

FOREST MANAGEMENT PLAN ADDENDUM

BUYER:
SELLER: Jonathan Matthews and Kirby Matthews
PROPERTY: 16320 Trenton Road, Upperco, MD 21155
DATE: January 19, 2024
ADDENDUM TO CONTRACT OF SALE DATED:

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties, hereby agree as follows:

1. Forest Management Plan. Seller discloses to Buyer that the Property is subject to a 15 Year Forest Management Plan dated September 22, 2020 and prepared by Scott Aiktenhead (the "Plan"). Buyer acknowledges receipt of the Plan and agrees to be bound by the Plan during its term. Seller agrees to cooperate with Buyer and applicable governmental agencies in Buyer's efforts to assume the Plan and to give any notices of the change in ownership of the Property that may be required, all at no additional expense to Seller.

2. Survival. The parties' obligations under this Addendum shall survive settlement.

3. Counterparts. This Addendum may be signed in counterparts and through the use of electronic means, which taken together shall constitute one instrument.

4. Full Force and Effect. All other terms and conditions of the Contract shall remain the same and in full force and effect. In the event of a conflict between the terms and conditions of the Contract and those set forth in this Addendum, this Addendum shall control.

In witness whereof, the parties have signed this Addendum as of the last date set forth below.

BUYER DATE

DocuSigned by:
Jonathan N. Matthews 1/19/2024
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SELLER DATE

BUYER DATE

DocuSigned by:
K Matthews 1/19/2024
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SELLER DATE

ADDENDUM REGARDING FOREST CONSERVATION AND MANAGEMENT PROGRAM TAXES

BUYER:
SELLER: Jonathan Matthews and Kirby Matthews
PROPERTY: 16320 Trenton Road, Upperco, MD 21155
DATE: January 19, 2024

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties, hereby agree as follows:

1. Forest Conservation and Agricultural Use Assessment.
a. Seller discloses to Buyer that the Property is subject to a Forest Conservation and Management Agreement between Seller and the Maryland Department of Natural Resources Forest Service (“DNR”) dated _____ (the “FCMA”), a copy of which is attached hereto. Also attached hereto is a copy of the Forest Stewardship Plan for the Property dated September 22, 2020 and prepared by Scott Aitkenhead. Also attached hereto is a booklet concerning the forest conservation and management program published by the Forest Service and a Memorandum of the FCMA. The term of the FCMA began on _____ and ends on _____. Buyer agrees to assume the FCMA at Settlement, and Seller agrees to cooperate with Buyer’s efforts to assume the FCMA at no additional expense to Seller.

b. Seller also discloses to Buyer that the Property is assessed as agricultural land by the Maryland State Department of Assessments and Taxation (the “Department”). Buyer represents that Buyer intends to maintain the agricultural land assessment.

2. Rollback Taxes. At Settlement, Buyer agrees to assume the FCMA and to execute and deliver such customary documentation as DNR and/or the Department may require to confirm Buyer’s assumption of the FCMA. To maintain the agricultural land assessment, Buyer also agrees to file with the Department an Agricultural Declaration of Intent, an Application for Agricultural Use Assessment and such other customary documentation as the Department may require. Because Buyer intends to maintain the agricultural use assessment, Buyer agrees to either file the documentation required by DNR and/or the Department or to pay agricultural land transfer tax, forest conservation management penalties, any other rollback taxes and any other penalties, surcharges and other fees that may be assessed in connection with the sale and transfer of the Property. Seller agrees to cooperate with Buyer in connection with the preparation and filing of documentation with the Department at no additional expense to Seller.

3. Survival. The parties’ obligations under this Addendum shall survive settlement.

4. Counterparts. This Addendum may be signed in counterparts, which taken together shall constitute one instrument. Signatures obtained by facsimile shall be deemed to be originals.

5. Full Force and Effect. All other terms and conditions of the Contract shall remain the same and in full force and effect. In the event of a conflict between the terms and conditions of the Contract and those set forth in this Addendum, this Addendum shall control.

In witness whereof, the parties have signed this Addendum as of the last date set forth below.

BUYER Date

SELLER Date

BUYER Date

SELLER Date

ADDENDUM REGARDING FOREST CONVSERVATION AND MANAGEMENT PLAN TAXES

BUYER:
SELLER: Jonathan N. Matthews and Kirby Matthews
PROPERTY: 16320 Trenton Road, Upperco, MD 21155
DATE: January 19, 2024
ADDENDUM TO CONTRACT OF SALE DATED

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties, hereby agree as follows:

Buyer acknowledges that he has been notified by Seller that the Property has been assessed for farm or agricultural use under provisions of Section 8-209 of the Tax-Property Article of the Maryland Annotated Code, that the land being transferred is subject to a "Forest Management Plan" imposed by Section 8-211 of the Tax-Property Article of the Maryland Annotated Code and/or other plans relating to the agricultural use and that the land being transferred may be subject to the Agricultural Land Transfer Tax imposed by Section 13-301 of the Tax-Property Article of the Maryland Annotated Code and/or Forest Conservation and Management program taxes assessed as a result of this transfer (collectively, the "Rollback Taxes"). Buyer shall pay any Rollback Taxes, including any and all related taxes and/or penalties, which may be assessed in connection with the purchase of the Property by Buyer in the event that Buyer's intended or actual use of the Property does not qualify, in whole or part, with the requirements of Baltimore County or the State of Maryland for the agricultural use assessment. Seller shall pay any Rollback Taxes, including any and all related taxes and/or penalties, which may be assessed in connection with any prior sales or conveyances of the Property by or to Seller (collectively, "prior sales") or any prior removal of the Property or a portion thereof from agricultural status with Baltimore County during Seller's ownership of the Property ("Removal"); regardless of when such a determination of Seller's Prior Sales or Removal is made or when any Rollback Taxes, including any and all related taxes and/or penalties, may be assessed, now or in the future.

Buyer acknowledges that he is aware that the payment of some or all Rollback Taxes assessed in connection with the purchase of the Property by Buyer may be avoided or postponed by Buyer's making a satisfactory application to the State Department of Assessments and Taxation (the "Department") that verifies Buyer's eligibility for the continuation of the agricultural land assessment and the Department's approval of such application.

Counterparts: This addendum may be signed in counterparts, which taken together shall constitute one instrument. Signatures obtained by facsimile shall be deemed to be originals.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

BUYER

Date

BUYER

Date

DocuSigned by:
Jonathan N. Matthews

1/19/2024

SELLER

Date

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DocuSigned by:
KMatthews

1/19/2024

SELLER

Date



FOREST CONSERVATION AND MANAGEMENT

MEANS

PROPERTY TAX SAVINGS



Maryland
Department of Natural Resources
Forest Service
580 Taylor Avenue
Annapolis, MD 21401
dnr.maryland.gov/forests/
1-877-620-8DNR x8531

Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

Western Regional Office

Allegany Project 301-777-5818
Frederick Project 301-777-5590
Garrett Project 301-473-8417
Washington Project 301-334-3296
301-791-4733

Eastern Regional Office

Kent & Queen Anne's Projects 410-713-3860
410-819-4120
410-778-4439
Caroline & Talbot Projects 410-479-1623
Wicomico Project 410-543-1950
Dorchester Project 410-228-1861
Worcester Project 443-235-1636
Somerset Project 410-651-2004

Central Regional Office

Baltimore Project 410-836-4551
Carroll Project 410-665-5820
Cecil Project 410-848-9290
Harford Project 410-287-5777
Montgomery Project 410-836-4579
Howard Project 301-854-6060
410-442-2080

Southern Regional Office

Charles County 301-880-2745
Anne Arundel Project 301-934-2543
Prince George's Project 410-360-8421
Calvert Project 410-535-1303
St. Mary's Project 410 535-1303
301-880-2749

In this illustration, taxes on woodland not in FCMA are taxed at \$50 per acre per year. Taxes and FCMA costs for woodland are \$2.42 per acre per year. This is a savings of \$47.58 per acre per year. Savings on each property will differ depending on land values and acres owned.

This is a twenty fold difference from an assessed value of \$5,000/acre.

WHAT IS THE CATCH?

You have to retain ownership of the property and follow the plan for at least 15 years. If you do otherwise, penalty taxes will be owed for each of the years that your property was in the plan. When you sell your property, the new owner can assume FCMA and avoid the penalties. For landowners of 50 or more acres you can subdivide one building lot to each of your children. The lot cannot exceed 1 acre or the minimum size required by local codes. Inspections are made by a forester from the MD DNR-Forest Service every five years to monitor progress and provide technical assistance.

TO APPLY

Call or visit your local office of the MD DNR-Forest Service. Your forester can assist you with more specific information, and if you wish, a brief visit to your property.



The facilities and services of the Department of Natural Resources are available to all without regard to race, color, religion, sex, sexual orientation, age, national origin, physical or mental disability.

This document is available in alternative format upon request from a qualified individual with a disability.

THE FOREST CONSERVATION & MANAGEMENT PROGRAM

In 1957, the Maryland General Assembly passed a law requiring the Department of Natural Resources to formulate a program of forest conservation and management. They understood that well managed forest land benefited everyone in the State. Some of these assets were specifically mentioned in the law including the sale of timber, flood control, erosion control, and open space for beauty and recreation. They also knew that the burden of property taxes often made owning forest land difficult. As a result, the law authorized the freezing of the assessed value of forest land that was managed under the new program called the Forest Conservation and Management Program. Since that time, the program has grown, especially in areas where development pressures are high.

MINIMUM QUALIFICATIONS

Any owner of 5 or more contiguous acres of forest land may enter the Forest Conservation and Management Program. House sites, crop land and other non-forest open space is not eligible. Open land that was recently planted to forest tree seedlings can be included. So can land that is used to grow Christmas trees if they will be cut at harvest.

Living Christmas trees must not be dug taking the roots and the natural needle mulch with it. This destroys the soil holding benefits those trees once provided and makes the land ineligible for the program.

PARTICIPATION IN THE PROGRAM

Forest Stewardship is often considered an art as well as a science because the forester, with assistance from other natural resource professionals, must match the objectives of the owner to the biological requirements of the forest. Your acceptance in the Forest Conservation and Management Program will depend upon the specific prescription of stewardship practices such as fish & wildlife, natural heritage and recreation, soil & water and forest products. Tree species, soil, topography, tree age, property location and other factors will have to be evaluated as well as your desires and the requirements of the law. You must have your forest stewardship plan prepared by a registered professional forester and approved by the Director of the Forest Service. The plan must contain a detailed schedule of practices to be accomplished and their completion date.

FOREST CONSERVATION AND MANAGEMENT AGREEMENT (FCMA)

While your management effort will follow the plan for your woodland, an essential requirement of the program is your contract with the Department of Natural Resources.

The contract is known as the Forest Conservation and Management Agreement (FCMA). It establishes the length of the agreement and the responsibilities of both the owner and the Department. The FCMA must be drawn up for a minimum of 15 years; it can be extended. A memorandum of the FCMA and any subsequent changes are recorded at the county courthouse.

Charges for participating in a Forest Conservation and Management Agreement are as follows. A woodland owner shall pay an entry fee equal to .22 percent of the assessment of their woodland, but not less than \$50.00. Additionally, an inspection fee will be charged every 5 years equal to 20% of the entry fee but not less than \$100.00.

AN EXAMPLE OF TAX SAVINGS

Based on 50 acres of woodland not enrolled in an FCMA and a tax rate of \$1.00/\$100 of assessed value.

- * 50 acres @ \$5,000/acre = \$250,000 (assessed value)
- * \$250,000 ÷ 100 x 1.00 (county tax rate) = \$2,500 annual tax bill or \$50.00 per acre.

The same 50 acres of woodland assessed at \$5,000/acre enrolled in the FCMA with the same tax rate of \$1.00/\$100 of assessed value.

- * 50 acres @ \$125/acre = \$6,250 (assessed value).
- * \$6,250 ÷ 100 x \$1.00 = \$62.50 annual tax bill or \$1.25 per/acre.

Plus FCMA fees:

- * Initial FCMA fee: \$5,000 assessed value x 50 acres x .0022 = \$550.00
- * Inspection fees: .20 x \$550.00 = \$110.00 x 3 (Inspections) = \$330.00
- * \$550.00 + \$330.00 ÷ 15 yrs. = \$58.66 average annual FCMA costs or \$58.66 ÷ 50 acres = property tax + FCMA fee = \$1.25 + \$1.17 = \$2.42/acre.