



Green Acres Program
New Jersey Department of Environmental Protection

The ABC's of Land Preservation

Agreement of Sale: A legal agreement between two or more parties that defines the terms and conditions of a conservation purchase.

Appraisal: Professional assessment of property value based on land attributes, market conditions, and zoning by a qualified appraiser.

Bargain Sale: A sale to Green Acres, a land trust, or other qualified entity, at less than fair market value. The difference between the sale price and the appraised fair market value qualifies as a tax deductible, charitable contribution.

Bequest: A gift of land or other asset through a person's will.

Charitable Donation: An outright gift or contribution, with charitable intent, whose value is deductible pursuant to federal and state income and estate/inheritance tax laws.

Charitable Trust: A gift of land as the beneficiary of a living trust or charitable remainder trust.

Compensation Choices: Cash, tax benefits and/or personal satisfaction in exchange for preservation of land.

Conservation Choices: Real estate techniques for protecting resource lands.

Conservation Easement: A conservation easement is the legal instrument by which a landowner (a) limits, without relinquishing ownership, the development potential of property which has significant natural resource, open space or habitat value and (b) grants the right to conserve those values. A conservation easement runs with the land that is, the original owner and all subsequent owners are bound by the restrictions of the easement. The executed easement document is recorded at the County Recorder's Office. This enables all future owners and lenders to learn about the restrictions when they obtain title reports.

Conveyance: A written instrument used to transfer (convey) title to property, such as a deed.

Donation: An outright gift, with or without charitable intent.

Preliminary Assessment: The first phase in determining whether contaminants are present at the site. It consists of diligent inquiry of environmental records.

Exchange: A means of trading equities in two or more real properties. Treated as a single transaction.

Market Value: The amount of money paid for a property offered on the open market for a reasonable period of time with both buyer and seller knowing all the uses to which the property could be put and with neither party being under pressure to buy or sell.

Fee: A Fee simple estate. An ownership interest in property. The greatest interest that one can have in real property, being unqualified, of indefinite duration, freely transferable and inheritable.

Gift by Devise: A gift of land through a person's will.

Installment Sale: A tax motivated mechanism that defers the transfer of title and spreads the income from the sale

over several years, thereby helping to reduce capital gains tax.

Irrevocable: Binding in perpetuity. Incapable of being revoked.

Lease Back: A conveyance of property that includes a right to lease by the former owner.

Life Estate: An interest in land, the term of which is limited to the life of a person.

Market Sale: A sale of real property priced at fair market value (FMV).

Nonfinancial Benefits: non-monetary rewards such as public recognition, dispute settlement, mutual protection with neighbors, and peace of mind.

Ownership: Holding lawful title to property. See **Title**.

Registry: A registry program honors and recognizes owners of outstanding natural areas for their commitment to the protection of unique sites. Registration is voluntary, nonbinding and involves no payment or receipt of funds. It is an agreement that may be canceled by either party at any time.

Remainder Interest: An estate that will take effect after the termination of a prior interest, such as after a life estate.

Restriction: A limitation on the use of real property. Property restrictions fall into two categories- public and private. Zoning ordinances are examples of public type. Land trusts use private restrictions in the form of a covenant that specifies permitted and restricted uses.

Restrictive Covenants: Limiting future use of the property through recorded conditions or restrictions.

Right-of-First-Refusal: A recorded agreement that requires landowners, if they receive an offer to buy their land, to allow another entity, such as Green Acres, to match the offered price.

Settlement: The final transfer of a deed or conservation easement between the landowner and Green Acres at which the transfer documents are signed and the landowner receives compensation.

Site Investigation: The second phase in the process of determining whether contaminants are present at the site. It comprises collection of environmental media for laboratory analysis.

Survey: A description and mapping of the metes and bounds that define a property's boundaries.

Tax Benefits: Income and estate tax deductions derived from qualified charitable donations.

Title: Indicates "fee" position of lawful ownership and right to property, the "bundle of rights" possessed by an owner. Combination of all the elements constituting proof of ownership.

Title Binder: Statement of documents or facts appearing in public records which affect title to a property and setting forth conditions for insurance of the title policy.

Title Policy (Insurance): Insurance against loss or damage resulting from defects in title or enforcement of liens existing against property at time of issuance.