

2022 CANADIAN LAND TRUST SUMMIT

SOMMET NATIONAL DES ORGANISMES DE CONSERVATION 2022

October 24 to 26 | Ottawa | 24 au 26 octobre

Thanks to our sponsors!

This project was undertaken with the financial support of:
Ce projet a été réalisé avec l'appui financier de :



Environment and
Climate Change Canada

Environnement et
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Fondation de la faune du Québec



Alliance of Canadian
Land Trusts

Alliance canadienne des
organismes de conservation



Réseau
de milieux
naturels protégés





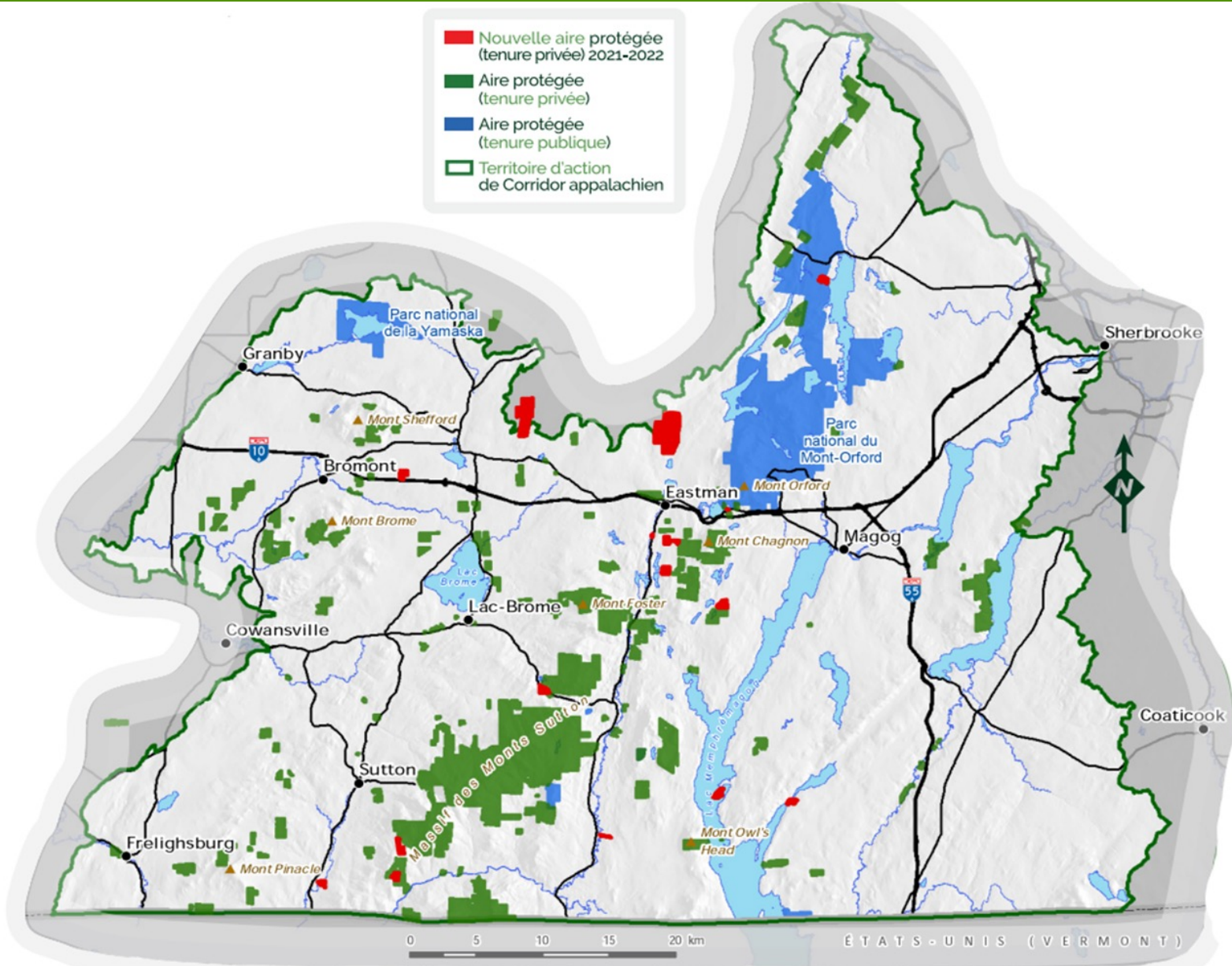
Les Boisés Khartoum Transaction

A new path in terms of acquisition

October 25th, 2022

Mélanie Lelièvre
Executive Director

Where we work (Northern Green Mountains)



What we do



**Conservation
Actions**



**Stewardship and
enhancement**



Science



**Influence and
Education**



Our Team



Les Boisés Khartoum- Location

Localisation

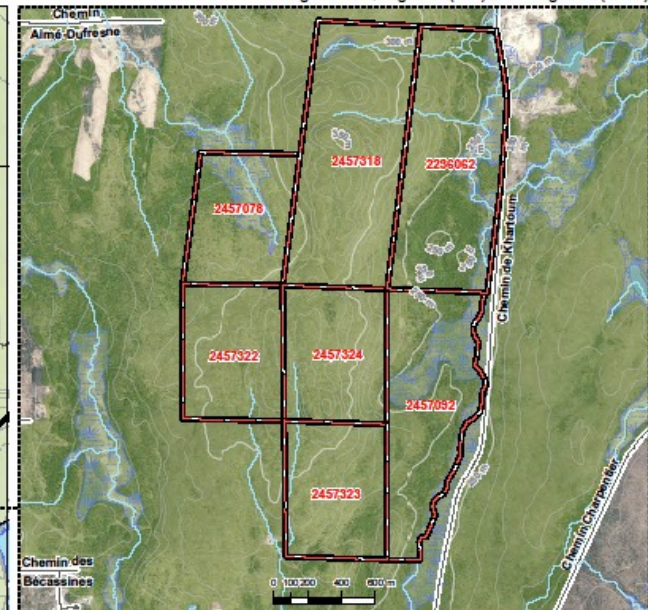
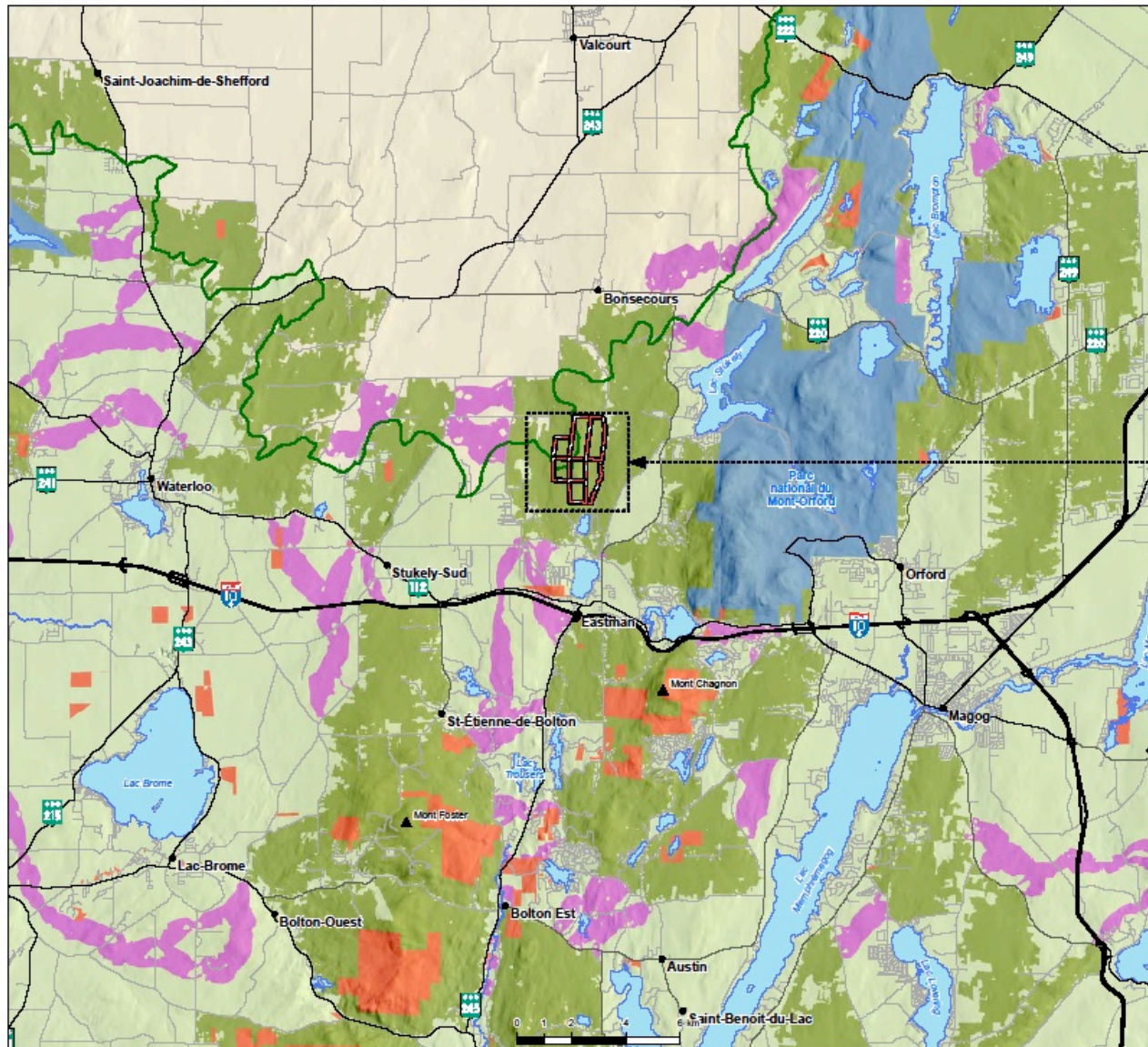
Propriété des Boisés Kartoum

Lots 2 238 062, 2 457 078, 2 457 092, 2 457 2 457 318 et 2 457 322 à 2 457 324 du cadastre du Québec

Municipalité : Eastman

Superficie: 442,28 ha (1092,89 acres)

Zonage CPTAQ : agricole (vert) et non-agricole (blanc)



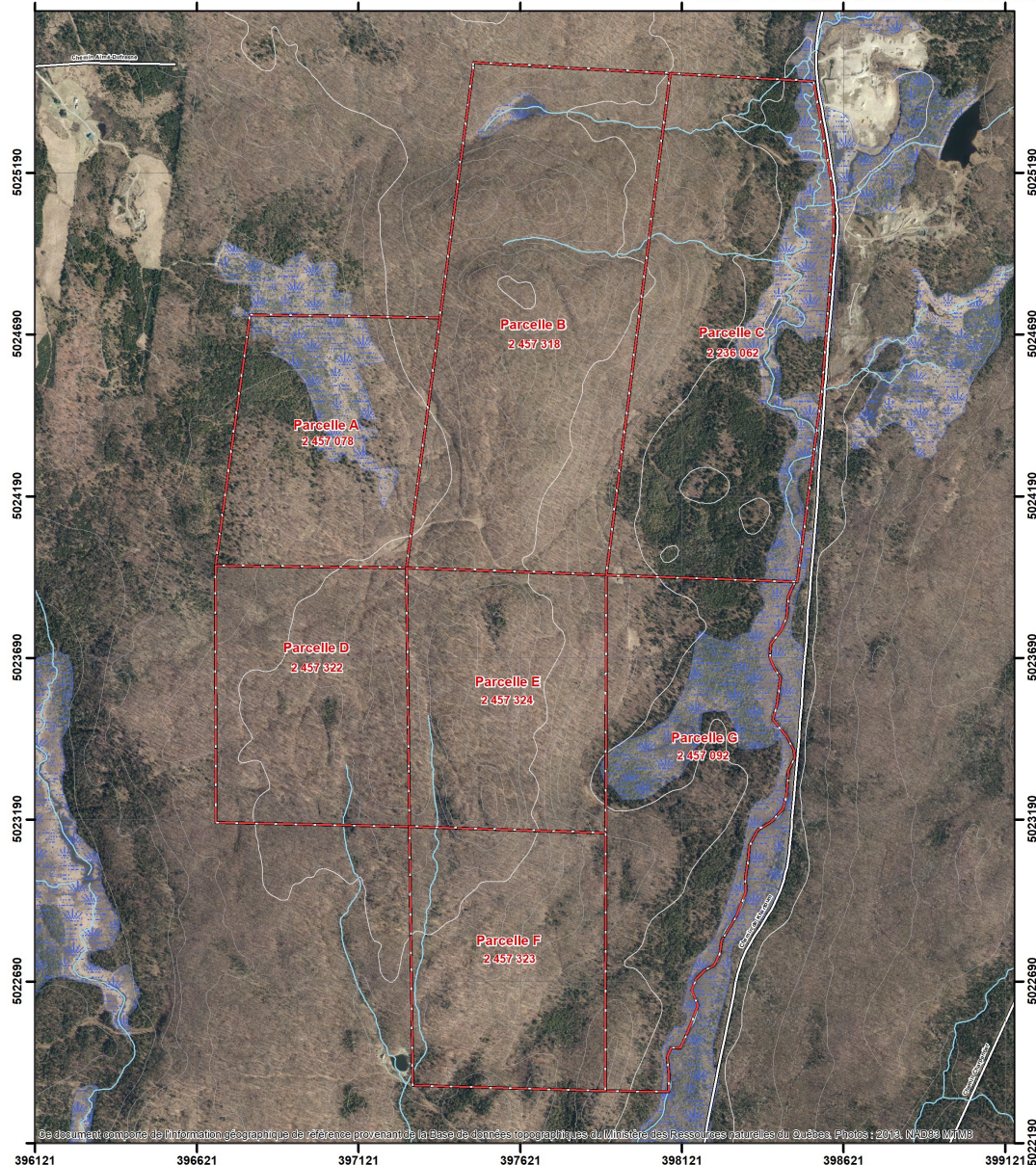
- Cours d'eau
- Route nationale ou régionale
- Route locale
- Rue
- Courbe de niveau
- Boisés Kartoum
- Aire protégée (tenure publique)
- Aire protégée (tenure privée)
- Étendue d'eau
- Territoire d'action de Corridor appalachien
- Noyau de conservation (v7.4)
- Corridor naturel (v20.0)
- Milieu humide



Photographies aériennes : 2013

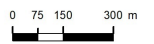
Ce document comporte de l'information géographique de référence provenant de la Base de données topographiques du Ministère des Ressources naturelles du Québec.

Property features



- 442,3 ha (1092 acres)
- Altitude between 250 m et 350 m
- Khartoum stream and wetland
- Close to Mount Orford National Park
- Stepstone for connectivity
- + Diversity of habitats

Propriété des Boisés Kartoum
Réseau routier
Cours d'eau
Courbe de niveau



Carte SIMC-2744
Préparée par :
Corridor appalachien
Appalachian Corridor
© 2020-04-27



Ecological Features



Transaction context

- Land was in the family for over 60 years
- In 2004 the 9 children inherited the property
- They created a company : Les boisés Khartoum inc. (LBK) owned by them (9 shareholders)
- All of the company's asset is the land (+ 1 harrow!)

A first bump on the road!!



**The family refuses to sell the land
They sell the company (non-negotiable)**

The solution we found

Buy the company and proceed with a due diligence

Easy!!



Pre-steps: Board meeting/

Due diligence mandate/ notify our financial partners

Sequence of the transaction:

1. Purchase of shares by Appalachian Corridor
2. Liquidation of shares in Appalachian Corridor
3. Dissolution of LBK inc.

Another bump on the road!!



**Tax impact of about 475 000\$ in capital gain for
Appalachian Corridor
Completely an unusual situation!!**

The new (!) solution we found



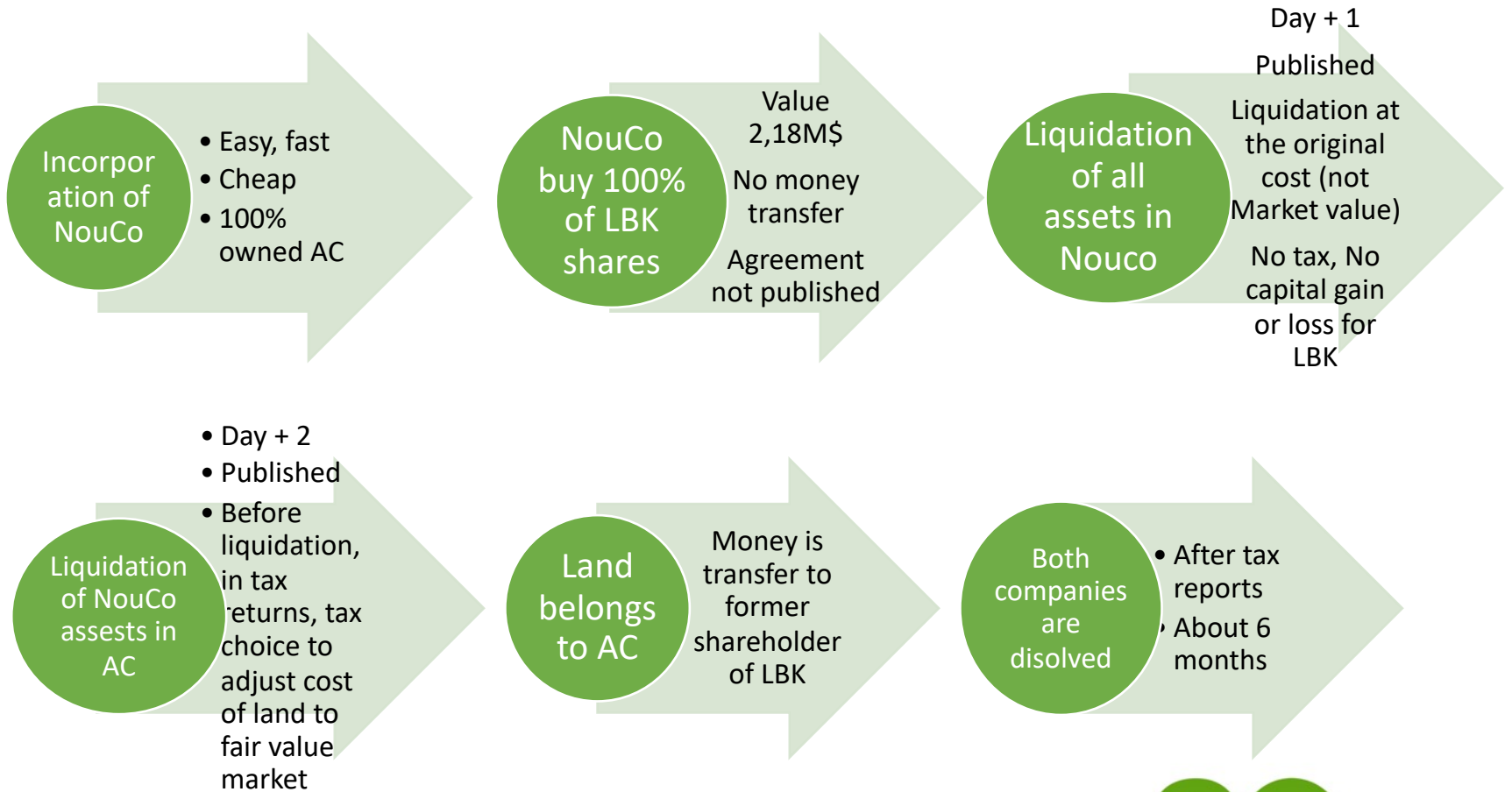
Create a joint-stock corporation (subsidiary), owned by Appalachian Corridor, which would proceed with the purchase of LBK shares!

New bumps on the road!!

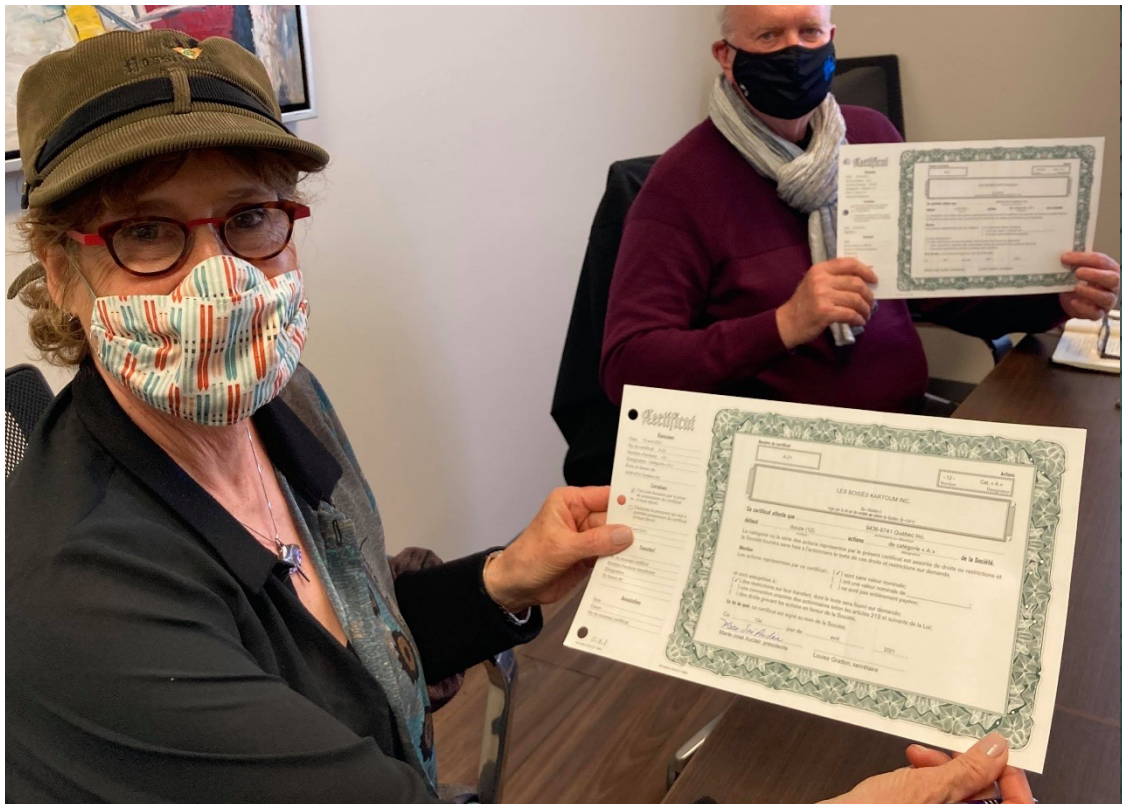


Board fears (reluctancy)
Doubts about legality, fiscal transparency
Grants: money to a company?

Mechanism



5 hours of signatures later...!



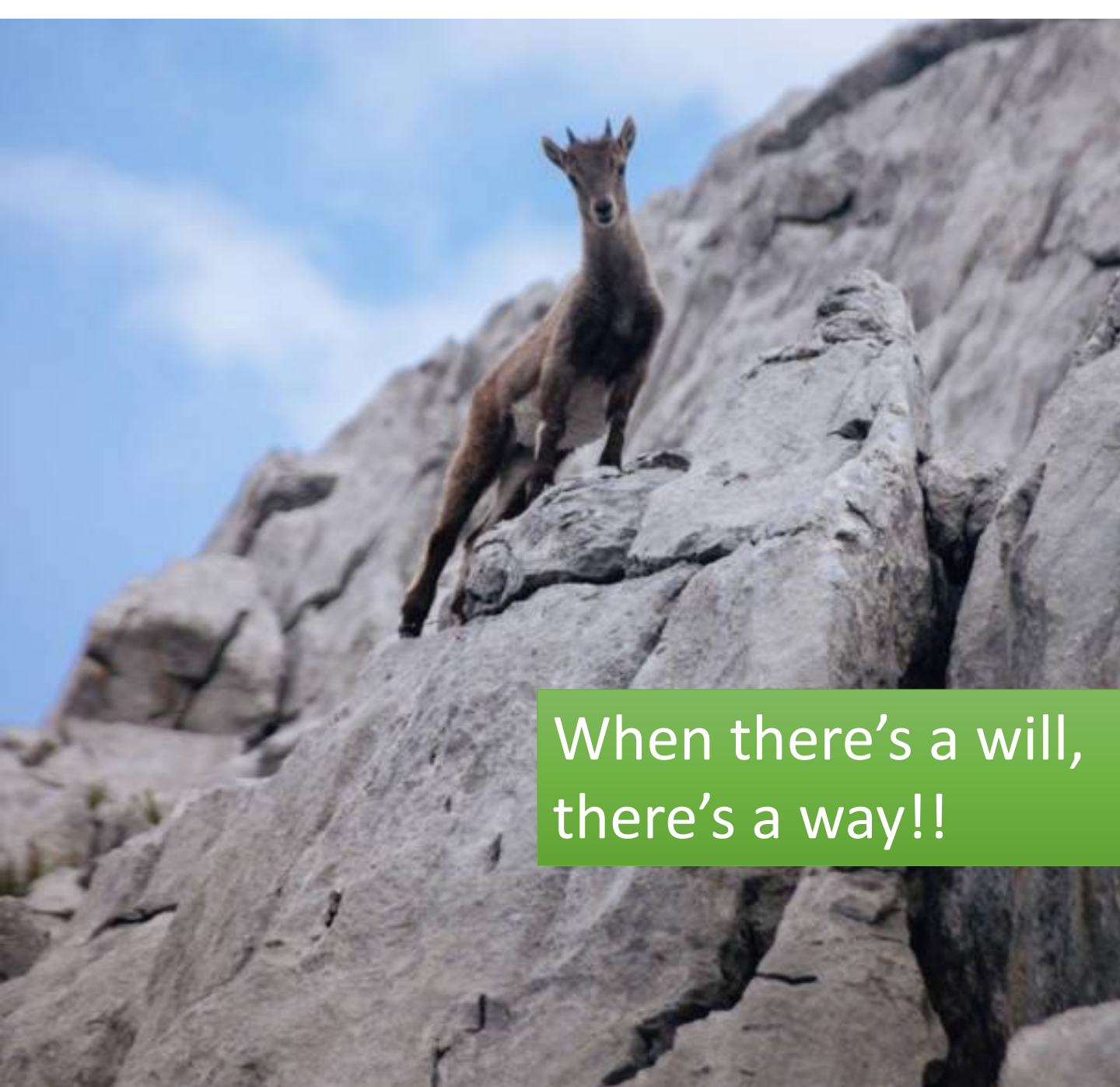
Conclusion

- Inconsistency in tax law (taxable capital gain by a charity!)
- A charity can create a company
 - !!!: no commercial activity
- There are many advantages for regular companies: Why not taking advantages of it?
- Tax treatment : Very common for companies

(as far has we know) First time a charity ever bought a company in Canada!

Conclusion

- When it's complicated: we don't improvise ourselves as specialists. Get accompanied by the best!
- No sales taxes, nor mutation rights!!!
- Dare to take risks
- Have a lot of stubbornness!
- Great land is protected forever
- Open a new way (path) in conservation



When there's a will,
there's a way!!

Questions ?

AIRE PROTÉGÉE KHARTOUM-SIMARD PROTECTED AREA

DEPUIS 2021 / SINCE 2021



CORRIDORAPPALACHIEN.CA

MERCI À NOS PARTENAIRES / THANKS TO OUR PARTNERS

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Québec 



CE PROJET A ÉTÉ FINANCÉ DANS LE CADRE
DU PROGRAMME DE CONSERVATION DES ZONES PROTÉGÉES



FUNDED IN PART BY THE METROPOLITAN LABORATORY AND
CONSERVATION ACT PROGRAM OF THE U.S. 10th AND WESTERN DISTRICT



AINSI QU'ÀUX GÉNÉREUX DONATEURS LOCAUX
AND TO GENEROUS LOCAL DONORS



Thanks

