

Incorporating GOCO Into Your Due Diligence Process



Grant Making Outlook

- GOCO's Past
 - Created in 1992
 - Protected over 800,000 acres to date
- GOCO's Present
 - Eight Grant Programs
 - Five of which help preserve open space
- GOCO's Future
 - 2010 Strategic Plan
 - Five-year funding goals

Project Application

- More than a sales pitch!
- Grant applicant and landowner should be on the same page about content
- Detail and precision pay off
- GOCO is flexible on details but not material aspects of the deal
- Please don't "hide the ball"

Fall 2010 Open Space Application Attached

Planning for the Appraisal

- Provide GOCO's Revised Guidelines to appraiser if you think you *might* apply for a GOCO grant for the project
- Allow your appraiser to bid and plan for assignment realistically

Revised GOCO Appraisal Guidelines Attached

Collaborative Due Diligence Process

Tracks Technical Supplement (attached)



Grant Agreement

- We are less likely to start working on the deal until we receive the signed Grant Agreement
- Be sure to pay attention to the signage form and the appraisal guidelines (require additional signatures)

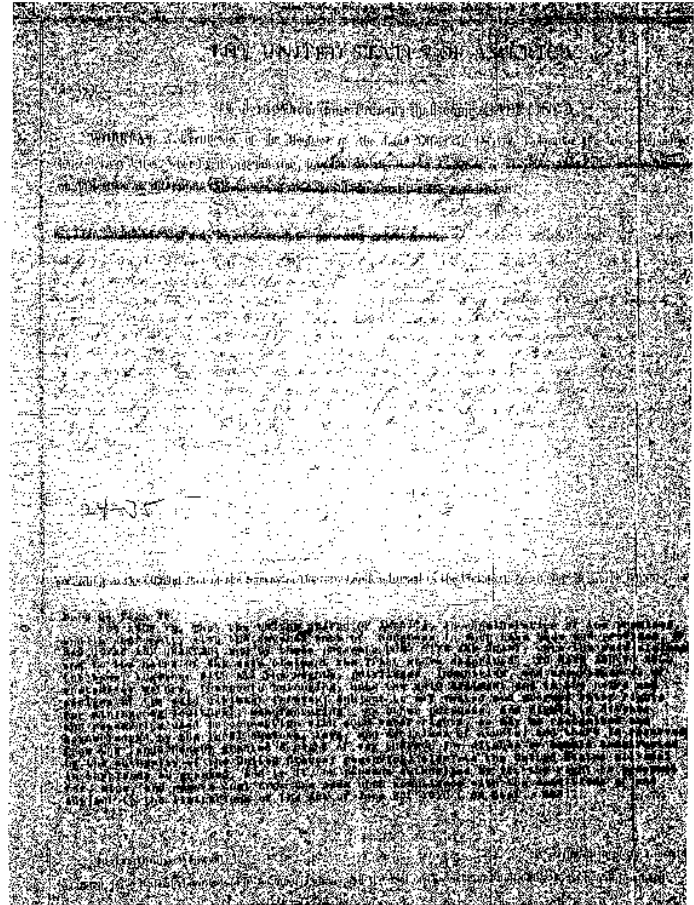
Purchase and Sale Agreement

“Hands-off” review item...

- Evidence that a deal is in place
- Information for the appraiser
- GOCO reviews only for consistency with the application, proper legal description, quid pro quos, reservations, etc.
- GOCO *will not* require specific language

Title Work

- GOCO requires title commitment with all applications
- Provide updates promptly , not shortly before closing
- Well organized, brings issues to our attention



Water Rights Due Diligence

- If application shows water-dependent conservation values, GOCO needs to ensure that water is protected
- Case-by-case, just show your work...
- Refer to CCLT Water Rights Handbook and work through any issues with us



Draft Conservation Easement

- GOCO will hold the parties to the project application in all material aspects of deal
- Follow GOCO model language as much as possible, but do suggest positive changes!

Model Conservation Easement Attached

Survey

- Most of the time you won't need this guy →
- Creating the easement parcel
- Cutting a piece out of the deal (in limited circumstances) where GOCO can't participate
- We usually don't care about minor fence line issues on a large property



Environmental Assessment

- Risk-based, GOCO will accept TSP on properties with no ranch dump or historic commercial, industrial, mining issues, otherwise Phase I is appropriate
- Liability: Must actually address all RECs before closing
- Consistency w/Application: Need to address issues that do not constitute REC but adversely affect conservation values (may be able to do this after closing)
- Make sure your consultant provides clear/useful recommendations, don't let them dance
- Diagnostic tool!

Mineral Assessment

- Simple “magic words” approach – use for all types of interests, regardless of donation
- Mineral assessment may not address oil and gas issues unless you ask your consultant
- If oil and gas leases contact GOCO for next steps, need to either show that they have expired or pursue protections for conservation values

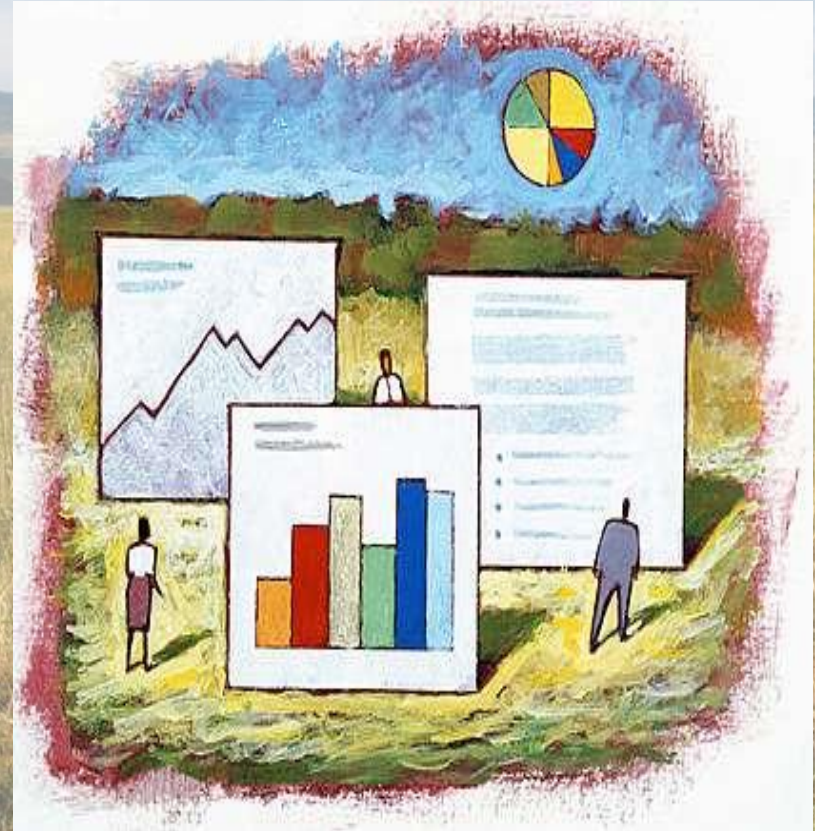
Consult CCLT Mineral Handbook

Stewardship Plan

- Responsibility of easement holder, regardless of whether they received the GOCO grant
- Simple! Three main components (1) endowment, (2) monitoring every calendar year, (3) commitment to enforce...
- But, go into as much detail as your organization/client feels it needs to...
- Don't confuse with the Management Plan (discussed later)

Final Appraisal

- GOCO's new review process occurs on parallel track while the appraisal is being completed
- No more back-loaded review that can derail projects
- 30 day deadline obsolete



Appraisal Process Cont'd

- Guidelines signed up-front to align expectations and scare off bad appraisers
- GOCO Review appraisers assigned at beginning and put in communication with contract appraiser early in process
- All appraisals receive the same level of professional scrutiny, no more staff reviews
- Process designed to help appraiser complete acceptable product with input from reviewer
- Please allow the process time and space to work

Attached GOCO Revised Appraisal Guidelines

Final Budget

- Simple form
- We will not require invoices or precision but will check for reasonableness and eligibility
- We use for tracking our leveraging numbers, you aren't required to include every aspect of the deal in the GOCO budget

Closing Docs

- Be sure to consider all authorizations and signatures in advance
- GOCO will review all docs that are material to its investment and will attach approved drafts to its closing instructions
- GOCO's closing instructions may not cover all aspects of the transaction, you may want to cross reference/coordinate

Baseline Documentation Report

“Hands-off” review item...

- Must be signed! Don't send us a draft...
- Should be received at or before closing (some extenuating circumstances)
- We are not scientists, will check only to ensure that baseline is professional

Land Management Plan

“Hands-off” review item...

- Communication tool
- Up to your organization...
- Appropriate to provide post closing, but if your organization has several projects with no Management Plans submitted we will notice... not a threat...

Title Policy

- Please follow up to ensure that the title company sends you a policy and that it complies with our instructions!
- Title insurance matters!
- Rant...

A dirt road winds through a vast, grassy field towards a range of mountains under a cloudy sky. The road is on the left side of the frame, leading the eye into the distance. The grass is a mix of green and yellow, suggesting a late summer or autumn setting. The mountains in the background are hazy and blue-toned.

Questions?

If you have them now ask!
If you think of one later, call us!

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