially restrict the future financial operability of a landownership due to excessive restrictions above and beyond current regulations may be rejected. (14 CCR § 1573.3 (c)(5))
- The primary goal of the FLP is to conserve working forest landscapes. No more than 10% of the ownership within the conservation easement may be preserved landscapes with no commercial forest management. (14 CCR § 1573.3 (c)(5))
- Designated Improvement Areas (DIAs) – the FLP allows a limited number and acreage of specified envelopes for residential, agricultural, or commercial improvements. All structures not identified as small-scale improvements must be contained in a DIA. Hunting cabins and other livable structures with 4 walls and a roof will not be considered small-scale improvements. The exact number of envelopes and total acreage will be determined on a case-by-case basis, but generally the total acreage shall be somewhere between 0 and 2 percent of the overall property acreage. The FLP does not support floating DIAs but does support designating numerous potential DIAs, all of which must be mapped in the Baseline Report. DIA's should be 20 acres or less. (PRC § 12211(a))
- FLP does not support the following incompatible uses within the project area (PRC § 12211(a)):
    - Large commercial developments such as residential subdivisions, office buildings, commercial parking lots, hotels, casinos, resort developments
    - Surface mining (with exception of gravel pits for onsite rock use)
    - Sports fields, aircraft runways, dumps
    - Commercial signage
    - Unmanaged or commercial off-road vehicle use
    - Retail and commercial energy generation
    - Intensive agriculture outside of development envelopes

Note: A landowner may have an Incompatible Use on the property so long as the acreage impacted by the Incompatible Use is taken out of the easement area and there will not be negative impacts on any portion of the property covered by the easement.

ELIGIBLE ACTIVITIES, LANDS, COSTS, EASEMENT HOLDERS

These grant guidelines serve as a grant solicitation. Applications submitted must be in full compliance with all stated requirements to be considered for funding. Please read these guidelines carefully.

Eligible Activities – Eligible activities include:

1. **Transactional Costs - Funding for purchase or donation of conservation easements (CE) or fee title** of productive forest lands threatened with conversion to non-forest uses, such as subdivision for residential or commercial development, intensive agriculture, or other converting action.

    - **Funding for due diligence costs -** These costs generally include the expenditures related to preparing the various documents needed to bring the State funded project to a close, once selected for grant funding. *This category is meant to be combined with a request for funding for transaction costs for purchase of fee title or conservation easement.* Funds requested under this category shall only be utilized for due diligence documents for a selected acquisition project under this grant solicitation. Due diligence costs may need to be negotiated if determined by CAL FIRE to be excessive. Due diligence costs include preparing the following:

        - Timber appraisal and report. Timber appraisals must follow standards in Appendix H.
        - Directly related real estate transaction costs for tracts funded by project grants.
        - Property-wide valuation appraisal and report.
        - Preliminary title report and any associated documents listed in that report (deed, easements, MOUs), as well as the costs to remove exceptions.
        - Minerals Remoteness Report or statement
        - Land survey with acreage and Description verification
        - Mapping products / GIS
        - Detail of related Carbon Offset pending agreements or issued credits, if any.
        - Development and negotiation of Conservation Easement (CE) Deed (if not acquiring in fee)
        - CE Baseline Document (if not acquiring in fee)
        - Phase 1 Environmental Assessment
        - Forest Management Plan, Agricultural Management Plan or Grazing Management Plan
        - Organizational staff time associated with preparation of the above-mentioned documents or general work towards completion of the project.
        - Salaries, fringe benefits, travel, and supplies that directly support the FLP.
        - Facilitating the donation of lands or interests of lands into the FLP.

Eligible Participants - Landowners: As per state statute and regulations for the FLP, eligible landowners are as follows:

"Landowner" means an individual, partnership, private, public, or municipal corporation, Indian tribe, state agency, county, or local government entity, educational institution, or association of individuals of whatever nature that own private forest lands or woodlands. The area eligible for funding is non-federal forest lands as defined in 14 CCR §1571.

Eligible Applicants - These can include, but are not limited to, nonprofits, land trusts, and conservation organizations. Funding may be provided to these entities to either purchase or hold conservation easements or fee title to property. This program will not grant funding to a private person, business, or other private entity to hold ownership of these interests (fee title or CE) using State funds. Any applicant not eligible to hold a Conservation Easement shall specify the intended Conservation Easement organization within the application.

Eligible Conservation Easement Holders:
Conservation Easements must be held by federal, state, or local government entities or by nonprofit land trust organizations. The director shall find that any recipient of a conservation easement has adequate funding for, or otherwise adequately provides for, easement monitoring, is able to enforce the easement if its provisions are not satisfied, and is qualified to monitor and enforce the terms of the easement.

Eligible Conservation Easements:
All Conservation Easements must contain the required terms under CAL FIRE's Conservation Easement Instructions and may only impose negative covenants. Any conservation easement must address requirements in PRC § 4751. A draft conservation easement can be found in Appendix G.

Eligible Lands:
Land must be able to support 10-percent (10%) native tree cover of any species, including hardwoods, under natural conditions, and have a minimum of 75 percent (75%) forestland or a documented plan that includes sufficient landowner capacity to reforest to at least 75% forestland. The land should allow for management of one or more forest resources, including timber, grazing, aesthetics, fish and wildlife, biodiversity, water quality, recreation, and other public benefits.

Necessary Eligible Land Characteristics:
Eligible Lands must contain the following characteristics for inclusion in Forest Legacy Program:

(1) Be threatened by potential conversion.

(2) Be owned by landowners who are willing and interested in selling or donating lands or interests in lands.

(3) Be forested with at least 10% canopy cover by conifer or hardwood species or be capable of being so forested under natural conditions. This 10% cover must occur on 75% of the project area.

(4) Possess one or more environmental values of great concern to the public and the state:

(A) Important fish and wildlife habitat.
(B) Areas that can help maintain habitat connectivity across landscapes.
(C) Rare plants.
(D) Biodiversity.
(E) Riparian habitats.
(F) Oak woodlands.
(G) Ecological old growth forests.
(H) Other key forest types and seral stages that are poorly represented across California.
(I) Lands that directly affect water quality and other watershed values.

(5) Provide for continuity of one or more traditional forest uses, such as timber harvesting and rangeland livestock production which is utilized for economic purposes, or habitat maintenance and restoration that addresses fire hazard, mortality from pests and disease, carbon storage, restocking of underutilized forests, and reduction of non-native invasive species.

(6) Possession of environmental values that can be protected and managed effectively through conservation easements at reasonable costs.

(7) Be at least partially within or adjacent to a Forest Legacy Area. *(Please see Appendix D for the Map of the Forest Legacy Area).*

Forest Legacy Area can be viewed at the following website location: https://www.fire.ca.gov/what-we-do/grants/forest-legacy

(8) Be available for future timber harvesting, grazing or recreation (e.g. hunting, fishing, hiking and other similar uses) and not be prohibited from these activities by any statute, previous conservation easement, or other regulatory requirements.

Eligible Costs.

The following costs are eligible for reimbursement:

(a) The purchase price of the lands or interests in lands
(b) Eligible Closing Costs (only closing costs that were estimated at the time of the grant agreement are eligible. No additional funding will be added at the closing of the transaction).
(c) The development of the conservation easement due diligence items as stated above

Ineligible Costs.

The cost of the following activities shall not be financed by funds from the Act:

(a) Appraisals for outright donations of conservation easements.
(b) Monitoring.
(c) Costs of real estate appraisals **PRIOR** to an agreed upon conservation easement.

(d) Costs of timber appraisals **PRIOR** to agreed forest conservation measures that may impact the value.

e) Stewardship endowment or other similar payment to an entity holding the CE. CAL FIRE does not get involved in these agreements between the holder of the CE and the landowner.

(f) Property tax and liens, interest costs associated with financing on the property, or prepayment penalties.

Indirect Costs

Indirect costs may be applied to due diligence costs but not acquisition costs. The following indirect rate limitations shall apply:

- Indirect costs may be included but may not exceed 12% of direct costs excluding acquisition costs.

FUNDING AVAILABILITY

Up to $10 million may be available for award to eligible applicants through CAL FIRE's Forest Legacy Program for acquisition projects. The eligible activities, project eligibility, and funding criteria for this program are addressed throughout the document and appendices.

APPLICATION PROCESSES

Forest Legacy will conduct a two-step application process.

Step 1 – Submit Pre-Application:
PRE-APPLICATION - **The first step will be a pre-application**. The pre-application can be found in Appendix C below. The pre-application in Appendix C contains all of the necessary elements to be submitted. This pre-application will include submitting basic elements of Forest Legacy proposals to the Forest Legacy solicitation. Maps must also be submitted with the pre-application. **Unlike the full application, the Pre-Application must be submitted electronically via email to** forestlegacy@fire.ca.gov.

The Project Pre-Application deadline is end of day, 11:59 pm PDT, on **April 16, 2024**. Pre-applications that are not emailed by 11:59 p.m. PDT on **April 16, 2024**, as time-stamped by CAL FIRE's email system, will not be considered. NOTE: The pre-application process is designed to screen out applicants that do not meet eligibility requirements or the FLP Conservation Values (as discussed above).

All pre-applications will be reviewed by **May 1, 2024**. The projects that do not meet the FLP Conservation Values or the eligibility criteria will be screened out. After the initial screening of the pre-applications, applicants that are successful with the pre-application will be invited to submit their applications via the eCivis Online Grants Portal. Project applicants will be notified by email if they have, or have not been, selected to submit the full application. Prior to the submittal of a full application a field visit by CAL FIRE staff to the potential project properties is required.

Step 2 – Submit Online Application:
Applicants who were selected to submit the full application after the pre-application process will submit the full application online through the eCivis Grants Portal. All applications are to be submitted through the online form. No hard copy or emailed applications will be accepted. *(NOTE – eCivis is only for the **Application**, not the **Pre-Application**)*

APPLICATION - **Applicants who were successful in the pre-application will be notified by May 7, 2024 with a link to submit their application via the eCivis Grants Portal. All applications must be submitted to eCivis by 11:59pm PDT, on June 7, 2024.**

Applicants must submit an application using the link to the 2024 Forest Legacy Solicitation and complete the application including all required documentation using the eCivis Grants Portal. Guidance for setting up a new eCivis Grants Portal account and general information on how to submit and complete your application can be found in the Grants Portal Application User Guide. No hard copy or emailed applications will be accepted. The eCivis online grant application process for the 2024 Forest Legacy Grants can be found at the following web location: Forest Legacy | CAL FIRE

APPLICATION SCORING CRITERIA

Please see Appendix A for a more detailed description of scoring criteria.

A project must score a minimum of 65 points to be considered for funding. Not all scores 65 or greater may be funded. Projects that score 65 or greater will be funded in order of highest score until all funding has been committed.

Project Scoring (85 points possible):

Importance: 20 Points

- High Importance (15-20 points)
- Medium Importance (7-14 points)
- Low Importance (0-6 points)

Threat: 20 Points

- Likely (11-20 points)
- Possible (1-10 points)
- Unlikely (0 points)

Strategic Value: 20 Points

- High (15-20 points)
- Average (7-14 points)
- Low (0-6 points)

Readiness: 5 Points

- One point will be provided for each due diligence item that has already been obtained or performed, up to a maximum score of 5 points

Active Forest Management/Public Access: 10 Points

- Up to 5 points provided for active forest management
- Up to 5 points for projects that include public access

Donated Matching Funds: 10 Points

- At least 50% match (10 points)
- At least 30% match (5 points)
- At least 15% match (3 points)
- No match (0 points)

APPLICATION DESCRIPTION

The application form consists of several sections. Specific detail necessary for a complete project description is located below in Appendix A - “Forest Legacy Scoring Criteria”.

1) *Project Information – (**total 60 points**)
    1. Importance - This criterion focuses on the attributes of the property. **(20 points)**
    2. Threat - This criterion estimates the likelihood for conversion. **(20 points)**
    3. Strategic Value - This criterion reflects the project's relevance or relationship to conservation efforts on a broader perspective **(20 points)**
2) *Organization Information – provide background information on landowners and organizations representing the landowners
3) *Scope of Work, Project Timeline & Budget **(total 5 Points)**
    1. Readiness - This criterion is defined as the degree of due diligence completed. **(5 Points)**
4) *Land Ownership – provide management and recreation history on the property. **(total 10 Points)**
    1. Active Forest Management/Public Access – This criterion focuses on active forest management and public access. **(10 Points)**
5) *Donated Matching Funding – **(total 10 Points)**
    1. Donated Matching Funds – This criterion focuses on matching fund donations. **(10 Points)**
6) *Local & State Compatibility – provide any letters of support
7) *Attestation

An asterisk (*) indicates a required response. Prior to submission, ensure all required (*) fields are filled with data in the appropriate format.

ADDITIONAL CRITERION. Brief the local CAL FIRE unit(s) on the project. Provide the Unit Contact name, unit identifier or county, phone and/or email for the person contacted from the local CAL FIRE unit.

Projects within Kern, Los Angeles, Ventura, Orange, Santa Barbara or Marin Counties must contact the fire agency responsible for incident response on State Responsibility Area lands.

Folder 1: PROJECT DOCUMENTS:

A. Statement of Applicability (**see Appendix A**)

B. Budget – Submitted using the eCivis Budget Template.

C. Maps of Project Area (Sized to 8 ½" x 11"). Limited to one PDF file for maps or multiple PDF's in one .ZIP file.

    - All projects selected to submit the full application must supply shape files of the project on submission. (See GIS DOCUMENTS below)

D. Signed letters of participation from primary project partners listed under "Collaboration/Partnerships" of the Project Application, and from any landowners or managers where research is being performed. Letters should be addressed to: Chief Matthew Reischman, Deputy Director, Resource Management, California Department of Forestry and Fire Protection. Submit as a single PDF file or as a .ZIP file with multiple letters.

E. Signed letters of support from individuals and entities other than primary project partners. Submit as a single PDF file or as a .ZIP file with multiple letters.

Folder 2: ORGANIZATION DOCUMENTS:

A. Articles of Incorporation including the Seal from the Secretary of State*. Only required from non-profit Applicants.*

B. A signed Resolution by the Applicant's governing body, which allows the grantee to sign agreements and amendments for a specific project (See Appendix E). *Resolutions are required only from non-profit and local agency Applicants.*

C. State of California Non-Discrimination Compliance Statement (STD 19)

D. State of California Drug-Free Workplace Certification (STD 21)

E. State of California STD 204 - Payee Data Record (ca.gov) (STD 204)

Folder 3: GIS DOCUMENTS:

A. Project area boundary: Include all areas considered for inclusion in the project.

B. Proposed development areas (if known)

Spatial data formatting requirements:

- Shapefile
- Coordinate reference system: NAD_1983_California_Teale_Albers (EPSG: 3310)
- Metadata must be provided for any naming convention, coding, etc.
- Include source information and methodology in a note file in each zipped GIS package
- If the project area boundary is not contiguous, format so that all tracts are polygons in one single layer with the tract area names in the attribute table.
- Compile all spatial data into one .ZIP file for Project Boundary.

Folder 4: FOREST LEGACY DOCUMENTS:

A. A bulleted list of special restrictions, circumstances, development envelopes, or other aspects of a future CE that the landowner would like considered.

B. Preliminary Title Report: Please submit a recent title report over the property and highlight or note exceptions such as Williamson Act contracts, mineral rights, reserved timber rights, access restraints, and access rights of way. CAL FIRE's selection of a project does not indicate acceptance of the exceptions listed in the preliminary title report.

    a. Any outstanding rights or exceptions that diminish the conservation values being protected by the easement or fee purchase cannot be accepted by CAL FIRE. Such exceptions that in CAL FIRE's discretion are found to diminish the conservation values must be extinguished prior to completion of the project.

C. Market Analysis – all grant applications shall contain a market analysis that contains information on how the cost fee title purchase or conservation easement purchase was derived. A market analysis shall consist of a preliminary, restricted appraisal with a comparable sales analysis by a qualified professional.

For all documents listed above, please utilize the following naming protocol

Folder 1 Contents Projects Documents	Electronic File Name 23-FL-XXX(**project name**)
A: Statement of Applicability	23-FL-XXX-SOW
B: Statement of Qualifications	23-FL-XXX-SOQ
C: Budget (eCivis template)	23-FL-XXX-Budget
D: PDF Maps	23-FL-XXX-Map XXX (**Name**)
E: Letters of Participation	23-FL-XXX-Partners
F: Letters of Support	23-FL-XXX-Support

Organizational Documents

A: Articles of Incorporation	23-FL-XXX-AOI
B: Governing Resolution	23-FL-XXX-Resolution
C: Non-Discrimination Compliance	23-FL-XXX-STD19
D: Drug-Free Workplace Certification	23-FL-XXX-STD21
E: Payee Data Record form STD 204	23-FL-XXX-STD204
F: UC/CSU Model Agreement Template	23-FL-XXX-UTC

GIS Documents

A: Project Boundary	23-FL-XXX-Boundary
B: Proposed Development Areas	23-FL-XXX-DevelopmentAreas

Forest Legacy Documents

A: CE Conditions - bulleted list of special restrictions, circumstances, or other aspects	23-FL-XXX-CE_Conditions
B: Preliminary Title Report	23-FL-XXX-TitleReport
C: Market Analysis	23-FL-XXX-Market Analysis

APPLICATION REVIEW AND AWARDS

CAL FIRE will review completed applications that meet the Program Eligibility Criteria. Eligible applications will be scored by CAL FIRE staff against the Grant Selection Criteria. Final awards will be determined based on project scores, program need, and relative fit of the awarded projects to each other both geographically and with respect to proposed activities. CAL FIRE reserves the right to fund projects in total or in part. Project applicants that are selected to receive partial funding will be provided additional information on their revised funding amount and any other changes to their application as needed.

Project applicants will be notified by email if they have, or have not been, selected to receive funding. Successful applications will be summarized and posted to CAL FIRE's Forest Legacy webpage within two weeks of the decision to fund. Applications will be treated in accordance with the Public Records Act requirements, and certain information, subject to those requirements, may be publicly disclosed.

Selection of a project does not indicate acceptance of all terms and items as supplied in the application package. Selected candidates should be prepared to further discuss project-specific items during the Project Funding Process.

GENERAL GRANT CONDITIONS AND PROJECT ADMINISTRATION

Project Performance Period

- The Project Performance Period is from the time the Grant Agreement is fully signed by the CAL FIRE Deputy Director or designee to the Agreement termination date. Only eligible costs incurred during the Project Performance Period will be paid by the State.

- CAL FIRE will execute all Grant Agreements as soon as feasible and no later than early fall 2024..

- **Work related to Forest Legacy acquisition projects must be completed by June 30, 2028**

- Final invoices for all grant-related work must be submitted to CAL FIRE no later than 30 days after the Project Performance Period.

Project Reporting

Grantees must provide a method, schedule, and reporting mechanism for monitoring of site conditions.

Grantees must track and report progress to CAL FIRE throughout the grant term. Information to be submitted includes, but is not limited to, project description, project location, matching funds, for the duration of the performance period while the Forest Legacy Project is going through the approval process.

Grantees are required to report on progress toward completion of the Scope of Work included in the Grant Agreement with each invoice, or quarterly, whichever is more frequent, using the Progress Report template. The report should include progress on the grant, including disclosing due diligence items in their respective phase of completion and other tasks accomplished during the reporting period.

Changes - Amendments to an Approved Project

A grantee wishing to change the scope of work, budget, or project performance period of an approved project must submit the proposed change in writing to CAL FIRE for review and approval. Any change must be consistent with the statutes, regulations, and guidance governing the program. Requested budget changes may not increase the amount of funds awarded unless such changes are initiated by CAL FIRE. The following scope of work revisions may require the project Grant Agreement to be amended: change in project end date (as allowed by legislation only); reallocation of funding between budget categories of more than 10% of the approved category amount; change in physical project location. CAL FIRE reserves the right to reject proposed changes to an approved project or budget.

Project Termination

A Grant Agreement may only be terminated by CAL FIRE or the grantee upon 30-days advanced written notice to the other party. Further details on this process will be provided in the Grant Agreement.

Accounting Requirements

The grantee must maintain an accounting system that accurately reflects fiscal transactions. The accounting system must provide an adequate audit trail, including original source documents, such as receipts, progress payments, invoices, purchase orders, timecards, cancelled checks, etc. The accounting system must document the total cost of the project. The grantee must maintain accounting records and keep source documents for all expenditures related to each grant for three years following the Project Performance Period, one year following an audit, or one year after final disposition of any disputed audit findings, whichever occurs later.

Loss of Funding

CAL FIRE reserves the right to withdraw a funding award if stated requirements are not met or if Grantee and CAL FIRE cannot reach consensus on key project items. Further terms and conditions regarding termination of the project will be detailed in the Grant Agreement. The following are examples of actions that may result in a grantee's loss of funding. This is not a complete list and is intended only to show examples.

1. Grantee fails to use all the grant funds.
2. Grantee withdraws from the grant program.
3. Grantee fails to complete the funded project described in the Grant Agreement Scope of Work.
4. Grantee fails to submit all documentation within the time periods specified in the Grant Agreement.

5. Grantee changes the Project Scope of Work or project implementation without CAL FIRE's prior written approval.

6. Grantee or CAL FIRE terminates the Agreement.

Project Budget

Using the budget template within eCivis applicants must complete all required elements in eCivis. CAL FIRE reserves the right to fund only a portion of the proposed budget items.

Ineligible Costs

The following are ineligible for reimbursement under the grant:

1. Costs incurred before or after the Project Performance Period, including but not limited to costs to prepare the pre-application or full application associated with this solicitation.

2. Overtime, for employees or contractors. Overtime hours will be reimbursed at the straight time rate.

3. Projects or activities utilizing CAL FIRE staff without corresponding reimbursements or requests seeking funding for services already provided by CAL FIRE.

4. Late fees, penalties (including prepayment penalties), and bank fees.

5. Any indirect costs based on percentage of acquisition costs.

Payment of Grant Funds

Funds will be disbursed only once there is a fully executed Grant Agreement between CAL FIRE and the Grantee. **Payments for due diligence costs will be made on a reimbursement basis** (i.e., the Grantee pays for services, products, or supplies; invoices CAL FIRE for the same; and the State reimburses the grantee upon approval of the invoice). No work prior to or after the Project Performance Period will be reimbursable.

The Grantee will submit to CAL FIRE an invoice form consistent with invoice guidance in Appendix F when requesting payment of any type and to include appropriate documentation to support the costs (e.g., paid vendor receipts, payroll documents, other back-up documentation of expenses).

A Forest Legacy Progress Report or Final Report shall accompany all requests for payment. CAL FIRE may conduct a site inspection to verify that work invoiced has been satisfactorily completed. The invoice will then be forwarded to Sacramento

Headquarters for review and subsequent approval of payment. **Expect payment to be issued 45 calendar days from the time an undisputed invoice is received**. If an invoice is incomplete or non-reimbursable, it will be returned to the grantee.

Disbursement Requests

Payments for acquisition costs will be made by Grantee submitted Disbursement Requests. Disbursement Requests shall be submitted at least six weeks prior to any anticipated closing date and after all other steps noted in the Project Funding Process below have been fulfilled or are actively being worked on to be completed.

Conflict of Interest

All applicants and individuals who participate in the review and selection of submitted applications are subject to state and federal conflict-of-interest laws. Any individual who has participated in planning or setting priorities for a specific solicitation of the Forest Legacy Program over and above any public comment process and consultation, or who will participate in any part of the grant development and negotiation process on behalf of the public is ineligible to receive funds or personally benefit from funds through that solicitation. Failure to comply with conflict-of-interest laws, including business and financial disclosure provisions, will result in the Project Proposal being rejected or a grant agreement being declared void. Other legal actions may also be taken. Applicable statutes include, but are not limited to, California Government Code section 1090 and Public Contract Code sections 10365.5, 10410, and 10411.

Grantee must establish conflict-of-interest policies and procedures and maintain adequate controls to ensure the Grantee or anyone acting on behalf of the Grantee does not have any conflicting personal or financial interest associated with activities funded by the grant project. CAL FIRE may request additional documentation during the performance of the grant, including during review of financial or progress reporting, or during State Audit to verify that a conflict of interest does not exist.

State Audit

The State may audit the project records at any time over the Project Performance Period and for three years following Project completion. A project is considered complete upon receipt of final grant payment from the State. The purpose of the audit is to verify that project expenditures were properly documented and consistent with the project scope of work.

If your project is selected for audit, you will be contacted at least 30 days in advance to the audit commencing. To expedite the audit, the Grantee shall have the project records, including the source documents, cancelled checks, and written policies and procedures readily available. The audit should include all books, papers, accounts,

documents, or other records of the Grantee, as they relate to the project for which State funds were granted.

The Grantee shall also make an employee who has knowledge of the project and the accounting procedure or system available to assist the State auditor. The Grantee shall provide a copy of any document, paper, record, or the like as requested by the State auditor.

All records of an audited project must be retained by the Grantee for a period of not less than one year after completion of the State audit or after final disposition of any disputed audit findings, whichever occurs later. Grantees must keep source documents for all expenditures related to each grant for at least three years following Project completion and one year following completion of an audit, whichever occurs later, unless the grantee has a longer retention policy.

APPENDIX A – FOREST LEGACY PROGRAM

Conveyances

There are two options to convey lands or interests in lands with grants from the Forest Legacy Program (FLP):

- **Facilitated Donation:** The FLP will pay for the due diligence incurred by the landowner in making the donation. This could include the costs of developing the easement, developing the management plan, legal services, surveys, title work, etc.
- **Purchase:** The FLP will provide funding for a qualified entity to purchase fee title to land or a conservation easement with any combination of federal, state, and private funding, including partial donation by the landowner.
    - For the purposes of fee title purchase of lands or holding of a conservation easement, a qualified entity is any public trust organization, nonprofit organization, or conservation organization. Qualified entities do not include private landowners or businesses.

Funding Options

There are a variety of State funding sources that may also be available. All other funding sources have their own application process. Please discuss the various options with your Land Trust Representative or the FLP Director or Coordinator.

Required Field Visit

For all applicants that were successful during the pre-application review, a field visit must be scheduled with the landowner and FLP Coordinator, if one has not already been done prior to the submittal of the pre-application. It is the responsibility of the applicant to schedule a field visit prior to submitting the full application. The field visit gives the FLP Coordinator an opportunity to ask additional questions and further explain the program to the landowner. It also provides the landowner with a chance to get to know the FLP Coordinator and ask questions about the program. The FLP Coordinator will advise the landowner to seek legal counsel if s/he has not already done so and wishes to proceed with the application.

Statement of Applicability to Criteria

FLP applicants must submit a statement of the proposed project's applicability to the Forest Legacy Scoring Criteria: 1) Importance, 2) Threat, 3) Strategic Value, 4) Readiness, 5) Active Forest Management/Public Access, and 6) Donated Matching Funds.

Applicants should include a description of any carbon project that currently exists on the property. This information shall include the protocol used, date of registration, and spatial extent of the carbon project on the subject property.

Forest Legacy Scoring Criteria

Forest Legacy applications are scored out of a total of 85 points on how well the project meets the criteria: 1) Importance, 2) Threat, 3) Strategic Value, 4) Readiness, 5) Active Forest Management/Public Access, and 6) Donated Matching Funds. More points will be given to projects that demonstrate multiple public benefits of significance. Significance of attributes is demonstrated by the quality and scope of the attributes. Attributes for each criterion are listed below.

1. Importance – 20 points

This criterion focuses on the attributes of the property and the environmental, social, and economic public benefits gained from the protection and management of the property and its resources. This criterion reflects the ecological assets as well as the economic and social values conserved by the project and its level of significance.

A project that solidly represents most of the attributes outlined is viewed as significant because of its strong alignment with the purposes and value of the FLP. A project need not have all the attributes listed to receive maximum points for this category, but projects that contain more attributes will receive a higher score. A project brief that discusses the majority or all the attributes, but demonstrates only limited importance for each attribute, will not receive maximum or perhaps even medium ranking.

- High importance (15-20 points) - The project contains a majority of the attributes and those attributes are very significant and of high-quality.

- Medium (7-14 points) - The project contains a majority of attributes, several of which are very significant and of high-quality.

- Low (0-6 points) - The project contains only a few attributes or it could contain all of them, but does so in a limited, marginal, or tertiary way.

Please note: Discussion of how the project fits within a landscape conservation initiative can also be included under the "strategic" category.

Attributes to consider: The descriptions listed below represent the ideal project for each attribute. Note that the attributes are not listed in priority order.

A. Economic Benefits from Timber and Potential Forest Productivity - This category includes two independent components: (1) Landowner

demonstrates sustainable forest management in accordance with a management plan. Additional points should be given to land that is third-party certified (such as Sustainable Forestry Initiative, Forest Stewardship Council, and American Tree Farm System). (2) Forestry activities contribute to the resource-based economy for a community or region.

B. The property contains characteristics (such as highly productive soils) to sustain a productive forest.

C. Economic Benefits from Non-Timber Products - Provides non-timber revenue to the local or regional economy through activities such as hunting leases, ranching, non-timber forest products, guided tours (fishing, hunting, birdwatching, etc.), and recreation and tourism (lodging, rentals, bikes, boats, outdoor gear, etc.).

D. Threatened or Endangered Species Habitat - The site has documented threatened or endangered plants and animals or designated habitat. Documented occurrence and use of the property will be given more consideration in point allocation than if it is habitat without documented occurrence or use. Federal or State listed species occurrences should provide more consideration when evaluating the significance of this attribute.

E. Fish, Wildlife, Plants, and Unique Forest Communities - The site contains unique forest communities or important fish or wildlife habitat as documented by a formal assessment or wildlife conservation plan or strategy developed by a government or a non-governmental organization. The importance of habitat to an international initiative to support and sustain migratory species can be viewed as important if conserving the property will make a significant contribution. The mere occasional use of the property or a modest contribution to an international initiative does not raise the property to a high level of importance.

F. Water Supply, Aquatic Habitat, and Watershed Protection - (I) Property has a direct relationship with protecting the water supply or watershed, such as providing a buffer to public drinking water supply, containing an aquifer recharge area, or protecting an ecologically important aquatic or marine area; \or (2) the property contains important riparian area, wetlands, shorelines, river systems, salmonid habitat, or sensitive watershed lands. When allocating points consider the importance of the resource, the scope and scale of the property, and the magnitude and intensity of the benefits that will result from protection of the property. Merely being located within an aquifer recharge area or in a water supply area should not be given the same consideration as a property that makes a significant conservation contribution to water, riparian, and aquatic resources and habitats.

G. Public Access - Protection of the property will maintain or establish access by the public for recreation; however, restrictions on specific use and location of recreational activities may exist.

H. Scenic - The site is located within a viewshed of a government designated scenic feature or area (such as a trail, river, or highway). Federal and State designation will be given more consideration when evaluating the significance of this attribute.

I. Historic/Cultural/Tribal - The site contains features of historical, cultural, or tribal significance, formally documented by a government or a non-governmental organization.

2. Threat – 20 points

This criterion estimates the likelihood for conversion. More points will be given to projects that demonstrate multiple conditions; however, a project need not have all the conditions listed to receive maximum points for this category.

During the evaluation of a threat, a landowner interested in conserving their land will not be penalized because they are not marketing their land, have not subdivided their land, or sought approval for a subdivision plan. A property with an approved subdivision plan will not automatically receive a high score in the Threatened section. The attributes outlined below must be considered to determine if the conditions exist to make conversion of a property likely and points will be allocated accordingly. If the property has been acquired by a third party with the support of the State, “threat” will be evaluated based on the situation prior to the third-party acquisition.

- Likely (11 - 20 points) - Multiple conditions exist that make conversion to non-forest uses likely;

- Possible (1 - 10 points) - A few conditions exist that make conversion to non-forest uses possible; or

- Unlikely (0 points) - Current conditions exist that make conversion to non-forest uses unlikely.

Please note: Discussion about what project attributes will be threatened if the project is converted can also be included under the "importance" category.

Attributes to consider: The descriptions listed below represent the ideal project for each attribute. Note that the attributes are not listed in priority order.

A. Lack of Protection - The lack of temporary or permanent protections (e.g. current zoning, temporary or permanent easements, moratoriums, and

encumbrances that limit subdivision or conversion) that currently exists on the property and the likelihood of the threat of conversion.

B. Land and Landowners Circumstances - Land and landowner circumstances such as property held in an estate, aging landowner, future use of property by heirs is uncertain, property is for sale or has a sale pending, landowner anticipates owning property for a short duration, landowner has received purchase offers, land has an approved subdivision plan, landowner has sold subdivisions of the property, etc.

C. Adjacent Land Use - Adjacent land use characteristics such as existing land status, rate of development growth and conversion, rate of population growth (percent change), rate of change in ownership, etc.

D. Ability to Develop – Physical attributes of the property that will facilitate conversion, such as access, buildable ground, zoning, slope, water/sewer, electricity, etc.

3. Strategic Value – 20 points

This criterion reflects the project's relevance or relationship to conservation efforts on a broader perspective. When evaluating strategic value, three considerations should be made: 1) the scale of a conservation initiative, strategy, or plan; 2) the scale of the project's contribution to that initiative, strategy, or plan; 3) the placement of the parcel within the area of the initiative, strategy, or plan. The placement of the parcel can complement existing protected lands, serve as an anchor point for future initiatives, or do both.

- High (15-20 points) - The property significantly advances a conservation initiative, strategy, or plan and complements protected lands.

- Average (7-14 points) - The property makes a modest contribution to a conservation initiative, strategy, or plan and is near already protected lands.

- Low (0-6 points) - The property is not part of a conservation initiative, strategy, or plan or near already protected lands, but will lead to locally-focused conservation effort.

Please note: The submitted project map should support this category and it is important to make sure the application text and map are consistent.

Attributes to consider: The descriptions listed represent the ideal project for each attribute. Note that the attributes are not listed in priority order.

A. Conservation Initiative, Strategy, or Plan - How the project fits within a larger conservation plan, strategy, or initiative as designated by either a

government or non-governmental entity. Both the scale of the greater initiative and the project's individual contribution should be addressed.

B. Complement Protected Lands - How the project is strategically linked to enhance already protected lands including past FLP projects, already protected Federal, State, or non-governmental organization lands, or other Federal land protection programs (NRCS, NOAA, etc.).

C. Anchor point for future initiatives - Does the land represent a potential for a future initiative for protection or is it in a region that represents a unique landscape type?

4. Readiness – 5 points

This criterion is defined as the degree of due diligence completed. To demonstrate project readiness, completed items need to be specified (including completion date) in the application and credit will only be given to those items completed (one point for each completed item, with a maximum of 5 points). Projects with multiple tracts will need to have the majority of their tracts have the task completed before a point is given. **Please note these in a bullet point format**:

- Draft Conservation Easement.
- Cost Share commitment has been obtained from a specified source.
- A signed option or purchase and sales agreement is in place that has an expiration date that allows enough time to fully complete all needed work to close the transaction. **The expiration dates of the signed option agreement must be at least 2 years from the date of application to this grant program.**
- Title search is completed, including identifying any temporary or permanent protections.
- Minerals determination is completed. If mineral rights have not been severed this also counts as a point.
- For conservation easement properties, a stewardship plan or multi-resource management plan is completed.

5. **Active Forest Management/Public Access – 10 points**

- 5 points are available for those applicants demonstrating current active forest management, on the property which the Conservation Easement would cover. This shall be demonstrated with an **existing, approved** NTMP (Non-Industrial Timber Management Plan), THP (Timber Harvest Plan), CFIP (California Forest Improvement Program) or EQIP (Environmental Quality Incentives Program) management plan, or other comparable forest management guidance document *(other harvest documents such as harvest exemptions or emergency notices do not count towards this scoring criteria).* This plan must have been written or updated within the last 5 years. In short, the landowner must demonstrate a history or willingness to conduct forest and fuels management in the immediate past or show demonstrated intent to manage the property in the immediate future.

- 5 points will be awarded to projects that are designed to allow public access for educational and recreational purposes. The FLP values public education aimed at teaching California's residents about the nature and benefits of active forest management and restoration. Public access opportunities must be allowed in a controlled manner that facilitate education and experiences that enable the public to directly experience an active working forest. **Any discussion of public access must be noted as a permanent requirement within the conservation easement to receive a score in this criterion.** While it is understood that private landowners may not be amenable to public recreation, CAL FIRE will only provide minimum scores for the following types of recreation:

    - Private hunting leases count for 1 point.

    - Annual docent lead tours count for 1 point.

6. **Donated Matching Funds – 10 points**

Landowner donations must include a signed letter from the landowner stating the amount of donation and must show verifiable proof of the estimated value of the easement from an independent third party. A preliminary appraisal may be submitted as proof of the landowner donation.

Stewardship endowments and monitoring payments or other endowments do NOT count as a matching contribution. A total of 10 points is available to projects that meet the highest level of matching criteria.

Note: The landowner may *increase* a donation percentage without consequence. However, if the landowner chooses to *decrease* the proposed donation after the

application is submitted, the project may be terminated. Donations may constitute a charitable income tax contribution, depending on applicable IRS guidelines and regulations.

- 0 points - Projects that do not include a donated match.
- 3 points - Projects that include a match of at least 15% of the value of the easement.
- 5 points - Projects that include a match of at least 30% of the value of the easement.
- 10 points - Projects that include a match of at least 50% of the value of the easement.

Conservation Easement and Carbon Project Eligibility

1. If the conservation easement project area does not currently have a registered carbon project, the terms of the easement must be included in the baseline for any future carbon projects.
2. If a conservation easement project has a registered carbon project, the applicants should confirm the existence of any carbon project, date of registration, scope of the project relative to the property, and protocol/registry used. Conservation measures intended for the carbon project that are above and beyond current regulations may not be valued in the appraisal for the Forest Legacy project.
3. If the conservation easement is in the process of developing a carbon project, but has not yet been registered or issued credits, then the project must include all constraints on timber harvesting or other measures mandated by the carbon project in the project description. The value of these constrained measures necessary to maintain the carbon project being registered are not eligible for funding for this solicitation.

   The terms of the easement can either be included in the baseline for the carbon project, or any restrictions in the conservation easement that exceed the requirements of the California Forest Practice Act and associated regulations will not be paid for as part of the conservation easement valuation.

Project Funding Process

1. For a project to close, the project must go through a number of additional steps to ensure that the monies have been spent wisely and to comply with State laws and regulations.

- After the grant agreement has been approved, CAL FIRE must approve the property appraiser prior to any appraisal work. This includes Timber Appraisal Standards set forth in Appendix H (timber standards have additional criteria in Appendix H).
- The **appraisal must be reviewed** and approved by the Department of General Services review appraisers. The timber appraisal must be reviewed and approved by a CAL FIRE Registered Professional Forester.
- A **final conservation easement must be** approved.
- **Preliminary Title Report -** if the title report shows exceptions that would not allow the State to take title (such as surface mineral rights owned by a third party) those exceptions must be removed from title before the purchase of the property interest. This may add years to project completion. *(Note: a preliminary title report is required for all Project Applications).*
- A **Baseline**, documenting the current property conditions, must be completed and approved by the state before closing the project.
- A current **Forest Stewardship/Management Plan** or equivalent (e.g., Non-Industrial Timber Management Plan or Ranch Management Plan) must be completed and approved by the state before closing the project. A Timber Harvest Plan is not an acceptable document.
- **A Monitoring Plan** must be developed to State Standards.
- **A Property Acquisition Agreement** is signed (if required).
- **A Phase I ESA** is approved.
- **Property Access Agreement** (if required).
- **Subordination Agreement** (if required).
- **Notice of Unrecorded Grant Agreement** (if required).
- **Escrow instructions must be** given to the title company.

2. Once all the above have been satisfied, an escrow account is opened at a title company and all documents and funds are transferred there.
3. If due diligence costs are awarded as part of the grant budget, an invoice with supporting documentation must be submitted to CAL FIRE in order to be reimbursed.

4. If required, a Notice of Unrecorded Grant Agreement (NUGA) may need to be submitted to CAL FIRE for approval and recorded concurrently with the close of escrow.

Forest Legacy Contacts

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Forester I – Legacy Monitoring Forester
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Alex.Stone@fire.ca.gov

APPENDIX B – EXPLANATION OF TERMS

TERM	EXPLANATION
Agreement	A legally binding agreement between the State and another entity.
Amendment	A formal modification or a material change of the agreement, such as term, cost, or scope of work.
Application	The form identified as Attachment A and supporting attachments for grants required by the enabling legislation or program, or both.
Assessment of Need (AON)	"Assessment of Need (AON)" refers to the California Forest Legacy Program Assessment of Need submitted to the USFS in August, 1995, and amended in September, 2000. *NOTE – This has been updated in 2020 for CAL FIRE's Legacy Program in the map in Appendix D below.* Forest Legacy Area can be viewed at the following website location within the map layer "Forest Legacy Projects": Forest Legacy | CAL FIRE https://www.fire.ca.gov/what-we-do/grants/forest-legacy
Authorized Representative	The designated position identified in a resolution as the agent to sign all required grant documents including, but not limited to, grant agreements, application forms and payment requests.
CEQA	The California Environmental Quality Act is a law establishing policies and procedures requiring agencies to identify, disclose to decision makers and the public, and attempt to lessen significant impacts to environmental resources that may occur as a result of a proposed project.
Contractor	An entity contracting with the grantee for services and generally receives a Form 1099 for tax purposes.
Employee	Individuals employed directly by the grantee and generally receives a W-2 for tax purposes.
Forestland	Land must be able to support 10-percent native tree cover of any species, including hardwoods, under natural conditions, and have a minimum of 75 percent forestland or a documented plan that includes sufficient landowner capacity to reforest to at least 75 percent forestland.

Forest Legacy Area	Means areas designated in the AON to be included in the Program. *Appendix D*
Indirect Costs	Indirect Costs are costs associated with doing business that are of a general nature and are incurred to benefit two or more functions within the grantee organization. These costs are not usually identified specifically within the grant agreement, project, or activity, but are necessary for the general operation of the organization. Examples include salaries and benefits of employees not directly assigned to a project; functions such as personnel, accounting, budgeting, audits, business services, information technology, janitorial, and salaries of supervisors and managers; and rent, utilities, supplies, etc. Functions included as direct versus indirect costs must be applied consistently for all activities within the grantee organization, regardless of fund source. The maximum allowable indirect charge for the state portion of this grant program is 12%.
Modification	An informal agreement that moves dollars in the line-item and task budgets not to exceed 10% of the budget line-item total grant amount, changes deliverable due dates, or makes a minor change in the work of a grant agreement. It does not require a formal amendment of the grant agreement.
Non-profit Organization	Any California corporation organized under Section 501(c)(3) of the Federal Internal Revenue Code.
Operating Expenses (Direct Cost)	Any cost that can be specifically identified as generated by, and in accordance with, the provisions or activity requirements of the grant agreement.
Payee Data Record (Std. 204)	A form required for non-governmental entities to establish a vendor number for payment and to have funds encumbered.
Project Performance Period	The Project Performance Period is from the time the Grant Agreement is fully signed to the Agreement termination date. Only eligible costs incurred during the project performance period will be paid by the State.
Project	The activity, activities, or work to be accomplished utilizing grant and matching funds (if applicable).
Project Scope of Work	The detailed description of the proposed tasks identified in the application, as described in enabling legislation and detailed in the grant agreement.

Project Budget Detail	The proposed detailed budget plan identified as Attachment E.
Resolution	A signed resolution by the grantee's governing body, which identifies individual(s) authorized to act on behalf of the grantee's governing body for the grant project.

APPENDIX C - FOREST LEGACY PROJECT PRE-APPLICATION:

(Up to 4 pages not including photographs or maps)

To be accepted by our system, the pre-application must be a **MS Word document** with the phrase "PreApp" or "Pre-App" in the file name. Please include all maps and photos in the same **Word document**. If you need to attach maps or photos as separate files, make sure they are in a .pdf file format only.

Project

Project Name:

Brief Summary (one paragraph):

Total cost (round up to nearest $1,000):

Amount requested from CAL FIRE (round up to nearest $1,000):

Start date: Click or tap to enter a date.

End date: Click or tap to enter a date.

Project type (select one*)*: Choose an item.

Primary Habitat Type (select one): Choose an item.

Total Acres:

Location

Primary County: Choose an item.

Specific location (Assessor Parcel Number or address if available): Click or tap here to enter text.

Nearest City (distance and direction): Click or tap here to enter text.

Latitude (decimal degrees):

Longitude (decimal degrees):

Point represented by the Latitude and Longitude coordinates (e.g., center of project site): Click or tap here to enter text.

Eligible Applicant

Organization name: Click or tap here to enter text.

Organization type: Choose an item.

Primary applicant's contact name and title:

Phone:

E-mail address:

Mailing address:

Eligible Landowner

Landowner name:

Landowner type:

Project Overview

Describe the proposed project. Quantify the project's goals and expected outcomes/benefits. Identify the major tasks involved in the project. Describe why the project is needed. Attach a map of the project location (and photos if helpful), and briefly describe the project location. Be specific about the portion of the project that would be funded by this request. As part of the project overview, please provide the requested items listed under ***"Scoring Criteria" above and in Appendix A****.*

Click or tap here to enter text.

Maps/Photographs

Attach location maps, designs, plans, engineering drawings, color photographs, etc., to help describe your proposal. Label photos with a one sentence description.

Other Funding Sources

Please list all of the sources of cost share. Please indicate if other funding sources have been secured or are pending (applied for but not yet awarded).

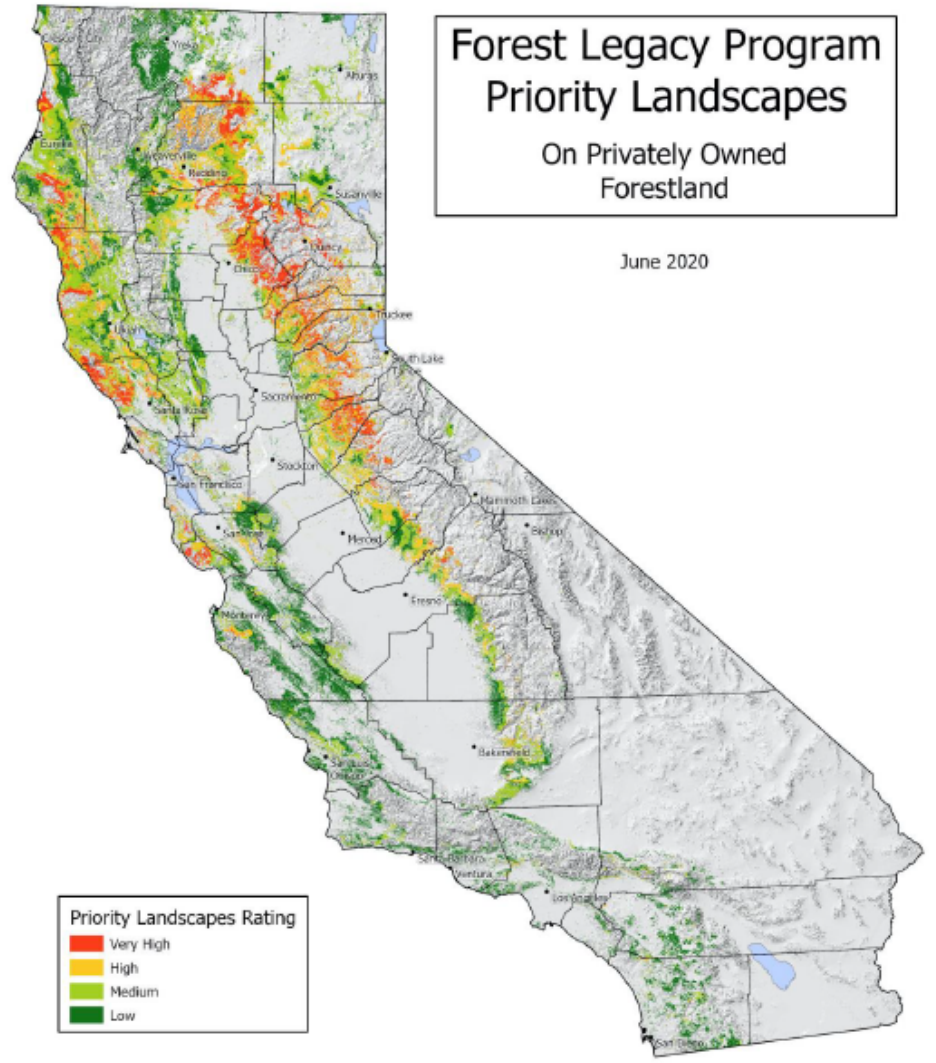
Source	**Amount ($)**	**Status - Secured / Applied for**
e.g.: California Natural Resources		Secured
e.g.: National Fish and Wildlife Foundation		Applied for
TOTAL	**$**	

Add or delete rows as necessary.

APPENDIX D - FOREST LEGACY AREA (AON)

Final Priority Area Map Integrating the Attributes

Description: The final map integrates and weights the eight attributes to show prioritization. The Priority Ranking categories are based on the default ArcGIS outputs.



This map reflects the following inputs (with weighting factor):
Conversion Threat (19%), Public Water Supply (17%); Terrestrial Threatened and Endangered Species Habitat (12%); Habitat Connectivity (12%); Site Productivity (12%); Proximity to Public or Other Conserved Land (12%); Priority Watersheds for State & Central Valley Water Project Supply (10%); ESA-listed Salmon Populations (6%)

APPENDIX E – SAMPLE RESOLUTION

A signed resolution, similar to this sample, will be required prior to the signing of a Grant Agreement. Applicants are encouraged to submit a draft resolution with the Project application. Resolutions are required from non-profit and local agency applicants only.

PROJECT NAME RESOLUTION

STATE OF CALIFORNIA

Department of Forestry and Fire Protection

Resolution

Resolution No. _____

RESOLUTION OF THE _____**(Title of Governing Body/City Council/Board of Supervisor/Board of Directions)** OF _____ **(City/County/District/non-profit)**

For Funding From Wildfire Resilience and Forestry Assistance Grant Program, (Title of Project), As funded through Assembly Bill 1624 / Senate Bill – 840 – Budget Act of 2022 and Senate Bill 101 – Budget Act of 2023

WHEREAS, the State Department of Forestry and Fire Protection has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies and non-profit organizations under the program, and

WHEREAS, said procedures established by the State Department of Forestry and Fire Protection require the applicant to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out a Forest Legacy Project.

Now, Therefore, be is Resolved that the **(Title of Governing Body**):

1. Approved the filing of an application for Forest Legacy grant program funds; and
2. Certifies that funds under the jurisdiction of the (**Name of Governing Body Here**) are available to begin the project.
3. Certifies that said applicant will expend grant funds prior to June 30, 2028.
4. Appoints (**title and/or designee**) as agent of the (**Governing Body**) to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests, etc., which may be necessary for the completion of the aforementioned project.

Approved and adopted the _____(day)_____day of _____(month)_____, 2024, I, the undersigned, hereby certify that the foregoing Resolution number _____ was duly adopted by the following roll call vote: Board of Directors.

Ayes:_____Noes_____Absent_____ _____(Clerk Signature)

APPENDIX F – SAMPLE INVOICE AND GUIDELINES

All

Grantee Name
Street Address
Street Address2
City, ST ZIP Code

INVOICE

Submit invoice and supporting documentation to:
California Department of Forestry & Fire Protection (CAL FIRE)
ATTN:
ADDRESS
CITY, STATE, ZIP CODE

DATE: MM/ DD/YYYY
INVOICE #:

Grant Number: 8XX17XXX
Grant Period: MM/DD/YYYY to MM/DD/YYYY
Project Name:

Invoice Period: MM/DD/YYYY to MM/DD/YYYY
Payment Type: ☐ Advance Request ☐ Interim Payment ☐ Final Payment

BUDGET ITEM	BUDGETED AMOUNT	CURRENT COST	EXPENDED TO DATE	CURRENT MATCH	MATCH TO DATE
Salaries and Wages					
Employee Benefits					
Contractual					
Travel					
Supplies					
Equipment					
Other					
Indirect Cost 10%					
TOTAL	-	$ -	$ -	$ -	$ -
Less Outstanding Advance					
Less Program Income					
CURRENT DUE		$ -			

Check all those that apply:
☐ Supporting documentation attached (required for Interim & Final Payment)
☐ Project Progress Report (Interim) or Project Completion Report (Final)

Direct questions to:
Name
XXX-XXX-XXXX Ext. XXXX
Email address

CERTIFICATION: I certify that I have the full authority to execute this payment request on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that this request and accompanying documents for the above referenced grant is true and correct to the best of my knowledge, and represents actual allowable disbursements made for the work performed in accordance with the conditions of the grant.

Signature of Authorized Official | Date | Printed Name | Title

CAL FIRE USE ONLY						
Payment approval signature (Unit/Field Staff)				Title		Date
Payment approval signature (Program Manager)				Title		Date
Payment approval signature (Grants Management Unit)				Title		Date
CAL FIRE Coding:	FY	Index	Object	PCA	Amount	Vendor #

Grantees must submit invoices in a format similar to this sample. It is preferred, but is not required, that grantees use the invoice template posted on the CAL FIRE Grants website. Due to differences in accounting systems used by the grantee, the grantee must include the following elements when submitting a payment request, either on the grantee's invoice or as an attachment to the invoice. If a grantee chooses to use their invoice in lieu of the invoice template provided, the invoice must be put on grantee's official letterhead.

PLEASE NOTE – INDIRECT COSTS must be no more than the stated indirect percentage on the approved budget and applied on the direct costs for every invoice. For example, if the

indirect costs were approved at 10%, no invoice may include more than 10% of the total amount for indirect costs.

1. The word “Invoice” shall appear at the top of the page.

2. Grantee Information – Includes the grantee name and address which shall match the Std. 204 - Payee Data Record submitted with the grant agreement. Payment will be submitted to this address after the financial report has been approved. Grantee shall notify CAL FIRE in writing regarding address changes and effective dates. An updated Std. 204 will be required.

3. Invoice Date and Number – Date invoice was issued and unique invoice number to be determined by the grantee for reference.

4. CAL FIRE Contact Name and Program.

5. Grant Identification – Grant Number, Project Performance Period, and Project Name as identified in the Grant Agreement.

6. Invoice reporting period – Performance start and end dates for which grantee is invoicing CAL FIRE. Under no circumstances will an invoice period outside of the Project Performance Period be accepted.

7. Payment Type – Indicate whether the invoice is to request an interim payment, or final payment.

8. Cost breakdown – Grantee costs must be broken down by the budget item consistent with the approved budget in the Grant Agreement. The grantee must identify the amount for which CAL FIRE is being billed in the invoice period and the total amount spent and match (if applicable) from the beginning of Project Performance Period through the invoice period.

9. Offset to current cost – Include program income earned from the grant if applicable.

10. The total amount for which grantee is requesting reimbursement from CAL FIRE.

11. Grantee contact name, phone number, and email address for questions related to the invoice.

12. All backup documentation to support the invoice (see Eligible Costs section below).

13. Certification and signature of authorized representative - Please see sample invoice for certification language.

Project costs must be consistent with the approved project and incurred during the Project Performance Period as specified in the grant agreement.

Budget Item	Eligible Cost	Required Documentation
Salaries and Wages	Salaries and wages of employees employed by the grantee who are DIRECTLY engaged in the execution of the grant project. Limited to actual time spent on the grant project. Leave benefits (i.e., sick leave, vacation, etc.) that are consistent with the grantee's leave benefit policy may be charged to the grant in proportion to the percentage of time worked on the grant within the pay period. Examples of expenditures include time-related to site visits and project monitoring and completion of reporting related to the grant project. Staff time related to accounting, business services, etc. are allowed only if those functions are not included in the grantee's overhead cost.	A payroll summary of all employees' time spent on the project must be provided with invoices requesting salary/wage reimbursement. Payroll documentation should show a nexus between time worked on the project and wages paid to the employee after the fact. Timesheets or similar documentation detailing days and hours worked on the project must be maintained and retained by the grantee for audit purposes but should not be submitted to CAL FIRE unless otherwise instructed. Any leave charged to the grant must reflect the calculation of time spent on the grant compared to overall time worked. A statement certifying that leave charged to the grant is in proportion to employee's time spent must be included as part of the supporting documentation. All salary and wages charged to the grant must tie back to the grantee's accounting records.
Benefits	Employer contribution share of fringe benefits associated with employees (paid from salaries and wages Budget Item) who are directly engaged in the execution of the grant project. This will include Social Security, Medicare, Health Insurance, Pension Plan costs, etc. as applicable for the specific employee.	Same documentation as Salaries and Wages. Payroll summary documentation showing wages and hours paid to employee and associated fringe benefits. Back-up documentation to be retained by grantee for audit records.

Contractual	Direct consultant and contractual services necessary to achieve the objectives of the grant. Examples of contractual costs will be RPF supervision/certification, professional/consultant services (the costs of consultant services necessary for project planning and implementation), Wildfire Prevention contractor, etc. Procurement of contractual services should be documented to ensure selection on a competitive basis and documentation of price analysis.	Invoices from consultant/contractor identifying expenditure, services performed and period of services. Documents related to consultant/contractor selection analysis shall be kept by the grantee but available for audit purposes.
Travel	Travel cost associated with travel to and from project sites, meetings, etc. directly related to the grant project and must be considered reasonable and necessary for the completion of the project. Reimbursement rates shall be consistent with the grantee's written travel policy. Absent a written policy, per diem shall not exceed the California Standard Per Diem Rate allowable by the U.S. General Services Administration. Mileage rates shall not exceed the rates allowable by the IRS.	Receipts identifying travel cost (i.e., lodging, rental cars). Mileage must be documented by either employee travel claims that are signed by the employee or vehicle mileage logs for vehicles owned by the grantee. Per Diem must be documented by employee travel claims.
Supplies	Supplies that are used in the direct support of the project are allowable. Supplies exceeding $500 per unit cost shall be documented to ensure procurement of supplies on a competitive basis and documentation of price analysis. Supplies include items under $5,000 per unit cost. (e.g., chainsaws etc.)	Receipts identifying item purchased, cost, and date of purchase. Documentation related to price analysis of procurement of supplies exceeding $500 shall be kept by the grantee and made available for audit purposes.

Due Diligence / Closing Costs	Due Diligence – Costs for eligible due diligence items as described in the grant guidelines that do not fit into the other cost categories. Closing - Fees paid at the closing of a real estate transaction. These are typically Title and Escrow charges, Government charges like recording fees, and other eligible miscellaneous fees. Non-eligible costs would include outstanding taxes or liens on the property.	Documented via copy of actual invoices, closing cost statement or receipts identifying the item and cost charged to the grant.
Fee Title or Conservation Easement	Cost of conservation easement acquisition or purchase of fee title. Closing costs and due diligence not part of other cost categories should be included in this budget item.	Conservation easement acquisition or fee title purchase should be documented via disbursement request. All other cost should be documented via copy of actual invoices, closing cost statement or receipts identifying the item and cost charged to the grant.

Indirect Costs	Indirect Costs are costs associated with doing business that are of a general nature and are incurred to benefit two or more functions within the grantee organization. These costs are not usually identified specifically in the grant agreement, project, or activity, but are necessary for the general operation of the organization. Examples include salaries and benefits of employees not directly assigned to a project; functions such as personnel, accounting, budgeting, audits, business services, information technology, janitorial, and rent, utilities, supplies, etc. Functions included as direct versus indirect costs must be applied consistently for all activities within the Grantee organization, regardless of fund source.	Applied on a percentage (%) basis on direct costs except for equipment. Documentation related to the determination of the grantee's indirect cost rate must be retained by the grantee for audit purposes. PLEASE NOTE – INDIRECT COSTS must be no more than the stated indirect percentage on the approved budget and applied on the direct costs for every invoice. For example, if the indirect costs were approved at 10%, no invoice may include more than 10% of the total amount for indirect costs.

APPENDIX G – CONSERVATION EASEMENT TERMS AND INSTRUCTIONS

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- CAL FIRE's Forest Legacy Program Conservation Values
- Compatible and Incompatible Uses
- Required Easement Terms

CAL FIRE'S Forest Legacy Program ("FLP") Conservation Values

Not all Conservation Values listed below will be applicable to all projects. The following is a list of Conservation Values that CAL FIRE will recognize on a property:

- Forested Landscape Management
    - The main purpose of CAL FIRE's FLP is to fund the conservation of working, forested landscapes and protect them from conversion to non-forest uses or fragmentation. Working forested landscapes for the purpose of this program are those which are actively managed, retain a relatively natural landscape of forested lands, and support economic value to local economies. This includes activities such as timber harvesting and livestock grazing, which may be utilized for economic purposes, addressing fire hazards, preventing and managing tree mortality from pests and disease, and creating carbon storage.

- Forest Ecosystems and Habitat
    - CAL FIRE's FLP intends to conserve lands which will contribute to the preservation, restoration, and management of environmentally important forested ecosystems such as old growth or late seral redwood, mixed-conifer, true fir, ponderosa pine, hardwood, and oak woodlands. This includes without limitation habitat maintenance and restoration, protecting forest ecosystems and reducing non-native invasive species.

- Open Space/Scenic Viewsheds
    - CAL FIRE's FLP intends to conserve from development lands containing environmentally important forests and scenic qualities unique to the area. This can, but does not have to, include governmentally designated scenic lands and those that are publicly visible.

- Public Access and Recreation
    - CAL FIRE's FLP intends to promote public access to recreational natural spaces and provide public exposure to working forested landscapes by conserving lands that will allow for low impact public access and recreation.

- Wildlife Habitat
    - CAL FIRE's FLP intends to conserve lands that possess diverse wildlife habitat including areas such as forest, instream, wetland, riparian, springs, seeps, meadows, and grasslands that provide habitat for a wide range of plant, bird, mammal, amphibian and other species. This is especially true for species that are listed, threatened, or endangered by federal or state standards. This can also include connectivity to wildlife corridors.

- Watershed/Riparian Resources
    - CAL FIRE's FLP intends to conserve lands containing sensitive or significant watersheds, particularly those with valuable traits such as: those in or flowing into significant or impaired bodies of water; those bearing listed, threatened, or endangered species by federal or state standards or which are otherwise significant; or those listed as an impaired water body.

- Carbon Sequestration
    - CAL FIRE's FLP promotes climate stability by protecting forested landscapes and their ability to store atmospheric carbon by limiting conversion to non-forest uses.

- Cultural Resources
    - CAL FIRE's FLP promotes the conservation of cultural resources by conserving lands with significant historic cultural heritage such as Native American archeological sites and regionally important natural landscapes.

The following is a list of items that CAL FIRE's FLP will **not** consider as Conservation Values of a property. This list is not exhaustive and should be treated as an example of the types of activities CAL FIRE will not consider as a Conservation Value.

- Intensive Agricultural Use
    - CAL FIRE's FLP does not intend to fund the conservation of properties that contain large-scale intensive agriculture. For the purpose of CAL FIRE's FLP, intensive agriculture means any agricultural use that converts the natural landscape from the condition documented in the Baseline. While not a Conservation Value, some intensive agriculture may be a Compatible Use and be allowed in a limited capacity.

- Intensive Commercial or Retail Uses
    - CAL FIRE's FLP does not intend to fund properties with intensive commercial or retail use unrelated to forestry. This does not include small cottage industry uses that may be a Compatible Use.

Compatible and Incompatible Uses

Compatible Uses: Under CAL FIRE's FLP, Compatible Uses are activities that are either Conservation Values themselves or that have a net beneficial effect on the Conservation Values. The following developments and land uses are examples of activities that **may** be considered compatible uses if, after weighing the location, size, scale, and intensity, it is determined that any negative impacts are outweighed by the benefit to the Conservation Values:

- Harvest of forest products

- Trails, public trail use, and trailhead parking areas
- Fishing and fishing piers
- Hunting and primitive hunting cabins
- Livestock grazing and associated small improvements, such as barns, troughs, and fences
- Camping and primitive camping amenities
- Bird-watching and primitive bird-watching amenities
- Residences and associated outbuildings of a quantity reasonably necessary to support active land management
- Small-scale cottage industries
- Gravel pits for onsite rock use
- Roads that support Compatible Uses
- Water resources and water quality testing stations
- Wells
- Energy generation structures for non-commercial use on the property
- Small-scale intensive agriculture

Note: Any developments or improvements related to a compatible use must be placed in a Designated Improvement Area, as defined in the "Required Easement Terms" section below, unless the improvements are small enough to be deemed Small Improvements, as defined in the "Required Easement Terms" section below.

Incompatible Uses: Under CAL FIRE's FLP, Incompatible Uses are those activities that are deemed detrimental to the Conservation Values. Negative impacts of these activities could include: surface disturbance, permanent conversion of the natural landscape or permanent removal of forest cover, introduction of invasive species, dumping of hazardous materials and debris, unmanaged and high visitor usage, erosion and soil destabilization, impairment of scenic viewsheds, degradation of water and air quality, or habitat loss and fragmentation. The following developments and land uses are examples of uses that likely will be considered Incompatible Uses:

- Large commercial developments such as residential subdivisions, office buildings, commercial parking lots, hotels, casinos, and resort developments
- Surface mining (with the exception of gravel pits for onsite rock use)
- Sports fields
- Commercial signage
- Unmanaged off-road vehicle use
- Aircraft runways
- Dumps
- Retail or commercial energy generation

Further CAL FIRE's FLP does not support subdividing, parceling, or fragmenting project areas following establishment of the conservation easement. Projects funded by CAL FIRE's FLP shall combine and relinquish all subdivision rights into a single parcel in perpetuity.

> Note: A landowner may have an Incompatible Use on the property so long as the acreage impacted by the Incompatible Use is taken out of the easement area and there will not be negative impacts on any portion of the property covered by the conservation easement.

Required Terms

The following terms **must** be incorporated into the easement as written and highlighted in yellow for recognition, unless otherwise noted. *Italicized* and **bolded** text in brackets ([]) indicates text that will need to be customized based on the particular conservation easement.

*** The Recitals and Agreement section below may be edited slightly so long as the incorporated terms are determined to have the same overall effect. ***

Recitals

- WHEREAS, Grantor is the owner, in fee simple, of certain real property and appurtenant rights thereto, in [*XXXXX*] County, California, consisting of approximately [*XXXXXX*] acres, hereinafter referred to as the "Property" and more particularly described in Exhibit [*X*], and depicted on the map attached hereto as Exhibit [*X*], each of which is attached hereto and incorporated herein by this reference.
- WHEREAS, Grantee is a publicly supported, tax-exempt nonprofit public benefit organization qualified under section 501(c)(3) of Title 26 of the Internal Revenue Code of 1986, (the "Code"), and qualified to hold conservation easements in California under California Civil Code section 815.3, and is organized for the conservation of forest lands and one of the purposes of Section 170(b)(1)(A)(vi) or 170(h)(3) of Title 26 of the United States Code.
- WHEREAS, the Property possesses certain development and other rights and opportunities that Grantor is willing to modify, curtail, or otherwise convey to Grantee for valuable consideration as set forth herein.
- WHEREAS, the Parties recognize that the Property possesses certain values of great importance to the Parties, the people of [*insert*] County, and the citizens of the State of California, collectively and as further defined herein, the "Conservation Values". Those Conservation Values are:

  [**insert applicable and approved Conservation Values***: must include Forest/Land Management, Forest Ecosystems and Open Space*]
- WHEREAS, Grantor intends that the Conservation Values of the Property identified herein be preserved and maintained by permitting only those land uses on the Property that do not impair the Conservation Values, as detailed herein.
- WHEREAS, the Property's Conservation Values identified herein are specifically consistent with the conservation objectives of California's Forest Legacy Program, which is administered by the Department of Forestry and Fire Protection

(hereinafter "CAL FIRE"), as set forth in the *Revised Assessment of Need* approved by the U.S. Secretary of Agriculture in June 2020, as amended.

- WHEREAS, the State of California, through CAL FIRE, is funding the acquisition of this Easement through Grant Agreement Number [*XXXXXXX*] ("CAL FIRE Grant Agreement") which imposes binding terms and conditions upon Grantee. A notice of the CAL FIRE Grant Agreement is being recorded in [*XXXXX*] County concurrently with the recording of this Easement.
- WHEREAS, all holders of liens, leaseholds or other encumbrances upon the Property have agreed to subordinate their interests in the Property to this Easement and to refrain forever from any action that would be inconsistent with its Conservation Purposes (as defined below), [**insert if applicable***: except the permitted encumbrances listed in Exhibit [X], attached hereto and incorporated herein by this reference*]. Any pre-existing leaseholds or other encumbrances based on a verbal agreement shall be put into writing and subordinated to this Easement.
- [**insert if applicable***: WHEREAS, the probability that any third-party holder of mineral rights in the Property will extract or remove minerals from the Property by surface mining has been determined by a qualified professional geologist to be so remote as to be negligible, as set forth in a report dated [XXXXX], by [XXXXX], State of California Registered Geologist No. [XXXX**]**.*]

AGREEMENT

NOW THEREFORE, in consideration of the recitals set forth above, the mutual covenants, terms, conditions and restrictions contained herein and for valuable consideration the receipt and sufficiency of which are hereby acknowledged, Grantor hereby voluntarily grants and conveys to Grantee, its successors and assigns, and Grantee hereby accepts a perpetual conservation easement ("Easement"), as defined by California Civil Code section 815 *et seq*., over the Property, of the nature and character of which is described herein in this Easement, which hereby includes the recitals and exhibits attached.

****** The sections below must be incorporated as written. *****

CONSERVATION PURPOSES

Grantor and Grantee intend that the purposes of this Easement are (hereinafter "Conservation Purpose"):

Protect the Conservation Values of the Property by restricting or prohibiting specific uses of the Property that would impair the Conservation Values, as defined below, and more fully described herein;

[**insert other purposes applicable to the property**]

DEFINITIONS

***The following definitions must be incorporated as written below somewhere within the terms of the Easement. ***

- Under this Easement, “to impair” or “impairment” of the Conservation Values means a relevant and material adverse change in the Conservation Values. The determination of impairment shall consider the relative magnitude, extent, and duration of any diminishment in quantity, quality, extent, value, strength or viability of the Conservation Values as well as the cumulative impacts of other uses and activities on the Property.
- Under this Easement “Forest Management” is defined as maintaining and providing for the sustained yield of timber products while accounting for limits on productivity due to constraints imposed from consideration of other forest values, including but not limited to, recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment and aesthetic enjoyment.
- Under this Easement “forestland” shall mean any part of the Property with ten percent (10%) or more forest cover as reflected in the Baseline Report, further defined below.
- Under this Easement, “grantor” shall mean [**insert grantor entity**] and any successor in interest as to the ownership of title to the Property.
- Under this Easement, “grantee” shall mean [**insert grantee entity**] and any successor in interest which obtained the Easement interest pursuant to the terms of this Easement.
- For the purposes of this Easement, a “footprint” refers to a specific area that has been covered by a structure or other improvement, or that has been subject to a high-intensity use, to the extent that the area can no longer support the relatively natural vegetation characteristic of the Property as depicted and described in the Baseline Conditions Report.

BASELINE

The condition of the Property as of the Effective Date is documented in a Baseline Report (the “Baseline Report” or “Report”) cataloging relevant features of the Property. The Report is incorporated herein by this reference. The Report is on file at the Parties’ respective offices and a signed acknowledgment and certification by the Parties of the condition of the Property as set forth in the Report is attached hereto as Exhibit [*X*] and incorporated herein by this reference. The Report consists of descriptions, maps and other documentation that the Parties agree provide, collectively, an accurate representation of the condition of the Property as of the Effective Date of this Easement. The Report is intended to serve as an objective, though not exhaustive, information baseline for monitoring outcomes from and compliance with the terms of this Easement. The Parties have provided CAL FIRE with a copy of the Report.

PERPETUITY

This Easement shall be a servitude running with and burdening title to the Property in perpetuity. This Easement shall bind Grantor and its successors and assigns, including but not limited to all future owners and tenants, in perpetuity.

PROHIBITED OR RESTRICTED USES

Grantor intends that this Easement will confine the use of the Property to such activities that do not impair the Conservation Values. Unless explicitly allowed by the terms of this Easement, any activity on the Property or use of the Property which impairs the Conservation Values is prohibited. Without limiting the generality of the foregoing, the activities and uses described in Exhibit [*X*], attached hereto and incorporated by this reference are expressly prohibited or restricted.

GRANTEE RIGHTS

To accomplish the Purpose of this Easement, the following rights and obligations are conveyed in perpetuity to Grantee by this Easement:

(a) To preserve and protect the Conservation Values of the Property in accordance with the terms of this Easement; subject, however, to Grantor's reserved rights provided herein, exercised in accordance with any limitations or restrictions set forth herein;

(b) To enter upon the Property, upon at least ***[insert number of days]*** advance notice to Grantor, unless otherwise stated, at all reasonable times and for a reasonable duration, and which does not unreasonably interfere with Grantor's uses permitted hereunder, for the following purposes:

(i) To monitor, ensure, and enforce compliance with the terms of this Easement, as further provided in this Easement;
(ii) To provide access to CAL FIRE at least once every three (3) years for the purpose of assessing Grantee's compliance with the terms, covenants, and conditions of the CAL FIRE Grant Agreement with Grantee;
(iii) To verify restoration of the Property's Conservation Values as may be required pursuant to the terms and conditions of this Easement;
(iv) To identify the current uses and practices thereon and the baseline condition thereof;
(v) To verify, prevent, terminate, or mitigate any activity on or use of the Property that violates the terms of this Easement. In such a case where Grantee reasonably determines that immediate entry is required to prevent, terminate or mitigate a violation of this Easement, advance notice is not necessary.

(c) If Grantee determines that Grantor or a third party acting with Grantor's authority is taking an action or conducting or allowing a use, activity, or condition on the Property which is prohibited by the terms of this Easement, or that a material violation of the terms of this Easement is threatened, Grantee shall give written notice to Grantor of such violation or threatened violation and demand corrective action sufficient to cure the violation or terminate the threat to the Conservation Values. Where the violation involves material injury to the Conservation Values,

Grantor agrees to restore the portion of the Property so injured to substantially the condition that existed prior to the injury to the extent physically practicable. If Grantor fails to remedy the violation, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by a temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement, and to require the restoration of the Property and/or Conservation Values to the condition that existed prior to any such injury as permitted by California Civil Code Section 815.7. CAL FIRE [*and other funding entities as applicable*] shall maintain a right to intervene in such action or act on behalf of Grantee as detailed in the CAL FIRE Grant Agreement [*and other grant agreements as applicable*].

CAL FIRE ACCESS

In addition to the access rights granted to Grantee, Grantor also conveys to CAL FIRE the right to enter upon and inspect the Property with at least fourteen (14) days' advance notice to Grantor. CAL FIRE's access shall only be for so long a duration as is reasonably necessary to assess Grantee's compliance with the terms, covenants, and conditions of the CAL FIRE Grant Agreement and shall be in a manner that does not unreasonably interfere with the use and quiet enjoyment of the Property. To the extent that it is reasonably feasible to do so, CAL FIRE and Grantee will attempt coordinate their monitoring visits to occur simultaneously when possible.

ANNUAL MONITORING AND MONITORING REPORT

Grantor and Grantee agree to meet at least annually to review and discuss forest management, timber harvest plans, other plans or permits, and other activities on the Property to better ensure mutual understanding and compliance with the terms of the Easement. Grantee, further, shall conduct a visit no less than once a calendar year in order to determine Grantor's compliance with this Easement (the "Annual Monitoring"). In addition to the Annual Monitoring, Grantee shall access the property as is necessary to prevent, terminate or mitigate a violation of this Easement or other impairment to the Conservation Values. Further, in addition to the provisions of Section [*XX*] below, Grantee shall meet with a new Grantor within sixty (60) days of any subsequent transfer by which the previous Grantor divested itself of its interest in the underlying ownership of the Property. At this meeting Grantee will address easement restrictions and monitoring requirements with the new Grantor.

After the Annual Monitoring, Grantee will prepare a monitoring report to document the current condition of the Property and any material change in the use of, or activities or improvements on the Property since the prior monitoring report. Grantee shall provide a copy of such report to Grantor and CAL FIRE within ninety (90) days of its Annual Monitoring. Grantee shall address in the annual monitoring report whether Grantee and Grantor are in compliance with the CAL FIRE Grant Agreement and shall address each of the monitoring protocols as required in the CAL FIRE Grant Agreement. If the annual monitoring report is deemed insufficient by CAL FIRE or if CAL FIRE has a reasonable and articulable belief of an unaddressed violation CAL FIRE may exercise its right of inspection.

INDEMNITY

CAL FIRE, its employees, agents, and assigns 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 the Easement or violation of any Federal, State or local laws 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 CAL FIRE maybe subject or incur in relation to the Property.

Grantor hereby agrees to indemnify, defend and hold harmless CAL FIRE, its employees, agents, and assigns from any and all 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 CAL FIRE maybe subject or incur in relation to the 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 Easement or violations of any Federal, State or local laws including all environmental laws.

GRANTOR RESPONSIBILITIES

Except as otherwise expressly provided herein Grantor retains the responsibility and shall bear all costs and liabilities of any kind, related to the ownership, operation, upkeep, and maintenance of the Property including the requirement to maintain adequate liability insurance coverage. Grantor shall obtain any applicable governmental permits and approvals for any activity or use it is permitted to undertake by this Easement and for any such activity or use undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Grantor shall keep the Property free from any contractor's liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor; provided, however, that Grantor may withhold payment of amounts being contested by Grantor in good faith so long as doing so will not materially impair the Conservation Values. Grantor shall pay, or cause to be paid before delinquency all taxes, assessments, fees and charges of whatever description levied on, or assessed against, the Property by competent authority, including any such taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

ENVIRONMENTAL WARRANTY

As used in this section, the term "environmental laws" includes, without limitation, any federal, state, local, municipal or administrative agency statute, regulation, rule, ordinance, order, or requirement regulating or imposing standards of liability or conduct (including common law) concerning air, water, solid waste, hazardous materials, worker or community right-to-know hazard communication, noise, radioactive material, resource protection, subdivision, inland

wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or any time hereafter be in effect.

As used herein, “Hazardous Materials” means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance that may pose a present or potential hazard to human health or to the environment.

Notwithstanding any other provision of this Easement to the contrary, the Parties do not intend, and this Easement shall not be construed, to (1) create in Grantee or CAL FIRE the obligations or liabilities of an “owner” or “operator” as those words are defined and used in environmental laws; (2) create in Grantee or CAL FIRE the obligations or liabilities of a person described in 42 United States Code § 9607(a)(3); (3) create in Grantee or CAL FIRE the obligations of a responsible person under any applicable Hazardous Substance Law; (4) grant Grantee or CAL FIRE the right to investigate and remediate any Hazardous Substances associated with the Property under any Hazardous Substance Law; or (5) grant Grantee or CAL FIRE any control over Grantor’s ability to investigate and remediate any Hazardous Substances associated with the Property. Grantor represents, warrants, and covenants to Grantee that Grantor’s use of the Property shall comply in all material respects with all environmental laws.

Grantor warrants that it has no actual knowledge of an undisclosed release or threatened release of Hazardous Materials. Further, Grantor warrants that the information disclosed to Grantee and CAL FIRE regarding any past violations or noncompliance with Environmental Laws or any past releases of Hazardous Materials is complete and accurate.

Moreover, Grantor hereby promises to hold harmless and indemnify Grantee and CAL FIRE against all litigation, claims, demands, penalties and damages, including reasonable attorney’s fees, arising from or in any way connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Property or arising from or in any way connected with any Environmental Laws by Grantor or any prior owner of the Property. Grantor’s indemnification obligation will not be affected by any authorizations provided by Grantee or CAL FIRE or any restoration activities carried out by Grantee on the Property, provided, however, that Grantee will be responsible for any Hazardous Materials contributed to the Property by Grantee after the Effective Date of this Easement.

AMENDMENT

If circumstances arise under which an amendment to, or modification of, this Easement would be appropriate, the Parties may jointly amend this Easement, provided that no amendment shall be allowed that will affect the qualification of this Easement or the status of Grantee under any applicable law, including California Civil Code section 815 et seq. and United States Code sections 170(h) and 501(c)(3). Any amendment shall be beneficial to the Conservation Values of this Easement, shall not affect its perpetual duration, and shall be subject to prior written approval by the State of California through the Director of CAL FIRE or its successor. Any amendment made without prior approval by CAL FIRE or its successor shall be void. Any such amendment shall be in writing, shall refer to this Easement by reference to its recordation

date, shall be signed by the Parties, and shall be recorded in the Official Records of [**Insert applicable**] County, California.

ASSIGNMENT

Voluntary: If Grantee decides to assign its interest under this Easement, Grantee shall first provide Grantor and CAL FIRE with written notice of such intention. [**Insert if CAL FIRE is the main funder**: *Prior to the transfer or assignment of this Easement, Grantee must first give the State of California, acting by and through the Executive Director of CAL FIRE, the opportunity to acquire the rights and obligations of Grantee under this Easement.*] Grantee may only assign its interest under this Easement pursuant to the terms and conditions of section [X] titled "Assignment Requirements" below.

Involuntary: In the event that Grantee breaches the CAL FIRE Grant Agreement, ceases to exist, or no longer qualifies to hold a conservation easement, the State of California may, in its sole discretion, require Grantee to convey its interest in the Easement [**Insert if CAL FIRE is the main funder:** *either to the State of California acting by an through the Executive Director of CAL FIRE or if CAL FIRE In its sole discretion chooses not to acquire the Easement to another*] under the terms and conditions of section [*X*] titled "Assignment Requirements" below. Grantor shall be consulted and reasonable consideration shall be given to Grantor's preferences concerning potential Qualified Entities.

Assignment Requirements: Grantee may only assign its rights and obligations under this Easement to an organization that that meets all of the following criteria (hereinafter a "Qualified Entity"): (i) is qualified to hold a conservation easement under Section 815.3 of the California Civil Code; (ii) is a "qualified organization" as defined in Section 170(h)(3) of the U.S. Internal Revenue Code, 26 U.S.C. §170(h)(3) and California Public Resources Code sections 12276, 12244 and 12246; and (iii) is not related to or an affiliate of Landowner; (iv) is willing and financially able to assume all of the responsibilities imposed on Grantee under this Easement including without limitation monitoring and enforcement; and (vi) is willing and financially able to assume the obligations and responsibilities imposed under the CAL FIRE Grant Agreement.

As a condition of any such voluntary or involuntary transfer of the rights and obligations conv eyed to Grantee under this Easement, Grantee shall require that the following conditions are met: the Conservation Values continue to be protected by the assignee; any deed or instrument of conveyance be recorded in [*Insert*] County; and an executory interest and right of entry on the part of the State of California be set forth.

Grantee must receive written approval from the State of California, acting through the Director of CAL FIRE or its successor. Such approval shall not be unreasonably withheld so long as the following are met: that the above criteria is met and the Qualified Entity has demonstrable experience in managing and monitoring conservation easements on productive and working forestland; the purposes for which the Grant from CAL FIRE was awarded are maintained; the transferee agrees in writing to assume and be bound by the terms, covenants, and conditions of the CAL FIRE Grant Agreement; and any deed or instrument of conveyance be recorded.

Stewardship Fund: Any assignment of this Easement made pursuant to this paragraph shall include an assignment to the transferee, in the amount of the Grantor's contribution to Grantee's stewardship fund, or any other funding obtained specifically to finance the monitoring and/or enforcement of the terms of this Easement, at the time that the Easement was recorded adjusted by the following: (a) the cumulative amount of the Grantee's cost to monitor and/or enforce the terms of this Easement (including both staff costs and of consultants); and (b) the net returns received by Grantee's on the stewardship fund since Grantee's receipt of the Grantor's contribution. If the transferee is CAL FIRE, the funds may be assigned to a separate entity designated by CAL FIRE and agreed to by Grantor who will perform monitoring of the easement under a formal agreement on behalf of CAL FIRE.

CAL FIRE Enforcement Rights: Under the terms of the CAL FIRE Grant Agreement, CAL FIRE may exercise a right of enforcement in the event of a breach of the CAL FIRE Grant Agreement by Grantee. In such a circumstance, CAL FIRE may require Grantee to assign its interest in this Easement to the State of California or another Qualified Entity under the terms of this section [*X*] titled "Assignment". Grantor acknowledges this right of enforcement.

In the event CAL FIRE exercises this right of enforcement, it is entitled to recover any and all administrative and legal costs associated with exercising this right from the Grantee including but not limited to attorney's fees and expenses related to Grantee's violations or failure to enforce the Easement against Grantor, up to the amount of CAL FIRE's contribution to the purchase of the Easement.

SUBSEQUENT TRANSFERS

Grantor agrees to incorporate the terms of this Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee of Grantor's intent to transfer any fee interest in, or lease of, the Property with the exception of sales of timber harvested in accordance with the terms and conditions of this Easement. Such written notice shall be given promptly upon Grantor's acceptance of a bona fide offer to purchase or lease the Property and at least thirty (30) days before the date of such transfer or lease. Grantor shall provide a complete copy of this Easement to its transferee or lessee before any such transfer.

EXTINGUISHMENT AND CONDEMNATION

Extinguishment: If circumstances arise in the future that render the Conservation Purpose of this Easement impossible or impracticable to accomplish, this Easement may only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction or with written approval of Grantor, Grantee and CAL FIRE. The amount of the proceeds to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination, shall be determined to be, unless otherwise provided by California law at the time, the stipulated fair market value of the Easement, defined below.

Condemnation/Eminent Domain: If Grantor receives notice, formal or informal, of any intent to exercise power of eminent domain as to the Property or any portion thereof or any interest therein, Grantor shall promptly, and in any event in not less than fifteen (15) business days after receipt of such notice, provide notice to Grantee and CAL FIRE [*insert other entities as applicable*] and as further required by California Civil Code section 1240.055. If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to terminate this Easement, in whole or in part, Grantor, Grantee, and CAL FIRE [*insert other entities as applicable*] shall act collaboratively to recover compensation for their respective interests in the Property and Easement, and all direct or incidental damages resulting therefrom, in accordance with applicable law. Compensation to CAL FIRE shall be as required under California Civil Code section 1240.055. All expenses reasonably incurred by the Parties in connection with the taking, or in-lieu-of purchase, shall be paid out of the amount recovered. Each party's share of the proceeds shall be in proportion to the ration set forth in the section titled "Compensation." If only a portion of the Property is subject to such exercise of the power of eminent domain or in-lieu-of purchase, this Easement shall remain in effect as to all other portions of the Property. Grantor shall not agree to a purchase in lieu of condemnation without the prior written approval of Grantee and CAL FIRE [*insert other entities as applicable*], which approval may be granted or withheld by Grantee or CAL FIRE [*insert other entities as applicable*] in their sole discretion.

Fair Market Value: This Easement constitutes a real property interest immediately vested in Grantee, the fair market value of the Easement interest will be determined by multiplying (i) the fair market value of the Property unencumbered by the Easement by (ii) the ratio of (a) the value of the Easement as of the Effective Date to (b) the value of the Property, without deduction for the value of the Easement, as of the Effective Date. The fair market value will be determined at the time all or a part of this Easement is terminated, extinguished or condemned by an appraisal completed by a certified general appraisal and approved of by Grantee and CAL FIRE.

Compensation: If this Easement is extinguished, terminated or condemned in whole or in part Grantor must reimburse Grantee the fair market value, as defined above, of the Easement or the portion of the Easement which is extinguished, terminated or condemned. Grantee shall ensure that CAL FIRE [*insert other entities as applicable*] is reimbursed a portion of that fair market value equal to CAL FIRE's [*insert other entities as applicable*] share of the Easement purchase price. CAL FIRE's share shall be determined by multiplying the following: a) the ratio of CAL FIRE's grant funding to Grantee divided by the purchase price paid Grantee to acquire the Easement ; by b) the FMV of the terminated Easement.

CAL FIRE proceeds = FMV of the terminated Easement at time of extinguishment x (CAL FIRE grant funding / Easement purchase price)

Until such time as the Grantee receives its compensation, Grantee and CAL FIRE each have a lien against the Property for the amount of each is entitled to recover.

FUTURE LIENS

Grantor has the right to use the Property or any portion thereof as collateral to secure the repayment of debt, provided that any security instrument subsequently executed is subordinate to this Easement and the right of Grantee to enforce the terms, restrictions, and covenants created under this Easement shall not be extinguished by foreclosure of any mortgage or any publicly or privately placed lien, regardless of date. Grantee shall not use the Easement as security for any debt without written approval by the State of California, acting through the Executive Director of CAL FIRE or its successor.

RESTRICTIVE COVENANT MODIFICATIONS

All persons who would cause a Restrictive Covenant Modification under California Civil Code section 714.6 to be recorded invalidating certain provisions of this Easement are hereby notified that the California Attorney General asserts a right to oversee conservation easements, and any notice required by Civil Code section 714.6 must also be sent to the California Attorney General. As of the Effective Date the address for such notice as follows, but it may change from time to time; it is the noticing party's obligation to confirm the correct address: Supervising Deputy Attorney General, Charitable Trusts Section, Office of the Attorney General, 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004.

NO USE OR TRANSFER OF DEVELOPMENT RIGHTS

Except as expressly permitted by the terms of this Easement, all development rights that are now or hereafter allocated to, implied, reserved, or inherent in or to the Property are transferred to Grantee and are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property, whether adjacent or otherwise.

NO SUBDIVISION

Grantor hereby conveys all rights to divide, subdivide, sell, transfer, convey, or partition the Property. The Property and all interests therein shall be maintained under common ownership and the Property shall be maintained as though it were a single legal parcel owned by a single owner. Seeking of a partition of the Property as a remedy in a lawsuit is prohibited; provided, however, that such division, subdivision, sale, transfer, conveyance, or partition is permissible if accomplished in connection with an action initiated by an entity exercising the power of eminent domain or as may be necessary to solve minor boundary line disputes.

NO TRANSFER OF WATER RIGHTS

Grantor shall not sever, convey, lease, impair, encumber, or otherwise separate water or water rights appurtenant to the Property, separately from the underlying title to the Property, or otherwise diminishes or extinguishes such water rights. The Easement shall not sever or impair any riparian water rights appurtenant to the Property. Notwithstanding the above, Grantor may temporarily use or supply water from the Property for immediate fire control response or wildfire emergency without further permission.

WRITTEN LEASE FOR USE OF PROPERTY

Any agreement by which Grantor allows any third party to possess, control or manage any aspect of the Property or the activities of the Property shall be: 1) in writing, 2) signed by Grantor and the party who assumes possession, control or management responsibilities, 3) shall expressly incorporate the terms and conditions of the Easement into such agreement, and 4) a copy of such agreement must be provided to Grantee.

GRANTEE INSURANCE

Grantee shall maintain liability insurance coverage against bodily injury and property damage on the Property resulting from its activities in administration of this Easement. In addition, Grantee's general liability coverage shall include as additional covered persons any third party acting for or under the authority of Grantee on the Property pursuant to the terms of this Easement. Each policy of insurance shall name or be endorsed to include Grantor and any lender with a loan secured by all or a part of the Property as additional insureds. Such insurance, with respect to liabilities arising out of Grantee Insured Parties' activities on the Property, shall be primary to the liability insurance carried by Grantor and shall initially have a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in aggregate. The Parties agree that such insurance coverage limits are and will continue to be based on the insurance coverage limits that Grantor requires to be carried by all of Grantor's non-logging independent contractors and will be reasonably adjusted by Grantor from time to time to reflect inflation and risks.

GRANTOR RESPONSIBILITIES AND INSURANCE

Except as otherwise expressly provided herein (related to certain responsibilities, costs, and liabilities for which Grantee has expressly herein assumed sole or partial responsibility, as the case may be), Grantor retains all responsibilities, and shall bear all costs and liabilities of any kind, related to the ownership, operation, upkeep, and maintenance of the Property, including the requirement to maintain adequate liability insurance coverage. Grantor shall cause Grantee to be named as an additional insured on Grantor's liability. Such insurance, with respect to liabilities arising out of Grantor's activities on the Property, shall be primary to the liability insurance carried by Grantee and shall initially have a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in

aggregate. The Parties agree that such insurance coverage limits are and will continue to be based on the insurance coverage limits that Grantee requires to be carried by all of Grantee's independent contractors and will be reasonably adjusted by Grantee from time to time to reflect inflation and risks. Grantor waives all rights of subrogation against Grantee and its agents, representatives, officers, directors and employees for recovery of damages to the extent these damages are covered by insurance maintained pursuant to this Easement. The foregoing insurance requirements do not replace, waive, alter or limit the hold- harmless or indemnification provisions of this Easement.

MITIGATION

Except for the sale of Carbon Rights as reserved by Grantor and set forth in the "Carbon Rights" section of this Easement, the Easement may not be used to satisfy any requirement or condition imposed by any permit, agreement, authorization, or entitlement for use ("Mitigation"), including but not limited to any requirement to compensate for or otherwise offset impacts of an activity, without the written approval of Grantee and the State of California, acting through the Director of CAL FIRE or its successor. The State shall not approve any Mitigation which: (i) overlaps with the protection of the Property resulting from its acquisition or ownership of the Easement by Grantee; (ii) any Mitigation that is inconsistent with the Easement or the CAL FIRE Grant Agreement; or (iii) any Mitigation on the Property (including but not limited to restoration) which coincides.

CARBON RIGHTS

In the event that Grantor chooses to trade, sell, transfer, or lease the carbon rights associated with the Property, Grantor shall ensure that the terms and conditions of this Easement are taken into account when calculating the baseline of the Property as defined in the applicable carbon rights protocol. Grantor shall provide written notice to Grantee at least sixty (60) days prior to any such proposed establishment. Grantee shall notify CAL FIRE immediately upon receipt of notice by Grantor.

SUBSEQUENT EASEMENTS

Grantor may not grant any easement, other interest in land, or use restriction that might impair the Conservation Values or that otherwise interferes with any of the terms of this Easement, as reasonably determined by Grantee in consultation with the Director of CAL FIRE. Prior to granting subsequent easements, including conservation easements, interests in land, or use restrictions on the Property Grantor shall receive Grantee's prior written approval at least thirty (30) days in advance of Grantor's execution of any proposed subsequent easement, interest in land, or use restriction on the Property, and such subsequent easements, interests in land, and use restrictions shall make reference to and be subordinate to this Easement. Grantee shall notify CAL FIRE promptly upon receipt of a request by Grantor to grant a subsequent easement, interest in land, or use restriction on the Property, and provide copies of documents associated with such request to CAL FIRE. Grantee shall notify CAL FIRE in the event that it

approves the grant of any subsequent easement, interest in land, or use restriction on the Property.

SUCCESSORS

This Conservation Easement herein granted shall be a burden upon and shall continue as a restrictive covenant and equitable servitude running in perpetuity with the Property and shall bind Grantor and its heirs, personal representatives, lessees, executors, successors, and assigns forever. Unless explicitly specified otherwise, the covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Property. The terms Grantor and Grantee, wherever used herein, and any pronouns used in place thereof, shall include, respectively, the above-named Grantor and its personal representatives, heirs, successors and assigns, and the above-named Grantee and its personal representatives, heirs, successors and assigns.

VENUE

The Parties hereby mutually consent to utilize the Superior Court of California for the applicable county for the purpose of enforcing the rights dictated in this Easement and claims associated with the creation, interpretation, existence, enforceability, or administration of this Easement.

INTERPRETATION

This Easement shall be interpreted under the laws of the State of California, resolving any ambiguities and questions of the validity of specific provisions so as to give maximum protection to the Conservation Values. Any reference to a statute or regulation in this Easement shall also refer to any subsequently enacted replacement statute. If any provision of this Easement, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provisions to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected.

RECORDATION

This instrument shall be recorded by Grantee in the Official Records of [*insert*] County, California. Grantee may re-record this Easement whenever re- recording is required to preserve Grantee's rights in this Easement. This Easement is effective upon recordation in the official records of [*insert*] County, herein referred to as the "Effective Date."

CONTROLLING LAW

The interpretation and performance of this Easement shall be governed by the laws of the State of California.

COUNTERPARTS

The Parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both Parties; each counterpart shall be deemed an original instrument as against any Party who has signed it.

Exhibit [*X*] – Permitted Activities and Uses

***In CAL FIRE's Experience, it is easiest to outline the permitted and prohibited activities and uses in a separate exhibit for ease of reference when monitoring. Whether the following provisions are included in the main text of the easement or in a separate exhibit, the sections below should be incorporated as written unless otherwise specifically noted ***

SIGNAGE

Grantee may erect and maintain a sign or other appropriate marker in a prominent location on the Property acceptable to Grantor, visible from a public road, bearing information indicating that the Property is protected by a conservation easement held by Grantee and acknowledging the sources of Grantee's funding for the acquisition of this Easement, including the display of the CAL FIRE logos. The wording of the sign shall be determined by Grantee. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

EXISTING STRUCTURES

It shall be permissible for Grantor to maintain and repair existing structures documented in the Baseline Report and, in the event of the destruction of any such existing improvements, to replace such improvements with others of the same footprint and in the same general location. The replacement may be of a similar function and use or of a different Compatible Use, as defined below. Grantor shall also have the right to remove structures from the Property so long as it is done in a manner consistent with the terms of this Easement.

NEW STRUCTURES AND IMPROVEMENTS AND DESIGNATED IMPROVEMENT AREAS

*** Designated Improvement Areas (DIAs) are intended to encapsulate all building types allowed in the easement area. The specific acreage and number of DIAs will be different for each, easement although the total number of acres of DIAs and any Intensive Agriculture on an easement shall not cumulatively be greater than 1% of the total easement acres. ***

***Project proponents have a choice to either concretely designate all DIAs in the Easement or to designate a number of "Potential DIAs" of which a certain smaller number can be selected at a later time for development. All DIAs or Potential DIAs must be clearly mapped. If certain restrictions on the number of acres of types of use are too onerous for a property owner, CAL FIRE also promotes the concept of "cutting out" development areas from the easement acres*

*which will greatly diminish the restrictions put on those areas. Certain other edits to this section may be made on a case-by-case basis.***

Grantor may only place new structures and improvements for Compatible Uses, as defined below, within a "Designated Improvement Area" (DIA). The purpose of the DIA[*s*] is to preserve the Conservation Values of the Property by ensuring that conversion from the natural landscape to structures and outbuildings only occurs on limited areas of the Property that are deemed appropriate. The [*cumulative*] acreage of [*the/all*] DIA[*s*] shall not exceed [**Insert agreed-upon number of acres**]. The location and boundaries of all [*DIAs*/*Potential DIAs*] shall be identified in the Baseline Report. Notwithstanding the above, Grantor may place "Small Improvements" as defined below outside of DIA[*s*].

[**Insert if utilizing Potential DIAs**: *With written notice to Grantee, Landowner may select up to **[insert agreed-upon number]** Designated Improvement Areas from the Potential DIAs shown in Exhibit [X]. Upon Landowner's selection of Potential DIAs (once selected becoming active DIAs), the Baseline Report will be supplemented to include the selected DIAs. The supplement to the Baseline Report will be acknowledged in writing by Landowner and Grantee with written notice provided to CAL FIRE [and insert other Funding Agencies]. The supplement to the Baseline Report shall make clear that, upon final selection of **[insert agreed-upon number]** of DIAs, the remaining Potential DIAs will no longer be eligible for selection.*]

Compatible Uses for which new structures and Small Improvements may be placed are limited to: [**insert agreed-upon number**] of residences for owners of the Property and on-property management; open-space based commercial recreation; production and processing or value-added manufacturing of forest, agriculture as permitted in this Easement, or other derived products produced on the Property; small-scale cottage industry; generation of energy for on-property use; cell-phone towers; or educational or research-related activities (hereinafter "Compatible Uses"). For purposes of this Easement, "cottage industry" means a small-scale, decentralized business often operated out of a home or other structure near one's home rather than a purpose-built facility (for example, but without limitation, agricultural or handmade wood products sold at a farmers' market, online, or local farmstand or shop).

SMALL IMPROVEMENTS

Small-scale improvements with insignificant on-the-ground impacts (hereinafter "Small Improvements") as described in this section are hereby deemed not to impair the Conservation Values. Small Improvements are the following items installed for a Compatible Use; 1) permanent structures with walls and a roof which are have a footprint of less than 250 square feet; 2) permanent flat structures, such as tent platforms, with a footprint of 450 square feet or less; 3) portable and/or temporary equipment designed for in-woods processing; or 4) fences; wells; and troughs of a standard and common size in the land-management industry.

AGRICULTURAL OR FARMING USES

For the purpose of this Easement, "Intensive Agriculture" is defined as those agricultural or farming uses which involve conversion of a landscape's condition reflected in the Baseline Report to that developed for agricultural uses, such as the cultivation or production of crops, nonperennial forages for human or domestic animal consumption, crop seed production, or planting of orchards, vineyards, berries, tree farms, or other perennial non-grassland agricultural product. Intensive Agriculture may only take place in [**insert preferred language:** *a Designated Improvement Area and/or in a designated Intensive Agriculture Area*]. Prior to converting land in the [**insert selected language:** *Designated Improvement Areas and/or Intensive Agriculture Area*], Landowner shall submit an Agriculture Management Plan to Grantee for review and approval. The Agricultural Management Plan shall identify the following: the specific location of all planned Agricultural Intensification; the planned methods to ensure that soil degradation or erosion, negative impacts to wildlife corridors, degradation of any surface or subsurface waters, and negative impacts to scenic viewsheds will be minimized; and ensure that the activities do not impair the Conservation Values and are consistent with the terms of this Easement and state, and local laws and regulations. There shall be no Intensive Agriculture within one hundred (100) feet of any fish-bearing and perennial stream as shown in the Baseline Report, on any lands containing vernal pools or on any lands with at least ten percent (10%) forest cover.

GRAZING

Grantor may pasture cattle, horses, mules, goats, sheep, and/or any other similar animals on the Property and may graze those animals on the Property in a manner that does not diminish or impair the Conservation Values. Any grazing on the Property shall be done in accordance with a "Grazing Management Plan" as prepared by Grantor and approved of by Grantee. Grantor may permit grazing in forested areas but may not convert any Forestland into grassland and/or grazing pasture without approval as detailed in [**Insert applicable section**] below. Any structures or improvements for such grazing activities must be placed within a Designated Improvement Area.

CONVERSION OF FOREST LAND

Notwithstanding any other provisions, Grantor may not conduct any activity which permanently converts to non-forest uses any part of the Property which contains canopy cover of more than ten percent (10%) to another use unless such conversion is deemed to have an overall beneficial effect on the Conservation Values and all required governmental rules and regulations are followed. Grantee and CAL FIRE must each give written approval certifying that in each's independent judgment the above is true.

WATER RESOURCES

The draining, filling, dredging, diking, damming or other alteration, development or manipulation of watercourses, springs, and wetlands is prohibited; provided, however, that Grantor may, subject to any necessary government review and permitting, (a) install and

maintain (i) water drafting facilities that are reasonably necessary for otherwise Permitted Uses; and (ii) stream crossings pursuant to Section [*X*] pertaining to roads; and (b) restore, conserve, enhance, or manage instream or wetland habitats for fish and wildlife; provided, however, that any such activities that are not expressly permitted in the Forest Management Plan shall require prior written notice to Grantee and all applicable permits, including consultation with CDFW if required.

MINERAL DEVELOPMENT AND ROCK EXTRACTION

*** The following section may be edited on a case-by-case basis to be more restrictive than indicated below***

The exploration for, or development and extraction of, geothermal resources, minerals and hydrocarbons by any surface or sub-surface mining or any other method is prohibited; provided, however, that Grantor may explore for and extract gravel and rock in (*insert agreed upon number of sites*) site not to exceed an aggregate total of (*insert agreed upon number of acres*) acres in size at any one time, for use on the Property, using a method of mining that has only a limited, localized impact on the Property, will not be irremediably destructive of any significant conservation interests within the meaning of Treasury Regulation section 1.170A-14(g)(4)(i) or its successor provision, and will not significantly impair the Conservation Values.

At such time as the mineral extraction site is no longer in use, Grantor shall promptly stabilize, recontour and revegetate the site with appropriate native plants and implement practices as reasonably necessary to mitigate erosion and otherwise assure the site is well drained and not materially contributing to the sedimentation or pollution of a watercourse. No mineral extraction site may occur within any watercourse, except in accordance with a State-approved riparian restoration plan, and with the advance written approval of Grantee and the California Department of Fish and Wildlife or other appropriate state or federal agency. For purposes of the preceding sentence, the term “watercourse” shall have the meaning set forth in the most current version of the Forest Practice Rules, Title 14 California Code of Regulations, Chapter 4.

DUMPING

*** The following section may be edited slightly on a case-by-case basis***

The dumping or other disposal of non-compostable refuse on the Property is prohibited. Grantor shall not place or permit to be placed any non-compostable refuse on the Property. Any non-compostable refuse placed on the Property by a third-party without Grantor’s permission shall be removed by Grantor promptly after Grantor receives notice of the presence of said refuse. Storage or dumping of animal waste in riparian corridors is prohibited. Grantor is not obligated to remove abandoned non-hazardous materials that exist on the Property as of the Effective Date as documented in the Baseline Conditions Report.

INVASIVE SPECIES

The conversion of native vegetation to exotic, non-native, or invasive species (except for regionally native commercial timber species planted pursuant to the Forest Management Plan

and as otherwise permitted for agriculture by Section [*X*] and the intentional introduction of invasive plants (as identified by the Invasive Plant Council, California Department of Food and Agriculture, or a successor organization) are prohibited.

RECREATIONAL, EDUCATIONAL, AND RESEARCH-RELATED USES

Grantor is permitted to conduct noncommercial and commercial recreational, educational, and research-related uses, such as hunting, fishing, horseback riding, wilderness camping, picnicking, education, wildlife viewing, wildlife study, botanizing, bird watching, hiking, non-motorized cycling, rock collecting, photography, nature interpretation, and non-intrusive scientific studies, on the Property, provided that such activity is otherwise consistent with the Conservation Purpose and other terms of this Easement.

NATIVE AMERICAN CULTURAL RESOURCES

If Native American cultural resource sites or a similar aspect was proposed in application, include this section

Grantor may dedicate appropriate areas on the Property for access and use by local California Indians who have pre-historic ancestral or cultural ties to the Property. Such access and use shall be for traditional noncommercial cultural purposes that are: (i) consistent with Native American pre-historic use of the Property; (ii) consistent with the Grantor's Forest Management goals and objectives for the Property; and (iii) that are otherwise do not diminish or impair the Conservation Values. Access and use for traditional cultural purposes may include, but not be limited to, gathering of cultural plant materials, traditional ceremonial practices, and stewardship of archaeological sites and other important cultural resources.

Granter may also authorize and allow local California Indian cultural management projects to protect and preserve, and to enable the appropriate use of, Native American cultural resources on the Property. Any access, use, and management on the Property for Native American traditional cultural purposes shall not diminish or impair the Conservation Values.

FOREST MANAGEMENT

Grantor shall manage the forest and harvest timber in accordance with all applicable state and federal forestry laws, practices, guidelines, and regulations, and in compliance with the conditions of this section. All Forest Management on the Property shall be conducted in accordance with a “Forest Management Plan” (“FMP”) prepared by a Registered Professional Forester (“RPF”) on behalf of Grantor and approved by Grantee. The Forest Management Plan shall meet the requirements indicated below.

Forest Management Plan

The FMP shall set forth Grantor’s long-term plan for management of the Forestland on the Property as a working forest in compliance with the terms and conditions of this Easement. The FMP may be a stand-alone document or may consist of one or multiple governmentally reviewed management plan/s, such as, but not limited to, a Non-Industrial Timber Management

Plan (“NTMP”). A Timber Harvest Plan does not meet the definition of a Forest Management Plan and cannot be used in its place. As of the Effective Date of this Easement, an FMP has been drafted by Grantor and approved of by Grantee (“Initial FMP”).

If Grantor plans to conduct any Forest Management on an area of the Property not subject to the FMP in effect at that time, Grantor shall either update the FMP or submit to Grantee for approval a supplemental forest management plan for the portion of the Property on which Grantor seeks to conduct such Forest Management. Grantor shall provide notice to Grantee no less than sixty (60) days prior to the intended commencement of any Forest Management activity not in conformance with the existing FMP.

Grantor may review and update or amend the FMP at any time, but shall review and update the FMP based on changes to forest management or structure no less than every ten (10) years to reflect the condition of the Easement as it changes over time and as management activities are implemented. Any FMP update or amendment shall be provided to Grantee for review and approval for consistency with the terms and conditions of this Easement, and Grantee's approval shall not be unreasonably withheld, conditioned or delayed.

Grantee shall utilize a RPF of its choice to evaluate compliance with the forest management provisions herein, and to review forest management plans, updates and amendments, timber harvest plans, related documents, and amendments to this Easement pertaining to forest management.

Grantee shall ensure that the FMP adequately addresses the following elements:

(A) A summary of Grantor's Forest Management goals and objectives;

(B) A description of each forest stand. Descriptions of forest stand and forest stand location shall be at a level of detail necessary to support normal forest planning and timber operations pursuant to this Easement, and shall include, at a minimum, site class, tree numbers and stand volume by conifer species and size class, and stand location maps;

(C) Descriptions and mapped locations of soil types;

(D) Measurements of slope and erosion potential described and mapped;

(E) Descriptions and mapped locations of existing and planned roads, and rock, sand and/or gravel pits, including plans for construction, maintenance and decommissioning thereof;

(F) Descriptions, mapped locations and management considerations on the presence of known habitat for or presence of wildlife species; all known presence of habitat for and presence of wildlife species which are listed or classified as rare, threatened, endangered or a species of special concern must be included;

(G) Descriptions, mapped locations and management considerations on the presence of SHMZs and rare plants, watercourses, wetlands and other bodies of water;

(H) Descriptions, locations and management considerations of known archaeological, cultural or historic sites, including management considerations thereof;

(I) Description of stand management history; occurrences of disease, insect infestation and fires based on best available knowledge;

(J) Discussion of planned silvicultural and harvest methods, schedules and equipment ;

(K) Descriptions of expected forest growth by stand and species group per decade, as well as expected products and projected harvest yields; growth and yield estimates shall be for a minimum period of 30 years;

(L) Standards for the periodic re-inventory of stands;

(M)Hardwood management considerations as applicable

(N) Reforestation and other forest health improvement activities;

(O) Erosion control activities;

(P) Terms to meet California Public Resources Code section 4751 including restrictions to maintain and improve forest health through promotion of a more natural tree density, species composition, structure, and habitat function, to make improvements that increase the land's ability to provide resilient, long-term carbon sequestration and net carbon stores as well as watershed functions, to provide for the retention of larger trees and a natural range of age classes, and to ensure the growth and retention of these larger trees over time;

(Q) Other management activities consistent with the terms and conditions of this Easement, with consideration of the impacts of all management activities on the Conservation Values of the Property.

Non-Commercial Forestry Activities

Grantor may conduct the following non-commercial forestry activities in compliance with an approved FMP: harvest, cut or remove trees, conduct controlled burns in accordance with accepted forest timberland management practices, chip and cut shrubs and brush, and reasonably control other vegetation for habitat enhancement, fire breaks, and prevention of disease, and /or other normal forestry practices.

Commercial Timber Harvest

For the purposes of this Easement, the term "Commercial Timber Harvest" is defined as any timber harvest, other than non-commercial forestry as defined above, in which the product of such harvest is sold, traded, exchanged, or used off the Property.

Commercial Timber Harvest shall be in conformance with an approved FMP and any required permits from CAL FIRE for commercial harvest. Any violation of the FMP which impairs the Conservation Values will be a violation of this Conservation Easement. In addition to the FMP, any specific timber harvest plan or other required forest management permit must be reviewed and approved by Grantee for consistency with the terms of this Easement and the FMP prior to Grantor's submission thereof to the government agency/ies having jurisdiction over such plan or permit. Granter shall attach to the proposed timber plan or amendment a copy of this Easement and the current plan (if applicable) upon submission to the lead agency charged with approving said plan or amendment

If old growth reserves, special habitat management zones, riparian corridors, or other valuable natural resource conservation areas are proposed in application, include a section/s limiting what can happen in that area to preserve the resources

Catastrophe

In the event of catastrophic wildfire, windstorm, insect infestation, disease, or other natural catastrophe that substantially damages timberlands, and with prior notice to Grantee, Grantor is permitted to conduct sanitation and/or salvage operations to remove dead, dying, and mortally-damaged timber on all affected portions of the Property in accordance with (i) applicable state law; and (ii) the terms of this Easement. After a timber harvest predicated on a catastrophic event, Grantor may reforest with regional native species or other commercial timber species pursuant to the FMP as necessary to re-establish a relatively natural forest composition. The FMP and any amendments thereof, or any subsequent FMPs, shall be updated accordingly.

Fire Management

Fire is recognized to be a natural part of the forest ecosystem. Therefore, fire management activities are permitted under this Easement for the purposes of reducing or maintaining fuel loads, favoring or maintaining specific native vegetation types, or otherwise fostering forest health; provided, however, that such fire management activities or prescriptive burns shall be carried out in accordance with the FMP and any applicable requirement of any governmental authority having jurisdiction therein.

Pre- and Post-Harvest Property Inspections. Grantor shall provide access to the Property for Grantee to conduct a pre- and post-timber harvest inspection prior to and immediately following any harvest in order to evaluate compliance with the Forest Management Plan. For so long as any applicable resource agency requires pre- and post-timber harvest inspections on the Property, Grantee's pre- and post-timber harvest inspections shall be done in conjunction with such visits by the resource agency.

APPENDIX H – TIMBER APPRAISAL STANDARDS

CA Forest Legacy Program
Guidelines and Standards for Timber Appraisals

Registered Professional Forester

- A CA Registered Professional Forester (RPF) in good standing is required to prepare or certify the timber appraisal under the CA Professional Foresters Law.
    - If a non-RPF appraiser is to be used, we will require up front the name of the RPF who will be "in charge of such work" (1602.1). The RPF should not become involved in the project after the work is done but from its inception.

    - **1602.1. Identity Required of Registered Professional Forester in Charge.** Any letter or document which offers to perform or implies the performance of any professional forestry work must identify by name and license number the forester (RPF) who will be in charge of such work when it is performed. An unregistered assistant acting in the capacity of a professional forester, as defined in 14 CCR 1602 other than on federally owned lands shall be supervised by a forester (RPF). Work plans and documents reporting work done by or under the supervision of a forester (RPF) shall bear the signature and license number of the forester (RPF) responsible for said plans, work and reports.

    - **756. Supervision of forestry work by registered professional forester.** Nothing in this article prohibits any person from engaging in those activities otherwise restricted to professional foresters, certified specialists, or qualified but exempt certificants, provided a registrant is in charge of the professional practice or work of that person and all professional work or documents are done by or under the supervision of the registrant.

- Prior to any timber appraisal preparation, the applicant shall submit a statement of qualifications for the selected timber appraiser to CAL FIRE and secure approval from CAL FIRE for the use of the selected timber appraiser.

USPAP

- As a portion of the forestland property valuation, the timber appraisal must also be compliant with the current version of the Uniform Standards of Appraisal Practice and will be reviewed for completeness, accuracy, adequacy, relevance appropriateness, reasonableness, and acceptability.
- Be familiar with the Scope of Work Rule and Standards 1 and 2 for the Development and Reporting requirements for Real Property Appraisals. Scope of Work in developing the market value of timber shall be fully described.

Appraisal Assumptions

- All assumptions, including hypothetical or extraordinary, must be listed and described and included in the timber appraisal or within the body of the full narrative report (if not included separately within the timber appraisal, the full narrative report shall be available for review).

Property Description

- Sufficient description of the property shall be provided to identify the property's location, physical, legal, and economic characteristics.

- Maps shall be included to show the property's location and boundary. Maps shall display both contour and aerial.

Forest Inventory

- A current inventory is required (typically not older than 5 years prior to the effective date of the appraisal). Provide a copy of the full inventory report for review of the design, methodology, procedures, and data.

- Accuracy of the estimate of net volume shall be not more than +/-10% at one standard deviation from the mean.

- Data to be included, but is not limited to:
    - A map and description of stratified timber types.
    - A summary table of gross and net volume by species and dbh class groups.
    - Detailed stand tables for each type shall be included in the Appendix showing at a minimum, number of trees, basal area and net volume by species and diameter classes (on a per acre basis). Diameter class distribution may be shown as 2" classes or some grouping (such as 0-12", 12"-18", 20"-30",32"-40", 40"+, etc).
    - A map and description of site classification across the property. Include the system used and the number of years utilized to determine site class (i.e. 50 years, 100 years, etc.).
    - A description of growth projection methodology and a summary of growth rates. Provide a full reference for the method used (i.e. author, model name).
- Total net volumes shall be updated for harvest depletion post-cruise as well as growth since the date of the inventory to the effective date of the inventory.

Appraisal Methodology

- Highest and best use of the subject property shall be consistent in the full narrative property valuation and the timber appraisal. Any limitations of harvesting pertaining to the highest and best use shall be described.

- Utilization of the Market, Cost or Income Approaches to value shall be described in sufficient detail to allow the reviewer to understand the methodology utilized and be able to reproduce the numbers derived. If an approach is not used, explain and justify why it is not used.

- Market Approach –
    - When appropriate, this is the preferred method using arm's length sales to compare to the subject.
    - Adjust sales as necessary for volume, species, density, tree size, quality, location, access, logging conditions, defect, environmental constraints, and time.
    - If extracting comparable timber value from comparable forestland transactions, bare land or cutover land value shall be determined with the same methodology as in the entire property valuation.

- Income Approach –
    - Time frame for developing income and expenses may be up to 50 years provided growth modeling is considered accurate for that length of time.
    - If forecasts of price and cost data changes over time are projected, document the source of the projected changes.
    - Harvest scheduling assumptions shall be consistently applied for both the "Before" conservation easement and "After" easement alternatives, recognizing that the easement will normally require greater constraints on harvesting.

Analysis of Forest Practice Rules and Environmental Constraints

- Identify and describe all elements of the Forest Practice Rules that could constrain timber harvesting and explain the potential impact on maximizing available harvest volume.

- Identify and describe realistic and feasible silvicultural treatments used to develop immediately available timber suitable for harvest. If projecting harvests over time using the income approach and using even-aged management, fully account for adjacency and cutting size limits.

- Provide sufficient description and maps showing (but not limited to):
    - Fish and wildlife rare, threatened, or endangered species and habitat protection requirements.
    - Botanical rare, threatened, or endangered species and habitat protection requirements.
    - Geological issues including slides, erosion hazard potential.
    - Lake and watercourse zones (WLPZ) and wet areas.
    - Non-confidential Archaeological constraints.
    - Special Treatment areas.
    - Water Quality Control Board and DFW requirements.
    - Fuel hazard reduction requirements including proximity to residences.

- Describe appropriate reductions in potential harvestable timber available based on Rule, social and environmental constraints. Describe the silvicultural adjustments required.

- Evaluate the local social and cultural environment as to how practices could be constrained by lawsuits, protests, etc. particularly as to silvicultural treatments that are hypothesized. Analyze local and adjoining harvest patterns in the watershed.

Conservation Easement Description and Effects

- Include a copy of the complete and approved Conservation Easement in the Appendix.

- Identify, reference, and describe all portions of the Conservation Easement that would impose limitations on forest management activities and how they will impact harvestable volume over time.

- Identify and describe elements of the Conservation Easement that could contribute to additional costs or changes in the value of timber.

Timber Market Analysis and Valuation

- Provide a definition of “Market Value”.

- Provide a description of the market for forest products in the local region. Identify the location of potential buyers and sellers of forest products and the competitive environment. Consider the absorption potential of the local timber industry.

- Analysis of timber values shall be consistent with any analysis of timber and land values in the land valuation portion of the full narrative appraisal. The full appraisal shall be made available for review of sections pertaining to timber value specifically pertaining to the treatment of how timber value is added to land value and how adjustments for summation are derived and applied.

- Development of timber values requires use of verifiable local market stumpage or delivered log sales that can be adjusted to the subject property.

- Use of regional timber values developed by a state or federal agency can be used as a general overview of the market of timber but are not considered suitable for development of the subject’s timber value (please see disclaimer provided by CDTFA for example). CDTFA values may be used for adjusting sales for time, species, location, and quality.

- Complete log or stumpage sale data shall be incorporated into the appendix or available for inspection by the reviewer if sales data is deemed confidential by CAL FIRE.

- The timber appraisal shall include a complete listing of individuals and organizations used to develop timber values. Sources for both income and cost data is required.

- Sources of cost data for logging, hauling, site preparation, reforestation, administrative costs, forestry, taxes, etc. shall be identified.

- If the income approach is used for valuing timber, spreadsheets showing projected harvest volumes by species, income, and expenses over time and acres harvested by stand type shall be included in the appendix to allow the reviewer to determine their accuracy and reasonableness.

- If the income approach is used, development of a discount rate shall be well-documented. Ideally, these will be developed from analysis of actual comparable sales. If research analysis is developed by others and relied upon, it shall be referenced and made available to the reviewer for inspection. If outside resources or interviews are relied upon, they shall be identified.

- Determine if carbon credits revenue is feasible and could affect timber value.

Reconciliation

- Summarize the “Before” Easement and “After” Easement values and reconcile differences if using different methodologies or sensitivity analysis in the calculations.

- Be consistent in reconciling values for both the “Before” and “After” scenarios.

Reviewer

- The reviewer will be an RPF in good standing and may be an outside consultant hired under contract by CAL FIRE.

- After an initial review is conducted, you are encouraged to contact the reviewer directly to discuss the reviewer’s findings for improving the final product to meet USPAP and CAL FIRE requirements.