

Upper Peninsula Land Conservancy

LTA Practice 9H – Title Investigation and Subordination

Adopted May 12, 2011

For every property Upper Peninsula Land Conservancy (UPLC) plans to purchase or place into a conservation easement, it shall be the policy of UPLC to obtain title insurance which includes a title search. The purpose for this title investigation is to be certain that UPLC is negotiating with the legal owner(s) and to uncover any liens, mortgages, mineral or other leases, water rights and/or other encumbrances, deed restrictions, or other matters of record that may affect the transaction.

In donating a conservation easement, the landowner is responsible for paying the fees associated with acquiring, at minimum, title insurance with \$1000 coverage. If the easement is being purchased by UPLC, then UPLC will pay the fees for the title insurance.

If UPLC is going to acquire property in fee either through donation or purchase, title insurance covering the full land value is required which protects the holder from any loss sustained because of defects in the title other than those specifically excluded in the policy. This insurance may be purchased by the landowner or by UPLC.

Conservation easement properties under consideration that are found to have mortgages, liens and other encumbrances that could significantly undermine the important conservation values identified on the property, and could lead to the extinguishment of the conservation easement agreement, may be subject to further review or rejection. Conversely, those properties under consideration with encumbrances determined not to significantly undermine the important conservation values identified on the property, will be deemed ready for Board approval with those encumbrances properly subordinated to the conservation easement, where necessary.

Examples of title encumbrances subject to further review include:

- Mineral leases or severed mineral rights
- Mortgage
- Agricultural leases
- Ingress and Egress easements
- Power transmission lines and pipeline distribution easements
- Ownership structure
- Deed restrictions
- Railroad, street or other rights-of-way
- Home equity lines of credit