



N.C. Department of Agriculture & Consumer Services

N.C. ADFP Trust Fund

Conservation Easement Grant Application Prescreens



Title Review Prescreen

During the grant contract period, grantee-submitted title commitments and title opinions are reviewed to ensure no issues prevent recording the conservation easement.

This Conservation Easement Grant Application Title Review Prescreen is a proactive measure to ensure that applicant organizations review properties and landowners for potential concerns related to title review **before** the contract award.

Significant title concerns could jeopardize the project, and grantees may be liable for returning grant contract funds if the conservation easement is not recorded.

If there is evidence of potential title review concerns, please describe it below.

Also listed below are potential remedies for these issues. These may not apply in each case but are commonly used to allow the conservation easement project to continue.

Title or domestic issues, including but not limited to:

- Ownership concerns that prevent title certification
 - *A marketable title with a title search of at least 60 years, certified by an attorney licensed to practice law in North Carolina, is required.*
- Boundary line disputes
 - *Any uncertainty about the boundary line must be resolved with a recorded boundary line agreement before easement closing.*
 - *Remove the area of dispute from the easement (this will be reflected on the survey or any associated maps) if less than the total parcel will not be under easement.*
- Access or right-of-way issues
 - *A deeded access agreement must be completed before easement recording. The access must be identified on the conservation easement survey.*
- Judgments, liens, mortgages, or other subordination refusals
 - *Subordination agreement agreed upon with the lender.*
 - *Pay off what is owed for judgments, liens, or mortgages.*
- Bankruptcy
 - ***If the landowner has an active bankruptcy, the bankruptcy must be resolved before the contract award.***



N.C. Department of Agriculture & Consumer Services

N.C. ADFP Trust Fund

Conservation Easement Grant Application Prescreens



- Environmental, including brownfields or other recognized environmental concerns.
 - *Phase I Environmental Assessment or equivalent MUST be completed*
 - *If the Phase I Environmental Assessment reveals concerns, this may result in denial or cancellation of the contract award.*
 - *Please review the Environmental Concern Prescreen for more information.*
- Mineral Rights
 - *If mineral rights have been reserved by a third party, options include:*
 - *The fee owner must acquire mineral rights*
 - OR
 - *The title insurance company insures against financial loss resulting from the mineral rights reservation.*
- Gas Lease
 - *The gas lease must be terminated before the grant contract award.*
 - *The title insurance company insures against financial loss resulting from the lease.*

Please note:

Title Review Prescreen is not an exhaustive list. Please be thorough in your discussions with landowners. Potential title issues may result in the termination of the contract despite attempts to remedy them. Before submitting a grant application or signing the grant contract, the Grantee should gather as much information as possible about the land and its ownership.



N.C. Department of Agriculture & Consumer Services

N.C. ADFP Trust Fund

Conservation Easement Grant Application Prescreens



Environmental Concern Prescreen

During the grant contract period, an environmental assessment is conducted to ensure no adverse environmental concerns are on the property.

This Conservation Easement Grant Application Environmental Concern Prescreen is a proactive measure to ensure that applicant organizations review properties for environmental concerns and that landowners disclose any environmental concerns before a grant contract is awarded.

Significant environmental concerns could jeopardize the project, and grantees may be liable for returning grant contract funds if the conservation easement is not recorded.

On the proposed conservation easement property, is there evidence of any of the following:

- Trash or garbage piles
- Abandoned vehicles or parts
- Abandoned machinery or appliances
- Toxic or hazardous waste
- Petroleum leaks
- Underground or above-ground storage tanks for nonagricultural use

If there is evidence of potential environmental concerns, please describe it below:

Please note:

- Evidence of environmental concerns does not automatically disqualify a conservation easement grant application. Depending on the environmental concern's size, scope, and severity, remedies may be required before recording the conservation easement.
- If a landowner knowingly and willingly conceals significant environmental concerns, the conservation easement project may be terminated, and the landowner may be held liable for expended grant funds.
- During the grant contract period, if the on-site inspection identifies environmental conditions that negatively impact the property, such as the presence of petroleum products or hazardous substances in the subsurface of the site, and these findings necessitate further investigation of environmental conditions with a Phase II ESA or equivalent, the Grantee is required to conduct these assessments through a qualified environmental firm.
- During the grant contract period, if the EA or ESA includes required remediation to resolve environmental concerns, the Grantee must complete the actions to continue the project. Recommended remediation actions should be completed.