

Coastal Mountains Land Trust

Policies of the Board of Directors

Adopted by Board of Directors: 28 March 06
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Board Approved Addition of Section 15: 15 December 06
Board Approved Revisions to Sections 4.1, 6.1, 9.14, 11.5, 12.8,15.3, 16: 18 March 08
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1. Adoption and Annual Review

1.1 Adoption of Policies

Adoption of these Policies of Coastal Mountains Land Trust (hereinafter "Land Trust") extinguishes all versions of the Policies adopted by the Board of Directors (hereinafter "Board") prior to the above date of adoption.

1.2 Annual Review of Policies and Bylaws

The Board reviews, revises as appropriate, and approves the Policies during the first quarter of each calendar year. Concurrently with the annual review of the Policies, the Board will review the Land Trust Bylaws to assure that the governance of the Land Trust and its conduct of its program is in compliance with the Bylaws.

2. Land Trust Service Region

The Land Trust provides land conservation service to the towns of Camden, Rockport, Lincolnville, Hope, Northport, Belmont, Belfast, Waldo, Morrill, Swanville, Brooks, Knox, Searsport, Stockton Springs, and Prospect, with particular attention to the portions of the towns that lie within the watershed of Penobscot Bay.

3. Land Trust Alliance Standards and Practices

The Board has adopted the *Land Trust Standards and Practices*, published by the Land Trust Alliance in 2004, as guidelines for the organization's operations. These Policies are intended to implement these *Standards and Practices*. Should the Land Trust Alliance revise the *Standards and Practices* at a future time, the Board will review those revisions and revise these Policies as appropriate. The Land Trust will maintain its compliance with accreditation awarded by the Land Trust Accreditation Commission, and when feasible, will re-apply to the Commission when necessary to maintain its accredited status in the future.

4. Mission and Strategic Planning

4.1 Mission Statement

We permanently conserve land to benefit the natural and human communities of western Penobscot Bay.

To supplement this Mission Statement, the Board has approved the following implementation statements.

We accomplish our mission by:

- Working proactively and cooperatively with land owners to establish a system of conservation lands that feature:
 - habitat supporting biological diversity;
 - water resources, including rivers, lakes, wetlands, aquifers, and the bay;
 - farms and forests managed for sustained productivity; and
 - scenic landscapes essential to our sense of place.
- Sustaining the natural and historic values of our conservation lands through a strong stewardship program based on monitoring, management, restoration, and enforcement.
- Providing opportunities for the public to access and explore natural places.
- Promoting public awareness of and support for land conservation through a broad outreach effort.

- Collaborating with towns, agencies, and other organizations to protect resources that meet exceptional needs in the communities we serve.
- Engaging volunteers to help implement our conservation work.

4.2 Mission Statement Review and Approval

The Board reviews, revises as appropriate, and approves the Land Trust Mission Statement as part of the preparation of every new Land Trust Strategic Plan, or at other intervals determined by the Board to be necessary. When the Mission Statement is revised, the Bylaws of Coastal Mountains Land Trust are changed to include the revised Mission Statement and a copy of the revised Bylaws is sent to the Internal Revenue Service.

4.3 Land Trust Strategic Plans

Every five years, or at other intervals determined by the Board to be necessary, the Board and Staff prepare a new Land Trust Strategic Plan with Goals and Strategies designed to implement the Land Trust Mission. The Board and Staff evaluate progress toward fulfilling the Strategic Plan during the first quarter of each calendar year.

4.4 Annual Work Plans

The Executive Director and other Staff will prepare Annual Work Plans for each of the core programs of the Land Trust: land protection, stewardship, outreach, and development. The Plans for each fiscal year will be provided to the Executive Committee for review prior to the beginning of that fiscal year. The Executive Committee will refer any aspects of the Plans to Board for consideration that include activities requiring change in policy, propose financial activities (fundraising or expenditures) that exceed the Operating Budget or require capital campaigns that the Board has not approved, or propose deviations from the course of the Land Trust Strategic Plan.

4.5 Annual Planning Meeting

The Board and Staff will annually hold a special meeting to assess progress toward fulfillment of the Strategic Plan and to discuss issues, opportunities, and difficulties concerning the Land Trust program.

5. Record Keeping

Maintenance of consistent, complete, secure, and authentic records is essential to fulfilling the mission. This policy concerning Record Keeping is developed to ensure compliance with the intentions of donors (including donors of land and conservation easements), to document the conservation values of protected lands and their stewardship, and to secure the Land Trust's status as a public charity. All such records are the property of the Land Trust and for the organization's exclusive use unless determined otherwise by a vote of the Board.

5.1 Corporate Documents

Land Trust staff will create and maintain files containing originals of the following corporate documents, which will be stored in a fireproof filing cabinet:

- Articles of Incorporation
- Bylaws
- Determination Letters from the Internal Revenue Service concerning exempt status as a 501(c)(3) organization
- Internal Revenue Service Form 990 for each year submitted
- Financial Audits for each year conducted
- Promissory Notes, Mortgages and other security instruments

- Digital Back-ups of the Financial Books
The President of the Board will annually inspect these files to ensure that they are accurately and fully maintained.

5.2 Records of Conservation Acquisitions

Land Trust staff will create and maintain files concerning all aspects of conservation land acquisition projects, as follows, and will store them as described.

- During the period of negotiating a new conservation land acquisition (e.g., conservation easement or fee simple title), documents exchanged and notes of discussions with land owners and their representatives will be held in the specific project file in a filing cabinet dedicated to new land acquisition records.
- As soon as a written agreement concerning a conservation acquisition (such as an option agreement, purchase and sale agreement, letter of intent, or delivery of the conservation easement or deed that completes acquisition of the conservation land) has been executed by the Land Trust and the land owner(s), all original records concerning the project (including the project file described above plus baseline documentation, ecological inventories, boundary surveys, appraisals, management plans) will be placed in a fireproof filing cabinet dedicated to stewardship records. As new information is produced regarding the project, this information will be added to these records.
- A full copy of the baseline documentation of conservation easements and preserves, management plan of preserves, and correspondence file for all conservation projects will be held offsite in a reasonably secure place. Copies of updated information will be added to these files as they are developed or received.
- A reference file that consists of a subset of copies of the above original project documents(e.g., the deed or conservation easement, boundary survey, management plan, etc.) necessary for day-by-day review in stewardship of the project will be maintained in a standard filing cabinet in the Land Trust office.
- A similar reference file will be provided to volunteer stewards of conservation easements and managers of preserves.
- Deeds of parcels owned in fee simple title by the Land Trust and related boundary surveys (when available) and records of any rights-of-way or other easements will be recorded in the appropriate county registry of deeds. Conservation easements and related boundary surveys (when available), amendments, and acknowledgements of monitoring will be recorded in the appropriate county registry of deeds.

Land Trust stewardship staff will annually audit the original and copied records of all completed conservation acquisitions to ensure that documentation is complete and properly organized, and to be sure that documentary evidence, including photographic records and original documentation is not deteriorating beyond the point of usefulness.

Every three years, a representative of the Board of Directors will complete an audit of the records of all completed conservation acquisitions. Upon completion of this audit, a task list of any requirements for necessary improvements in maintenance of the records will be provided to the Stewardship staff with a scheduled date for implementation of such improvements.

5.3 Records of Donations, Grant Awards, and other sources of funds

Land Trust staff will create and maintain a recordkeeping system concerning all grant awards, payments under governmental contracts for services provided by the Land Trust, and donations of funds and in-kind services. The files will include at minimum the name and contact information for the source of the funds, the amount of the funds received by the Land Trust and the date of receipt, the purpose to which the funds are to be applied, and the bank account into which the funds were deposited.

This system will consist of two components:

a) Membership Management Database

The Membership and Administrative Coordinator will manage records of all the above information in the Giftmaker Pro Database or an equivalent computer software program. The record of each source of funds will be updated as new funds are received by the Land Trust, and that record will be printed out on paper and stored in a fireproof filing cabinet with weekly digital back-ups of the entire Database.

b) Financial Accounts Database

The Bookkeeper will create and maintain records of all financial transactions of the Land Trust, including income from the above sources, on QuickBooks or an equivalent computer software program. See 9. Financial and Asset Management below concerning these records.

5.4 Personnel Records

The Executive Director will create and maintain confidential personnel files for each employee that contains all employment information concerning that employee such as application for the position, offer letter, evaluations, timesheets, and compensation information. Access to personnel files is restricted to the Executive Director and the specific employee. Personnel records will be stored in the office of the Executive Director in a locking fireproof file cabinet.

5.5 Records of Board Meetings

Land Trust staff will maintain binders of the minutes of all meetings of the Board and Meetings of the Membership. These binders will be stored in the Executive Director's office. In addition, backup copies of the minutes will be stored in a fireproof filing cabinet in the basement of the Land Trust office building.

5.6 Retention and Disposal of Records and Documents

All of the above described records will be retained indefinitely by the Land Trust in the type of storage described. All other documents of the Land Trust shall be disposed of in the following manner:

a) Documents showing confidential information

Documents or copies of documents that show donor information, personnel information, financial information, or any other information confidential to the Land Trust will be shredded prior to sending to recycling facilities.

b) Non-confidential documents

All other documents will be sent to recycling facilities.

6. Fulfilling the Board of Director's Obligations

The Board is responsible for establishing the Land Trust mission, determining the strategic direction of the Land Trust to fulfill the mission, setting policies to guide conduct of the Land Trust program, overseeing the Land Trust's finances and operations, assisting the Staff in raising the financial resources necessary to sustain the Land Trust, and (through the President of the Board) supervising the Executive Director. The following Policies concern fulfillment of these obligations.

6.1 Board Composition

The Board Advancement Committee, assisted by suggestions from members of the Board, identifies, cultivates, and orients candidates to serve on the Board, and educates and evaluates existing members of the Board. The principal goal of the Committee is to recruit and support an effective Board that has the size, diversity of knowledge, experience, and geographic

distribution to accomplish the Land Trust's mission. The Board Advancement Committee is chaired by the Vice President.

- Core responsibilities of the Board Advancement Committee are to:
- periodically review and recommend to the Board proposed changes to the job description for members of the Board to provide a clear understanding of their expected services and obligations;
 - develop a profile of the knowledge, experience, geographic distribution, and other relevant attributes of members necessary to compose an effective Board, and use this profile to identify candidates for the Board;
 - present the names of candidates and their qualifications to the Board for consideration prior to the Annual Membership Meeting or at such times during the year when it is appropriate to appoint a new Board member to fulfill an unexpired term;
 - develop, periodically review and update, and implement a formal orientation process for new Board members to be conducted by the President and Executive Director;
 - develop, periodically review and update, and implement a regular program of education of Board members regarding governance of the Land Trust and other responsibilities of the Board; and
 - develop and periodically review and update a comprehensive process for evaluation of Board member performance, to be conducted by the Vice President and reviewed by the President, and assure that evaluations occur on the following schedule:
 - a) Board members serving their first term are evaluated at the end of their first six months of service; and
 - b) all Board members are evaluated six months prior to the end of their term if it is anticipated that they intend to continue to serve on the Board by renewal for an additional term.

6.2 Nomination and Election of Members of the Board

The Board Advancement Committee, acting with the consultation and approval of the full Board, nominates a slate of candidates for membership on the Board to the members present at the Annual Meeting of the Membership. The Land Trust newsletter or other methods of delivery of notice made to the general Land Trust membership will call for suggestions for members of the Board, such suggestions to be made to the Board Advancement Committee no later than thirty days prior to the Annual Membership Meeting. Nominations from the floor of the Annual Membership Meeting are not to be accepted.

The Bylaws allow the Board to elect new members of the Board between Annual Membership Meetings, provided, however that such new Members may serve only until the next Annual Membership Meeting, at which time they may be nominated to serve as a member of the Board to serve for a full three-year term.

7. Conflicts of Interest

One of the core obligations of the Land Trust as a charitable, not-for-profit organization is that its program must be conducted to the highest standards of ethics, responsibility, loyalty, and, as appropriate to information that is not generally available to the public, confidentiality. The Land Trust's effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the Land Trust's reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest. The decisions and activities of the Board and Staff, whether or not addressed explicitly in this policy, are governed by an overriding requirement of honesty, good faith, and fiduciary responsibility for the Land Trust and to the communities it serves.

7.1 Background

The Land Trust has clauses within its corporate administrative documents that are specifically relevant to conflicts of interest, to wit:

- Articles of Incorporation, Seventh Article:
"No part of the net earnings of the Corporation shall inure to the benefit of any member, Director, or officer of the Corporation..."
- Articles of Incorporation, Eighth Article:
"The Corporation shall not...engage in any act of self-dealing..."
- Bylaws, Article VIII. Prohibition Against Private Gain.
No officer or Director shall receive any pay, compensation or benefit from the Corporation, directly or indirectly, for performing the duties of an officer or Director...This Article shall not prohibit the reimbursement of incidental expenses necessarily incurred in the business of the Corporation by any officer or Director duly authorized, and also shall not prohibit the employment of persons, including members, to perform duties for the Corporation and to receive compensation therefore, upon proper authorization of the Board of Directors.

7.2 Definition of Conflict of Interest

A conflict of interest exists when a Covered Person (as defined below) has a material financial interest in a transaction or project under consideration by the Board, a committee of the Land Trust, or Staff, or when the Covered Person proposes to act on any issue, matter, or transaction in which the Land Trust has an interest, and in which the Covered Person may have an interest separate from that of the Land Trust. In regard to conflicts of interest, the term "financial interest" does not include reimbursement paid to Covered Persons for incidental expenses incurred in the business of the Land Trust nor does it include compensation and reimbursement of expenses paid to Staff with respect to their employment. A conflict of interest may also exist in situations in which there is an appearance that a Covered Person is utilizing, for his or her own benefit, inside information that is proprietary to the Land Trust, is acting in his or her own interests rather than the best interests of the Land Trust, has the ability to exercise undue influence over the Land Trust's decisions, or is receiving favorable treatment by the Land Trust because of his or her status as a Covered Person.

Members of the Board and Staff must disclose their involvement and service to other organizations for which they have potentially conflicting interests. In no case shall the Board or Staff member utilize confidential information gained in their service to the Land Trust to provide direct or indirect benefit to any other organization. For example, information about donations from members, grants from foundations, and land transactions must be held to the highest standards of confidentiality unless or until the Land Trust has released such information to the public. Disclosure of the Board member's or Staff member's involvement or service in the other organization must be made as soon as reasonably feasible to the President of the Board or the Executive Director.

7.3 Covered Persons

This Policy applies to all Staff, members of the Board, members of any committee of the Land Trust, major donors (individuals, corporations or foundations who make a gift or a pledge of \$5,000 or more at any one time, or \$10,000 or more in the cumulative within any 5-year period), abutters to or those substantially affected by proposed conservation land acquisitions, and individuals (such as volunteers, former members of the Board, or former Staff) who, by virtue of their prior or continued involvement with the Land Trust, either have access to inside information that could place them in a conflicted situation or could give the appearance of having the ability to unduly influence the Land Trust. The Policy also applies to close relatives of these persons, including a spouse, domestic partner, child, sibling, parent, stepparent, parent- or sibling-in-law, grandchild, or grandparent.

7.4 Obligations of Covered Persons

Each covered person is obliged:

- to disclose the existence of any actual, potential, or perceived conflict of interest to the Board, Executive Director, or Chair of a Land Trust Committee on which he or she serves; disclosure must be made **prior** to the involvement of the Covered Person in the matter concerning the conflict of interest, and made by a verbal announcement at the meeting of the Board or Committee that concerns the matter, such announcement to be duly recorded in the minutes of said meeting;
- to abstain from discussing with members of the Board, Staff, or members of a Committee any issue, matter, or transaction in which he or she has an actual, potential, or perceived conflict of interest unless specifically asked by the Board or Committee to give information on the issue, matter, or transaction;
- to absent himself or herself from Board and Committee discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the Board or Committee to give information on the issue, matter, or transaction;
- to abstain from voting on any such issue, matter, or transaction;
- when warranted by the nature and magnitude of the conflict of interest and when requested by the Board, to resign from the Board or Committee until such time as the matter giving rise to the conflict of interest has been resolved; when, in the opinion of the President of the Board, the matter has been sufficiently resolved, the Covered Person may be invited to rejoin the Board or Committee.

7.5 Obligations of the Board in Conflict of Interest Situations

When a transaction, contract, or project of The Land Trust involves an actual, potential, or perceived conflict of interest with a Covered Person, the Board shall act as follows:

- a) to approve such transaction, contract, or project only after making specific findings that:
 - the transaction, contract, or project is fair and benefits the Land Trust and its objectives; and
 - the transaction, contract, or project is approved with the Board's full knowledge of its financial or other benefit to the Covered Person who has the conflict of interest.
- b) when the Covered Person is a member of the Board, such transaction, contract, or project will be approved only after making these additional findings:
 - the member of the Board did not participate in the vote approving the transaction, contract, or project and was absent both during the discussion of the transaction, contract, or project and when the Board voted on it; and
 - a more advantageous arrangement could not have been obtained with reasonable effort.

7.6 Use of Land Trust Property

Covered Persons shall not be granted special privileges to use the property owned or managed by the Land Trust unless the purpose of such uses is to support the program of the Land Trust. Requests for such use shall be made to the Executive Director, who will forward the request to the appropriate Land Trust Committee for consideration and recommendation to the Board, which will approve the request only if it serves the best interests of the Land Trust.

7.7 Gifts and gratuities to Members of the Board and Staff

Members of the Board and Staff shall not accept gifts and gratuities from individuals, businesses, or organizations that do business with the Land Trust, unless such gifts and gratuities are valued at less than one hundred dollars and have been approved by the Board

without the participation or vote of the member of the Board or Staff who is the potential recipient of the gift or gratuity.

7.8 Political activities

Members of the Board and Staff shall not use the Land Trust's name, letterhead, facilities, or property for personal or partisan political activities.

7.9 Staff assistance

Covered Persons shall not receive any assistance from the Staff for personal needs or interests beyond that which would be provided to a member of the general public in similar circumstances or with similar needs and interests.

7.10 Employment and Contract Conditions

The Executive Director shall notify the Board of the potential that an immediate relative (cousin, aunt, uncle, son, daughter, parent, grandparent, grandchild) of a member of the Board or Staff is an applicant to be engaged by contract or hired for employment. The Board, after excluding the member of the Board or Staff who is related to the applicant from any involvement in the matter, shall consider the engagement or hiring and vote whether such shall proceed. This decision shall be based solely on the best interests of the Land Trust.

8. Fundraising

8.1 Gift Acceptance Policy

The Board and Staff solicit gifts from individuals, corporations, and foundations to secure financial resources necessary to fulfill the mission and conduct the programs of the Land Trust. This policy governs the acceptance of such gifts and provides guidance to prospective donors and their advisors when making such gifts. Legal counsel may be employed when needed for advice on any proposed gift or to review any proposed transaction for possible conflicts of interest.

8.1.1 Rights and Expectations of Donors

The Land Trust respects the rights and expectations of donors:

- to be provided with important, relevant, and accurate information concerning the solicitation of funds and other forms of support;
- to feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers;
- to be informed of the mission of the organization, the way funds will be used, and the Land Trust's capacity to use donations effectively for their intended purposes;
- to be informed of the identity of those serving on the Board and to expect the Board to exercise prudent judgment in its financial stewardship responsibilities;
- to have access to the organization's most recent financial reports;
- to be assured their gifts will be used for the purposes for which they were given;
- to receive appropriate acknowledgement and recognition;
- to be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law; and
- to expect that their name, address, and other contact information will not be shared outside of the Land Trust without their permission.

8.1.2 Donor's Advisors

The Land Trust encourages prospective donors to seek the assistance of their personal legal and financial advisors in all matters relating to any gifts that may have consequences for the donor concerning taxes and estate planning.

8.1.3 Unrestricted Donations, Foundation Grants, and Board Restricted Donations

Donations or foundation grants received for which the donor or foundation does not express a specific use of the donation are to be entered into the Land Trust financial records as an "unrestricted" donation, and deposited into the Operating Checking Account. Unless the Board decides to dedicate the donation or grant to another use in the Land Trust program, unrestricted donations and grants will be used for expenses incurred by the general operations of the Land Trust. The Executive Director will inform the Board of all unrestricted donations and grants greater than \$25,000 to provide the Board with the opportunity to consider dedicating the donation to a specific purpose in the Land Trust program. Should the Board decide to dedicate the donation to a specific purpose, the donation will be entered into the financial records as "Board designated" to the specific purpose and transferred to the appropriate bank account.

8.1.4 Donor Restricted Donations and Foundation Grants

Donations and foundation grants received for which the donor or foundation does express a specific use of the donation or grant are to be entered into the Land Trust financial records in the restricted category designated for the specific use, and deposited into the bank account most appropriate for holding such restricted funds. There are two types of donor-restricted donations:

a) Permanently Restricted Donations

Donations and foundation grants received for the Land Trust Endowment are to be entered into the Land Trust financial records as "permanently restricted" and deposited in the appropriate savings account or investment account. Use of these funds is governed by 9.6 Management of the Endowment Fund.

b) Temporarily Restricted Donations

Donations and foundation grants received to support purposes of the Land Trust program that will be completed in a given period of time (e.g., land acquisition projects, office construction, stewardship projects, water monitoring projects) are to be entered into the Land Trust financial records as "temporarily restricted" to the specific purpose expressed by the donor, and deposited into the bank account most appropriate for holding such temporarily restricted funds. Such donations and foundation grants will remain temporarily restricted until the funds have been expended for the specific purpose.

In addition, donations and foundation grants received for the Conservation Lands Defense Fund will be entered into the Land Trust financial records as "temporarily restricted" and deposited in the Stewardship Savings Account or the investment account dedicated to the Conservation Lands Defense Fund. Use of these funds is governed by 9.7.1 Conservation Lands Defense Fund.

The Land Trust will not accept gifts that are too restrictive in purpose, i.e., those that: are too difficult to administer, are for purposes outside of the Land Trust mission, or that violate the Articles of Incorporation, Bylaws, or these Policies. The Board will be advised by the Executive Director of such potentially excessively restricted gifts and will decide whether to accept or decline the offer of the gift.

8.1.5 Types of Gifts

a) Cash

Cash is acceptable in any form. Checks will be made payable to Coastal Mountains Land Trust and will be delivered to the Land Trust offices.

b) Securities

The Land Trust's broker immediately sells all readily marketable securities upon delivery of the security to the Land Trust's account established to receive and liquidate such gifts.

c) Real Estate

Potential real estate gifts include outright gifts, bequests, bargain sales, gifts of remainder interests, and gifts funding a charitable remainder trust.

All proposals regarding donation of real estate will be evaluated by the Land Preservation Committee for public benefits, conservation values, and management feasibility. The Committee will recommend acceptance by the Board of the proposed real estate as permanent conservation land if it is determined to provide sufficient public benefit and conservation value and is suitable to be effectively managed.

If the Land Preservation Committee determines that real estate proposed to be donated is not appropriate for conservation protection by the Land Trust, the donor will be informed of that decision. If the donor is still willing to donate the real estate with the understanding that it will be sold (i.e., the property is a "trade land") and the proceeds used to support implementation of the Land Trust mission, the real estate will be sold as prescribed under 9.8 Transfer of Assets. In such instances, Staff will obtain a written statement of the donor's agreement for such a sale when feasible.

d) Remainder Interests in Property.

The Land Trust will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of 8.1.5 c). The donor or other occupants may continue to occupy the real property for the duration of the stated life. During the period of occupancy, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary. At the death of the donor, the Land Trust will consider disposition of the property under the provisions of 8.1.5 c).

e) Bargain Sales of Real Estate

The Land Trust will usually conduct bargain sale transactions (i.e., the real estate is offered to the Land Trust at less than fair market value) to acquire land to be permanently conserved.

The Land Trust might also enter into a bargain sale arrangement in instances in which the bargain sale substantially furthers the Land Trust's mission through sale of the real estate and application of the proceeds to implementation of the mission. All such bargain sales must be approved by the Board. Factors used in determining the appropriateness of the transaction will include:

- an independent appraisal must substantiate the value of the real estate;
- if the Land Trust assumes debt with the real estate, the amount of debt plus bargain sale price must be less than 50% of the appraised value;
- the Board must determine that there is a reasonable anticipation for sale of the property within 12 months of acquisition; and
- the Board must determine that the expenses of ownership during the holding period do not create a financial burden that diminishes the delivery of Land Trust programs.

f) Tangible Personal Property

Tangible personal property includes such items as art, jewelry, equipment, and other objects of value. The Executive Director will accept proposals for donation of tangible property if they can be readily sold or if they can be used to help implement the organization's mission. Donations to be sold will be liquidated as soon as feasible. The donor will be encouraged to obtain an appraisal under regulations of the Internal Revenue Service for such donations. In acknowledging the gift, unless an appraisal is provided, the donor will be thanked by describing the gift and its condition rather than its financial value.

g) Life Insurance

The Land Trust must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its

interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Land Trust will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Land Trust may: continue to pay the premiums; convert the policy to paid up insurance; or surrender the policy for its current cash value.

Supporters of the Land Trust may choose to name the Land Trust as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Land Trust until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

h) Charitable Remainder Trusts

The Land Trust may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board. The Land Trust will not accept appointment as trustee of a charitable remainder trust. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

i) Charitable Lead Trusts

The Land Trust may accept a designation as income beneficiary of a charitable lead trust. The Land Trust will not accept an appointment as Trustee of a charitable lead trust. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

j) Retirement Plan Beneficiary Designations

Supporters of the Land Trust may choose to name the Land Trust as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Land Trust until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

k) Bequests

Donors and supporters of the Land Trust may choose to make bequests to the Land Trust under their wills and trusts. Such bequests will not be recorded as gifts to the Land Trust until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

l) Pledges

Donors may elect to enter into written, signed pledges for donations to be made over a period of years. Such pledges will be entered into the Land Trust financial records as donations temporarily restricted to the purposes of the specific campaign, and will be counted toward the fundraising goal of the campaign. Should pledges not be fulfilled, the Executive Director will inform the Board, and the Board will consider methods of addressing the unfulfilled pledge.

8.1.6 Responsibility for IRS Filings upon sale of gift items

The Executive Director is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Land Trust when the charitable deduction value of the item is more than \$5,000. The Executive Director must file this form within 125 days of the date of sale or disposition of the asset.

8.1.7 Acknowledgement

Acknowledgement of all gifts made to the Land Trust and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Executive Director.

8.2 Capital Campaigns

The Land Trust conducts fundraising campaigns to raise money for specific capital investment purposes, including the acquisition of interests in conservation land. Certain policies apply to conditions unique to capital campaigns, as follows.

8.2.1 Planned Giving Donations to Capital Campaigns

Donors may wish to make a planned gift (e.g., charitable remainder trust, charitable lead trust, retirement plan beneficiary designation, or life insurance beneficiary designation) to a capital campaign. Provided the gift can be accepted by the Land Trust under the terms of its policies, the gift will be dedicated to stewardship of the lands to be conserved or of buildings to be maintained. The Board will decide whether to allocate such gifts to the Conservation Lands Defense Fund or the Endowment. Only irrevocable planned gifts will be counted toward the campaign goal.

8.2.2 Campaign Expenses

A portion of the donations and grants to a campaign may be utilized to pay for the expenses of conducting the campaign--related staff compensation, event costs, brochures, special services, etc.-- if prospective donors and grantors are informed by campaign literature that such payment is allowed. No more than 5% of the funds received for a capital campaign may be used for such expenses. Expenses of the capital campaign will be tracked in the financial records of the Land Trust and all transfers from the funds raised through the capital campaign to pay for expenses will be entered into those records. Capital campaign expenses in excess of the allowed 5% limit will be paid from the unrestricted operating funds of the Land Trust.

8.2.3 Capital Campaigns and Annual Unrestricted Giving

When being solicited for donations, prospective donors to a capital campaign will be encouraged to continue their support of the operations of the Land Trust by continuing to make their annual donation to membership and/or annual appeal.

8.3 Foundation Grant Applications

The Executive Director will inform the Development Committee of all foundation grant proposals when submitted. Should the Committee determine that the terms of an awarded grant impose infeasible conditions upon the Land Trust, it will refer the matter to the Board for its consideration as to whether or not to accept the grant award.

8.4 Marketing Agreements

The Trust's name and logo are extremely valuable to implementation of the Land Trust mission. The context in which the name and logo appear is a matter of significant legal and financial consequence. Failure to protect the name and logo could adversely affect the Land Trust's ability to defend them against unauthorized use. Protection of the name and logo is critical to the Land Trust's reputation and continued success, including its capability to raise adequate support for its programs.

The Land Trust's name and/or logo may not be used by another entity for any type of marketing without Board approval of a marketing agreement with the entity. Further, such agreements must include adequate consideration or compensation to the Land Trust for use of the name and/or logo. Examples of uses that require approval of a marketing agreement are: inclusion of the Land Trust's name and/or logo in a for-profit company's product, product

packaging, or promotional materials; references to the Land Trust in any form of advertising by the entity; and references to the Land Trust in public relations materials of the entity. The agreement will also describe how the entity and the Land Trust will inform the public concerning how the Land Trust benefits from the sale of the commercial entity's products or services.

The Land Trust will not enter into a marketing agreement with members of the Board, Staff, or with an entity with which they are involved.

8.5 Membership

Any gift made to the Land Trust, whether for a membership campaign, annual appeal, capital campaign, stewardship contribution, or any other fundraising effort of the Land Trust, qualifies the donor as a member of the Land Trust.

8.5.1 Membership in Exchange for Goods or Services

Free membership for one year is provided to donors of inkind goods or services at the discretion of the Executive Director.

8.5.2 Life Membership for Donors of Land or a Conservation Easement

All donors of conservation easements and donors of title to land (whether the donation is for full value of the real estate or for the donated portion of a bargain sale) will be given Life Membership in Coastal Mountains Land Trust.

8.5.3 Volunteers

Volunteers will be solicited to contribute financially to the Land Trust, but any volunteer who does not respond to such solicitation will still be qualified as a member in appreciation for his or her efforts during the membership year.

9. Financial and Asset Management

As a public charity and an organization responsible for monitoring, management, and defense of its conservation lands in perpetuity, the Land Trust will manage its finances and assets in a responsible and fully accountable manner. To that end, it is the policy of the Land Trust to maintain complete, accurate, and credible documentation of its financial management activities using Generally Accepted Accounting Principles. The Land Trust's Finance and Investment Committee, chaired by the Treasurer of the Board, provides general oversight of the financial matters of the Land Trust and reports to the Board for ultimate decisions concerning implementation of the fiduciary role of the Board.

9.1 Fiscal Year

The fiscal year of the Land Trust is April 1 through March 31.

9.2 Annual Budget

The Executive Director will prepare a draft annual operating budget for initial consideration by the Finance and Investment Committee at its February meeting. The annual operating budget will be balanced, though such balance may be obtained through transfers of surplus funds as appropriate. The Finance and Investment Committee will recommend an annual operating budget to the Board for adoption at its March meeting.

The annual operating budget will be supplemented by a separate budget for any capital campaigns if the capital gifts income and capital disbursements can be reasonably accurately projected as to amount and schedule.

9.3 Board Review of Financial Statements

The Treasurer, acting through the Finance and Investment Committee and with the assistance of the Executive Director and Bookkeeper, will provide monthly reports concerning the financial condition of the Land Trust to the Board.

9.4 Audits, Financial Reviews, and Preparation of IRS Form 990

An annual audit of the books of the Land Trust will be performed by a Certified Public Accountant. A Certified Public Accountant will annually prepare IRS Form 990 to report the Land Trust's financial activity and condition to the Internal Revenue Service. Each member of the Board of Directors will be provided with a copy of the IRS Form 990, either digitally or printed, for his/her review prior to submission to the Internal Revenue Service. Board members will provide any comments or questions to the Treasurer within seven days of their receipt of the copy. After the review period, the Treasurer, or in the absence of the Treasurer another officer of the Board of Directors, will sign the final version of the IRS Form 990 and submit it to the Internal Revenue Service.

9.5 Management of Investments

The Treasurer, acting with the advice of the Finance and Investment Committee, is authorized to establish accounts with brokerage firms or other financial institutions for the purpose of receiving and selling gift securities and managing the invested funds of the Land Trust. The Finance and Investment Committee of the Land Trust will oversee the operations of such accounts and will semi-annually report to the Board on the performance of management of the Land Trust's investments, including recommendations for changes in investment policies to be considered for adoption by the Board.

9.5.1 Donated Securities

The Land Trust will instruct the manager of the account established to receive donated securities to sell such securities immediately upon delivery into the account.

9.5.2 Types of Investments

The Finance and Investment Committee will evaluate the types of investments that are held by the Land Trust with care to assure that such investments provide a reasonable, prudent balance between risk and return.

9.6 Management of the Land Trust Endowment

The Land Trust has perpetual obligations for the protection of the preserves and conservation easements that it holds, a responsibility that is most effectively assured by a professionally managed and securely funded operating program. The operating program of the Land Trust is conducted to provide a well-integrated and comprehensive set of activities necessary to operate a strong and sustained land conservation program, including general administration, stewardship, fundraising, outreach, and acquisition functions. The purpose of the Land Trust Endowment, hereinafter referred to as "the Endowment," is to provide a source of operating program funds that is secure and available on a sustained basis over time. The following govern the management and use of the Endowment:

9.6.1 Encumbrance of Principal

The principal of the Endowment will not be encumbered or otherwise placed at risk by being used as collateral or security for any loan or other transaction.

9.6.2 Annual Withdrawal of Funds

In March of each year, the Board will determine whether or not to withdraw any funds from the Endowment during the next fiscal year, and if so, the amount to be withdrawn. The annual withdrawal shall not exceed five percent (5%) of the value of the Endowment calculated

as the average of the market value of the Endowment on December 31 of the preceding three calendar years.

Withdrawal of funds from the Endowment shall be used exclusively for operating program expenses of the organization, including equipment necessary for program activities, and shall not be used for capital improvements or acquisition of conservation land or conservation easements.

9.6.3 Distribution of the Endowment

In the event of dissolution or reorganization of the Land Trust, the Endowment will be transferred to the successor organization or a similar organization located and operating in Maine, to be used as a program endowment that will be subject to substantially the same restrictions imposed by this policy.

9.7 Funds Related to Stewardship of Conservation Lands

When the Land Trust acquires conservation easements and preserves (properties for which we hold full title), it accepts the responsibility to monitor, defend, and manage the conservation lands in perpetuity. In order to meet this responsibility the Land Trust must have adequate financial resources to provide for legal defense of conservation easements and preserves and to provide a secure source of income from investment of funds that helps to support professional stewardship of these conservation lands. To provide such financial resources, the Land Trust will seek contributions to be allocated to the Conservation Lands Defense Fund (hereinafter the "Fund") and to the Land Trust Endowment. The following describes how such funds are obtained and managed.

9.7.1 Conservation Lands Defense Fund

The purpose of the Conservation Lands Defense Fund is to provide readily available financial resources that can be expended for the costs incurred in the defense of a conservation easement or a preserve. The Fund shall be managed to accumulate and maintain an adequate sum of money, using the calculations described herein, for this purpose. Costs that may be paid from the Fund are restricted to those that are directly applicable to the defense of the violated conservation land.

9.7.1.1 Source of Deposits to the Conservation Lands Defense Fund

A deposit to the Fund will be made for every conservation easement and preserve in an amount based on the calculations described in this policy. For those conservation properties that have been donated to the Land Trust, the donor will be requested to make a financial contribution sufficient to make the Fund deposit for his/her property. If the donor does not provide the contribution, or if the conservation easement or preserve is purchased from the land owner, the Land Trust will raise or allocate the funds necessary to make the full Fund deposit from other resources.

9.7.1.2 Calculation of Deposits to the Conservation Lands Defense Fund

Because there are differences between the conditions of defending conservation easements and preserves against violations, the Conservation Lands Manager and Stewardship Committee have analyzed these differences, researched independent studies of conservation easement violation rates and costs, and considered the methods of minimizing the potential for violation used by the stewardship program. This information has produced an estimate of the appropriate level of deposit to the Fund for each. These deposit levels will be adjusted periodically by the Board, with the advice of the Conservation Lands Manager and Stewardship Committee, to address inflation of costs and to reflect new information concerning defense of conservation lands.

a) Deposits for Conservation Easements

The amount of the deposit to the Fund for each conservation easement is \$2,450 (most recently adjusted in 2005).

b) Deposits for Preserves

Preserves offer the advantage of being more completely controlled by the Land Trust as compared to conservation easements (including more frequent monitoring, fully maintained boundaries, and presence of visitors from the public), which causes abutting land owners to have more respect for the integrity of the respective preserve and reduces the probability that a major violation will occur. In addition, legal recourse for defense of land owned in full title by the Land Trust is a significantly simpler, more direct action than conservation easement defense. Thus, rates and costs of preserve violations are anticipated to be substantially less than those experienced by conservation easements.

The amount of a deposit to the Fund for each preserve is \$1,350 (most recently adjusted in 2005).

9.7.1.3 Minimum Balance of the Conservation Lands Defense Fund

Because a withdrawal from the Fund may be necessary on short notice for defense of a conservation property, at least 30% of the Fund will be invested in interest bearing cash equivalents. If expenditures are made from the Fund for the defense of conservation easements and preserves that cause the Fund to fall below the Minimum Balance (defined as an amount equal to the total of all deposits for conservation easements and preserves made to the Fund), the Board will promptly allocate money from other sources or commence a campaign to raise money to replenish the Fund.

9.7.1.4 Withdrawals from the Conservation Lands Defense Fund

Money may be withdrawn from the Fund for the following purposes:

- a) to pay for expenses specifically incurred by the Land Trust for defense of a conservation easement or preserve, including attorney fees, professional surveys, professional appraisals, consultant fees, witness expenses, staff time, and other quantifiable costs directly associated with the defense; and
- b) prior to the end of each fiscal year, all money in the Fund greater than three times the Minimum Balance will be transferred from the Fund to the Endowment.

9.7.2 Stewardship Funds and the Endowment

An essential complement to the Conservation Lands Defense Fund is a securely funded, professionally managed operating program that includes an effective stewardship program. The viability and stability of the operating program can be partially provided by the secure and sustained source of funding in the Endowment, managed as described in 9.6 Management of the Land Trust Endowment.

9.7.2.1 Source of Stewardship Deposits to the Endowment

A deposit to the Endowment will be made for every conservation easement and preserve in an amount based on the calculations and considerations described in this policy. For those conservation properties that have been donated to the Land Trust, the donor will be requested to make a financial contribution sufficient to make the Endowment deposit for his/her property. If the donor does not provide the financial contribution, or if the conservation easement or preserve is purchased from the land owner, the Land Trust will raise or allocate from existing resources the funds necessary to make the full Fund deposit.

9.7.2.2 Calculation of Stewardship Deposits to the Endowment

The amount of a deposit to the Endowment for a specific conservation easement or preserve will be calculated by the Conservation Lands Manager using practices established by the Stewardship Committee.

9.8 Transfer of Assets

The Land Trust might wish to transfer assets to other parties. This policy applies to two categories of assets: *real property* which includes but is not limited to assets related to land such as fee simple interests, conservation easements, rights-of-way and other similar easements, options, or purchase and sale agreements; and *tangible personal property* which includes but is not limited to equipment, furniture, or vehicles. This policy does not apply to cash, securities, promotional or resale items nor does it apply to mortgaging of real property or the pledging of Land Trust assets to secure the payment of a debt or obligation. The purpose of this policy is to assure that the assets covered by the policy are transferred solely with full Board consideration and approval.

In the event that the Board has approved transfer of any asset by sale, the asset will be advertised to the general public for sale. The only exceptions to advertisement to the general public are if:

- the transaction concerns transfer of conservation land or conservation easement to another organization or governmental agency that is qualified to own or hold land conservation interests;
- the transaction concerns transfer of land to another organization or government agency to provide substantial public benefits for uses of the land other than conservation, and if the recipient of the land has the capacity and capability to provide that public benefit (for example, land for affordable housing); and
- if the asset has a market value less than \$100.

After the date of advertisement to the public, members of the Board or Staff may make an offer to purchase the asset. Approval of the sale by the Board, excluding the involvement and vote of any member of the Board or Staff who is a potential purchaser of the asset, will be based on the best interests of the Land Trust.

If the Land Trust transfers assets which the Land Trust received as a donation and for which the Land Trust signed the donor's IRS Form 8283 "Noncash Charitable Contributions," and if the transfer occurs within two years of the date of the receipt of the donation, then the Land Trust must file IRS Form 8282 "Donee Information Return" with the IRS and forward a copy to the donor at his or her last known address.

9.8.1 Transfer of a Real Property Asset

Real property assets will only be transferred following evaluation of the specific proposed asset transfer by the Board and an affirmative vote to transfer the asset by two-thirds of the entire membership of the Board.

All transactions that transfer a real property asset must produce a consideration to the Land Trust that reasonably approximates or exceeds the fair market value of the specific asset. Prior to the vote by the Board, the Executive Director shall obtain and submit to the Board an estimate of the fair market value of the specific asset, dated within twelve months of the date of proposed transfer, from an independent professional appraiser of real property. If the cost required to obtain a written estimate from an appraiser is an unreasonable percentage of the value of the real property asset, then the Executive Committee may waive the requirement for a written estimate and instead obtain a less formal opinion of value, which shall be documented in the Land Trust's files. The requirement of fair market value consideration may be waived by the Board if the asset is transferred to a qualified organization under Section 170(h)(3) of the Internal Revenue Code, provided that the purposes and capabilities of the receiving organization include the permanent protection, management, monitoring, and enforcement of real property interests, or to a governmental agency or unit with similar purposes and capabilities.

At least one of the following six conditions must be met before the Land Trust transfers any interest in a real property asset.

a) Qualified Organization

The party to which the Land Trust transfers a specific real property asset is either a qualified organization under Section 170(h)(3) of the Internal Revenue Code with purposes and capabilities that include the permanent protection, management, monitoring, and enforcement of real property interests, or is a governmental agency or unit with similar purposes and capabilities.

b) Affect of Changed Conditions on Conservation Purpose of Property

Since the date of the Land Trust's acquisition of the specific real property asset, unexpected changes in conditions in the vicinity of the subject property make impossible or impractical the continued use of the property for conservation purposes. In determining this condition, the Board of Directors shall review applicable sections of the Internal Revenue Code, in particular Section 1.170 A-14(g)(6)(i), as amended.

c) Trade Land

The specific real property asset lacks significant conservation value at the time of the Land Trust's acquisition of the asset (i.e., the property is "trade land" as described in 8.1.5.c) Real Estate).

d) Sale Following Placement of Conservation Easement

The specific real property asset has significant conservation value, and prior to the Land Trust's acquisition of the asset the Land Trust stated in writing to the donor of the asset or of a portion of the asset as a bargain sale, or to donors of funds that were contributed specifically to assist acquisition of the asset, that the asset has significant conservation value and that the Land Trust is reserving the right to sell or exchange the asset only after the Land Trust has placed permanent conservation restrictions on the asset sufficient to protect the property's natural and scenic resource values.

e) To Resolve Ownership and Boundary Disputes

The specific real property asset transfer is expected to result in the resolution of a significant ownership or boundary dispute in which the Land Trust has determined that the other party's case has substantial merit, provided that whenever feasible, the Land Trust will seek as part of its consideration for the transfer that it acquires new assets in adjacent or nearby property that will provide significant conservation benefit.

f) Related to Amendment of a Conservation Easement

The specific real property asset transfer involves the amendment of a conservation easement (see also "Conservation Easement Amendment Policy") provided such amendment does not negatively affect the qualification of the specific conservation easement or the status of the Land Trust under any applicable laws, including Section 170(h) of the Internal Revenue Code.

9.8.2 Transfer of a Tangible Personal Property Asset

Tangible personal property assets that have a fair market value in excess of \$10,000 will only be transferred following evaluation of the specific proposed asset transfer by the Board and an affirmative vote to transfer the asset by two-thirds of the entire membership of the Board. Tangible personal property assets that have a fair market value less than \$10,000 but greater than \$1,000 may be transferred by a majority vote of the Executive Committee. Tangible personal property assets that have a fair market value less of \$1,000 or less may be transferred by decision of the Executive Director.

All transactions that transfer a tangible personal property asset must produce a consideration to the Land Trust that reasonably approximates or exceeds the fair market value of the specific asset. Prior to the vote by the Board, the Executive Director shall obtain and submit to the Board an estimate of the fair market value of the specific asset, dated within twelve months of the date of proposed transfer, from an independent professional appraiser of like tangible property assets. If the cost required to obtain a written estimate from an appraiser is an unreasonable percentage of the value of the tangible property asset, then the Executive Director may waive the requirement for a written estimate and instead obtain a less formal

opinion of value, which will be documented in the Land Trust's files. The requirement of fair market value consideration may be waived by the Board if the asset is transferred to another 501(c) non-profit organization.

Any transfer of a tangible personal property asset will be evidenced by a written bill-of-sale, transmittal letter, or similar documentation showing at minimum the name and address of the recipient of the asset, a description of the transferred asset, the date of the transaction, and the description and value of any consideration received by the Land Trust.

9.9 Risk Management Insurance

The Finance and Investment Committee, with the assistance of the Executive Director, will oversee all insurance policies of the Land Trust to evaluate protection against potential risks to the Land Trust, and report annually in March to the Board concerning adequacy of the coverages and any recommendations for change. The Board is responsible for ensuring that adequate insurance is carried by the Land Trust.

Primary insurance for the Land Trust will be obtained through the Conserve-A-Nation Program underwritten by The Chubb Group of Insurance Companies and recommended by the Land Trust Alliance. The following insurance coverages will be obtained through this program: general liability, umbrella liability, property, and directors and officers.

Workers' Compensation Insurance and Unemployment Compensation Insurance will also be obtained as required by state law.

9.10 Safe Deposit Box

The President, Treasurer, and Executive Director each have authority to establish and access a safe deposit box at Camden National Bank.

9.11 Signatures Required for Financial Disbursements

The Executive Director is authorized to sign checks and make charges on the organization credit card in amounts up to \$3,000. Checks in amounts over \$3,000 are to be signed by any two individuals from among the authorized signers, which include the Executive Director, President, Vice President, Treasurer, and Secretary. Charges on the organization credit card in amounts over \$3,000 require approval by the Executive Director and one of these individuals: President, Vice President, Treasurer, or Secretary. All expenditures in excess of \$5,000 require approval of the Board.

9.12 Intra-Bank Account Transfer Authority

The Executive Director has the authority to transfer funds among established Land Trust accounts, and will advise the Bookkeeper and Treasurer of such transfers.

9.13 Valuation of Preserves

To the extent consistent with generally acceptable accounting practices, the financial value of all properties owned in full title (preserves), with the intent to maintain the properties for conservation purposes in perpetuity, will be restated on the Land Trust books on the basis of the State of Maine Farm and Open Space Tax Regulation (ref. Title 36, M.R.S.A., Sections 1101 - 1121, as amended by PL 1995 c. 603.), utilizing the 95% reduction from assessed value under the Open Space Tax Classification valuation formula. This policy does not apply to land that is not owned for conservation purposes and is expected to be sold (trade land).

Prior to restating the financial value of a preserve, it will be protected by a "second layer of conservation protection," represented by a recorded Declaration of Trust, a recorded conservation easement held by another qualified conservation organization or governmental agency, or by feasibly enforceable deed covenants (as described in 12.5.2 Second Layer of Protection Methods for Preserves).

9.14 Exemption of Preserve from Property Tax

The Land Trust will seek exemption from property tax liability for all preserves owned by the Land Trust and managed for conservation purposes. If the subject Town suffers substantial fiscal hardship due to loss of property taxes that otherwise would be due on the preserve, the Board will consider a financial contribution to the respective town in lieu of property tax payment. Such contributions will be based on the estimated costs for services that might be provided by the Town for the respective preserve, and will be determined on an annual basis. The Land Trust will make such a contribution to the Town of Rockport on behalf of the Beech Hill Preserve due to the building at its summit, Beech Nut.

The Land Trust will also seek exemption from property tax liability for its office building and property at 101 Mt. Battie Street in Camden. The Board will consider a financial contribution to the Town of Camden in lieu of property tax payment. Such contribution will be based on the estimated costs for services that might be provided by the Town for the building and property, and will be determined on an annual basis.

10. Staff, Volunteers, and Consultants

10.1 Personnel Handbook

The *Coastal Mountains Land Trust Personnel Handbook*, as adopted at the Board Meeting of 16 September 98 and as subsequently amended by the Board, provides the policies of the Land Trust concerning employment of Staff. The full text of this document is available in the Corporate Documents Binder at the office of the Land Trust.

The Executive Committee, with the advice of the Executive Director, will review the Handbook at least every five years, beginning in 2005, or more frequently if necessary, and will recommend revisions to the Board for consideration and approval.

10.2 Job Description, Supervision, and Evaluation of the Executive Director

The Board will review the job description of the Executive Director during even-numbered years and make revisions as necessary.

The President of the Board, under the directives of the Board, supervises the Executive Director.

The Board annually evaluates the job performance of the Executive Director and sets the Executive Director's compensation. In setting compensation, the Board considers compensation data available for executive directors in Maine non-profit organizations of similar size, and seeks to provide compensation that is fair, equitable, and recognizes the quality of performance of the Executive Director.

10.3 Job Descriptions, Supervision, and Evaluation of Other Staff

The Board, with the advice of the Executive Director, reviews the job descriptions of all other Staff employed by the Land Trust during even-numbered years and makes revisions as necessary.

The Executive Director supervises all other Staff.

The Executive Director evaluates the job performance of all other Staff and reports on those evaluations to the Board. The Board, with the advice of the Executive Director, sets the compensation of all other Staff. In setting compensation, the Board considers data available for job descriptions of comparable staff in Maine non-profit organizations of similar size, and seeks to provide compensation that is fair, equitable, and recognizes the quality of performance of the other Staff.

10.4 Volunteers

The services of volunteers are essential to effective and comprehensive conduct of the Land Trust program. To obtain these services, the Executive Director and assigned Staff will

manage a comprehensive volunteer program that provides recruiting, training, mobilizing, supervising, and honoring of those who donate time and effort to the Land Trust program. The Board will assist Staff in the recruitment of volunteers, including a volunteer coordinator of the volunteers.

10.4.1 William J. Zwartjes Award

The Land Trust will annually recognize an outstanding volunteer with presentation of an award that has been created to honor Bill Zwartjes for his 10 years of service to the Land Trust.

10.5 Contractors

The Land Trust engages consultants, service providers, and other independent contractors to conduct work necessary for the Land Trust program. The Executive Director and assigned Staff will supervise and manage all such contractors under written agreements when such are appropriate. The President or another officer of the Board will review and sign such written agreements. If the agreement concerns work that is not described in the Land Trust Strategic Plan or related Annual Work Plans, or if the costs of such work exceed the related Operating Budget account, the Board will consider and approve the agreement before it is executed by the officer.

All work conducted by contractors will be done in a manner consistent with the Land Trust Alliance Standards and Practices as adopted by the Board.

11. Protection of Conservation Lands

Because the Land Trust has the mission to establish a system of permanent conservation lands and is constrained by financial, staff, and volunteer resources in its efforts to establish such a system, it must utilize its resources efficiently and effectively. The following policies provide the framework of the Land Trust's conservation lands protection program.

11.1 Conservation Planning

Land Trust Staff will obtain the most comprehensive set of natural, scenic, and outdoor recreation resource data available for its service region, and will analyze that set of data with the Land Preservation Committee. Specific attention will be dedicated to each aspect of the mission statement to determine the highest priority areas for conservation lands protection efforts that will fulfill the mission. The results of that planning process will be the delineation of Focal Areas and Regions of Interest.

Focal Areas are places that have the highest priority for conservation in the service region, having received the highest cumulative scores during the planning process. Parcels in Focal Areas will be the primary subjects of proactive land owner contact by Staff to encourage conservation of the parcel. Conservation options in Focal Areas include both purchase and donation of land or conservation easements, and hence are likely to require capital campaigns to protect the Focal Area.

Regions of Interest are those places that surround and enhance the Focal Areas, or are places that have scored highly in the conservation planning process but not at the level of a Focal Area. Parcels in Regions of Interest are secondary subjects of proactive land owner contact by Staff to encourage conservation of the parcel. The primary conservation option in Regions of Interest are donations of land or conservation easements.

The Board will consider the recommendations of the Land Preservation Committee and approve Focal Areas and Regions of Interest as appropriate.

Conservation protection of individual parcels that are not within Focal Areas and Regions of Interest also offer conservation values and public benefits. Such parcels will also be considered for conservation based on those values and benefits as well as the feasibility for the

Land Trust to acquire the parcel and sustain its conservation features.

11.2 Land Owner Relations

The Land Trust works on a truly cooperative basis with owners of parcels that are candidates for conservation. Land owners are fully informed of the potential and feasible conservation options for their property, which may include donation of conservation easement or full title, purchase of conservation easement or full title when such is expected to be feasible, and the potential that other conservation organizations or agencies might be more appropriate to own or hold the conservation interest.

Land owners who decide to engage in transactions with the Land Trust are strongly encouraged in writing from the Staff to obtain their own legal, financial, and tax planning advice regarding the transaction. The Land Trust does not provide advice to land owners on these matters.

11.2.1 Tax Benefits of Donated Conservation Lands

The Land Trust receives donations from individuals and businesses of partial and full value of real estate through acquisition by donations of conservation easements, donations of full title to parcels, and purchases of parcels at less than full market value ("bargain sales"). These gifts are charitable contributions and must be accepted and acknowledged in compliance with federal and state regulations.

The Land Trust will not provide any assurances to land owners who are donating interests in real estate that their donation will be deductible for purposes of their taxes or any other potential tax benefit, nor any statement declaring the amount of the monetary value of the donated interest or what amount might be accepted by the federal Internal Revenue Service or by the State of Maine.

Early in the process of initiation of a new conservation land acquisition project, Staff will notify land owners in writing that, should they donate an interest in real estate to the Land Trust, the terms of the donation must meet the requirements of Internal Revenue Code Subsection 170, the accompanying Treasury Department regulations, and any other federal or state requirements:

a) Appraisals

Staff will inform in writing to all donors of interests in real estate that are anticipated to have a value greater than \$5,000 that documenting the value of their donation will require that they engage a qualified appraiser to provide a qualified appraisal of the interest that meets the requirements of the Internal Revenue Code and is consistent with the Uniform Standards of Professional Appraisal Practice. Further, Staff will inform the land owner that a copy of the completed appraisal must be provided to the Land Trust, and that the Land Trust will not knowingly participate in projects for which the Land Trust has significant concerns about a proposed tax deduction or other anticipated tax benefits.

b) Internal Revenue Service Forms 8283 and 8282

Donors of real estate interests will provide a copy of the appraisal of the donated interest with or prior to their provision of IRS Form 8283, the form utilized by donors to report "non-cash" donations. Form 8283 will be prepared by the donor's advisors, including the donor's appraiser, and Section B, Part I, "Information on Donated Property" and Section B, Part III, "Declaration of Appraiser" must be completed. The Executive Director will review the Form 8283 to determine that the gifted real estate interest is accurately described. The Executive Director will also review the appraisal, and if he/she has significant reservations about the appraisal, he/she will discuss these reservations with the donor. If this discussion does not resolve the Executive Director's significant reservations, he/she will not sign or complete Section B, Part IV, "Donee Acknowledgement," and will explain in a letter written to the donor why he/she has declined to sign. Should the Executive Director have no significant reservations with the appraisal and if Form 8283 has been completed as described above, the Executive Director will sign and complete Part IV.

If the real estate interest is transferred within two years after receipt of the interest (such transfers to be governed by 9.8 Transfer of Assets), the Executive Director will file IRS Form 8282 if the original charitable deduction value of the item was more than \$5,000. The Executive Director must file this form within 125 days of the date of sale or disposition of the real estate interest.

11.3 Project Review and Criteria for Acceptance

When a new conservation land acquisition process is initiated, Staff will begin documentation of the project using either the *Conservation Easement Checklist* or the *Fee Checklist*. These forms provide a framework for documentation of projects, supplemented by other written documentation, prepared as necessary to create a complete record of information related to the transaction for the project file.

All proposed acquisitions of conservation parcels will be evaluated by Staff and the Land Preservation Committee using the *Criteria Worksheet for Evaluation of Candidate Land Conservation Projects*. The Worksheet provides a framework for comprehensively considering the parcel in terms of its conservation values, public benefits (including the conservation purposes test of Internal Revenue Code Subsection 170(h)), and feasibility of both acquisition and perpetual stewardship. Completion of the Worksheet for each parcel provides documentation of these criteria.

Staff will visit candidate conservation parcels to observe conditions on all portions of the parcel and document those conditions for review by the Land Preservation Committee. These site visits will include inspection for hazardous wastes and other significant environmental contamination, and if evidence of such contamination is observed or suspected by Staff, a consultant will be engaged to thoroughly test the site to determine the extent of the contamination and to propose remediation methods for the contaminated sites.

Staff will also evaluate the boundaries of all conservation lands to determine if they are adequately and accurately marked, and will recommend survey by licensed land surveyors when appropriate. Regarding land to be owned in full title by the Land Trust, unless a boundary survey is available at the time the parcel is acquired, the Land Trust will commission a survey by a licensed land surveyor as soon as feasible, and if necessary to clarify any title or boundary matters, prior to closing of the transaction.

Staff will commission appraisals of all parcels or conservation easements proposed to be purchased by a qualified, independent real estate appraiser. In most instances, the Land Trust will not pay more than the fair market value of the parcel or conservation easement as established by the appraisal, though it is acceptable to pay up to 10% above that value due to the fact that all appraisals are matters of opinion of value based on the appraiser's experience and collected information. The Board may decide to pay more than fair market value in very uncommon circumstances provided conservation of the parcel is paramount to protect a unique or very rare resource that is at great threat of destruction. In such instances, Staff will comprehensively document the foundation of the Board's decision to ensure that the excess payment was made to protect critically important conservation values and public benefits.

Those members of the Land Preservation Committee who are able to do so will participate in a site visit with Staff to develop a general understanding of the character of the parcel. Staff will inform all Board members of the scheduled site visit and encourage them to attend.

All land transactions will be reviewed by an attorney experienced in real estate law, for fee or pro bono. The title for all parcels proposed to be conserved will be investigated to determine whether the title has any encumbrances. In regard to donated conservation easements, confirmation of clear title, including notice of any mortgages liens, or other encumbrances that must be subordinated prior to acceptance of the conservation easement, will be required in writing from the land owner's attorney. In regard to parcels that will be owned in full title by the Land Trust or regarding conservation easements that will be purchased by the Land Trust, the attorney engaged by the Land Trust for the project will conduct the title

examination, and when necessary to address minor title defects, will obtain title insurance for the Land Trust.

11.4 Board Consideration and Approval Process

Prior to the vote concerning acquisition of a potential conservation parcel by the Board, Staff will provide the Board with a completed *Conservation Project Information Document* that outlines the relevant features of the project, including a location map and property map, and states the Land Preservation Committee's recommendation regarding protection of the parcel. Supplemental information may also be provided to make it clear to the Board all information necessary for their informed decision.

Approval of a proposed acquisition will require a majority vote of those members of the Board present at the meeting considering the acquisition.

11.5 Charles and Mary P. Chatfield Conservation Award

The Board of Directors will conduct an annual review, prior to the Annual Membership Meeting, to determine if the Charles and Mary P. Chatfield Conservation Award will be presented at the forthcoming Meeting to recognize individuals or businesses who have demonstrated exemplary dedication to land conservation.

12. Stewardship

The Land Trust Mission states that the organization permanently protects its conservation lands. Permanent protection of both conservation easements and preserves requires a strong, stable, sustained stewardship Program. The core purpose of the stewardship policies is to complement other policies of the Land Trust to fulfill the perpetual obligation of care of the conservation values and public benefits of the Land Trust's conserved lands.

12.1 Baseline Documentation

The Land Trust will collect and prepare baseline documentation for all conservation easements and preserves that it acquires to provide a record of the conservation values and condition of the property at the time it was conserved. Baseline documentation will be as comprehensive as feasible in characterizing the subject parcel in order to provide the strongest substantiation of the conditions on the subject parcel so that the baseline documentation can provide effective evidence should a dispute arise about changes in such conditions. Because baseline documentation is required by the Internal Revenue Service for all tax-deductible donated conservation easements, baseline documentation will meet applicable regulations of the IRS.

The baseline documentation for conservation easements will be collected and prepared prior to closing of the acquisition, and the land owner placing the easement will sign the baseline documentation acknowledgement form that confirms that the baseline documentation accurately and completely characterizes the subject parcel at the time of closing.

12.2 Monitoring Conservation Lands

To ensure that the use and management of parcels under conservation easement are in compliance with the terms of the conservation easement and that the conservation values of preserves are being sustained, all conservation lands acquired by the Land Trust are thoroughly monitored at least once a year. Conservation easements will be monitored on a more frequent schedule if the land owner is exercising reserved rights that need additional oversight or approval by Staff. Preserves which have trails or receive other public use will be monitored more frequently to assure public safety and protection of the preserve's conservation values. Staff will conduct such monitoring of conservation lands, or may assign selected monitoring tasks to volunteers adequately trained by Staff. Staff or volunteers will document all

monitoring visits and related correspondence in writing, and the resulting documents will be included in the records of the subject parcel.

12.3 Preserve Management Plans

A management plan for each Preserve will be prepared by Staff and reviewed and approved by the Stewardship Committee. An ecological inventory of the natural and cultural resources on the property which identifies rare and endangered species, exemplary natural communities, environmentally sensitive or fragile areas, location and condition of trails and other altered or damaged areas, structures, and other relevant features of the parcel will be conducted prior to preparation of the management plan. The management plan will be designed to sustain the conservation values and public benefits of the preserve. Each plan will set guidelines to protect ecological resources, control damaging uses, restore ecologically degraded areas, describe public access improvements, and communicate the management objectives of the Land Trust for the preserve.

12.4 Enforcement against Violations to Conservation Lands

On principle and to fulfill the Land Trust mission to permanently protect our conservation lands, the Land Trust will rigorously enforce protection of the Land Trust's conservation easements and preserves. Further, the Land Trust will fulfill its obligations to enforce the conservation easements it holds under the requirements of U.S Treasury Regulations 1.170A-14(c) concerning qualified conservation easement holders.

The Land Trust's enforcement practices begin with good land owner relations involving both abutters to preserves as well as the owners of lands under conservation easement. The best way to deal with violations is to prevent them from occurring in the first place by maintaining clear, open, and continuing dialogue with land owners about the Land Trust's conservation properties. Staff will engage in such dialogue with land owners and the public to help prevent violations from occurring.

12.4.1 Violation Evaluation

When the Land Trust becomes aware that a violation has occurred on a preserve or conservation easement property, the Conservation Lands Manager will confer with the Executive Director to evaluate the violation and to develop a plan of action. The Stewardship Committee will also be informed and shall meet as soon as feasible to evaluate information collected about the violation, review the conservation easement language or preserve management plan, and consider all available facts regarding the suspected violation.

The Committee will recommend appropriate actions to the Board to address the violation and seek restoration of the degraded condition of the subject conservation land. Such responses might include directing Staff to: attempt to resolve the violation through negotiation with the violating party; or engage an attorney to negotiate or litigate a resolution to the violation, including potentially seeking an injunction to prevent further damage to the conservation values by the violation.

12.4.2 Records of Violation

Staff will keep all correspondence and other material related to violations in the original documents file and in duplicate files as described in 5.2 Records of Conservation Acquisitions.

12.4.3 Designation of the Land Trust Representative for Violation Resolution

Unless otherwise specified by the Board, the Conservation Lands Manager will act as the spokesperson with all parties concerning violations, including any attorney engaged by the Land Trust, the press, the land owner, or the party responsible for the violation. Prior to speaking to these parties, the Conservation Lands Manager will consult with the Executive Director and the Stewardship Committee.

12.4.4 Determining Outcome of Violation

The Board will determine whether to pursue a violation in court or to resolve a violation through mediation, arbitration, or negotiated settlement, after hearing recommendations from the Staff, the Stewardship Committee, and its attorney if one is engaged. This determination will be based upon an analysis of the Land Trust's legal responsibilities under the conservation easement or preserve management plan, the impacts of the violation on the conservation values of the conservation easement or preserve, the potential of the violation to set an unfavorable legal precedent for conservation, the impact of the violation on the perception of the public concerning the enforcement methods chosen, and the likelihood of prevailing should the matter come to a court for decision. In no event shall a violation be ignored.

12.5 Contingency Measures to Assure Permanent Legal Protection for Conservation Lands

12.5.1 Conservation Lands Registry

Staff will register all conservation easements and preserves in a statewide registry of conservation lands managed by a statewide non-profit organization or state government agency. The purpose of the registry is to assure that conserved lands will be known by state authorities should the Land Trust dissolve its corporation in such a manner that the conservation lands were not transferred to qualified holders or owners. The Land Trust anticipates that should this unlikely event occur, the information in the registry will provide the opportunity for the Attorney General of the State of Maine to assign the conservation easements or preserves to a successor qualified holder or owner.

A designated member of the Board will review this registry annually in March to confirm that the Land Trust's conservation lands are completely registered. If that is not the case, the Board will direct the Executive Director complete registration by a scheduled date.

Staff will maintain records of all conservation easements and funds necessary for their stewardship. These records and funds will be transferred to any successor holder of the conservation easement.

12.5.2 Second Layer of Protection Methods for Preserves

The Land Trust utilizes three methods to provide assurance that all preserves will be permanently conserved.

a) Conservation easement held by a second party

When a qualified holder of conservation easements--another land trust, municipal government, or state government agency--is willing to hold a conservation easement on Land Trust preserves, the Staff will prepare the conservation easement and baseline documentation with the second party organization. The Land Preservation Committee will review the conservation easement and recommend action by the Board concerning its approval. If approved, the conservation easement will be recorded in the applicable county registry of deeds as soon as feasible.

b) Declaration of Trust

If it is not feasible for a second party to hold a conservation easement on a preserve, Staff will prepare a declaration of trust for the preserve. The Land Preservation Committee will review the declaration of trust and recommend action by the Board concerning its approval. If approved, the declaration of trust will be recorded in the applicable county registry of deeds as soon as feasible.

c) Recorded Project Agreement with a Governmental Agency or Program

In instances where funding for a land conservation project has been provided by a governmental agency or program, and if such agency or program requires as a contingency of granting the funding that the agency or program and the Land Trust enter into a project agreement that permanently conserves the property, then such project agreement will constitute an acceptable second layer of protection method

Staff will maintain records of all preserves and the related deposits to the Endowment and Conservation Lands Defense Fund. The original copy of such records will be transferred to any successor owner of the preserve. The Board will determine the amount of funds to be transferred to the successor owner regarding stewardship of the preserve.

12.6 Amendment of Conservation Easements

All proposed amendments to conservation easements will be reviewed by the Land Preservation Committee, the Stewardship Committee, a qualified attorney engaged by the Land Trust, and the Board. The Board may grant an amendment to a conservation easement only if both of these conditions are met:

- a) there is not a net loss in the financial value of the original conservation easement nor does the amendment result in private inurement or impermissible private benefit; and
- b) at least one of the following conditions results from acceptance of the amendment:
 - there is a net gain in the conservation values protected by the original conservation easement; or
 - there is a neutral impact on the conservation values protected by the original conservation easement and the amendment facilitates administration of the easement; or
 - there is a neutral impact on the conservation values protected by the original conservation easement and the amendment is deemed necessary by the land trust to clarify easement language or to correct an administrative error.

All costs of an amendment incurred by the Land Trust, including legal review, staff time, appraisals, ecological evaluations, baseline data, and other expenses, will be paid by the land owner requesting the amendment, regardless of whether or not the amendment is granted.

12.7 Vehicular Access to and Use of Preserves

Mechanical vehicles of any kind, whether motorized or non-motorized, including but not limited to trucks, cars, tractors, motorized bikes, motorcycles, all terrain vehicles, dune buggies, human-powered bicycles, snowmobiles, wheel chairs, hovercraft, and other mechanical devices that transport people over the ground, have the potential to negatively impact the conservation values of the Land Trust preserves and might conflict with elements of the Land Trust mission. Due to this potential, the Land Trust has established this policy to provide for acceptable vehicular access to and use of preserves.

12.7.1 General Terms

In general, vehicular access to and use of preserves by the public is prohibited on Land Trust preserves. Any exception to this policy must be approved by the Board on a case-by-case basis. The foremost criteria in considering such cases will be the impact of the proposed vehicular use on the ecological conditions of the preserve and the experience of visitors to the preserve who are not using vehicles. To fulfill its mission, the Board must favor protecting the important resources of the preserve and the opportunity for the public to experience the natural landscape without substantial disturbance over allowing vehicular access to and use of the preserve by the public.

Vehicles operated by Staff, volunteers, or contractors will have access to preserves for official Land Trust purposes as determined by the Stewardship Committee, including monitoring, management, and rehabilitation activities.

Vehicles that assist disabled people, including wheelchairs and motorized carts, will be allowed on trails that are designated for such use and that are constructed in a manner to be safe for operation of such vehicles and to not degrade ecological resources.

12.7.2 Specific Vehicle Uses

a) Trucks and Cars

Trucks and cars may only use designated preserve parking areas and their access driveways, and deeded rights-of-way that benefit other parcels.

b) Off-Road Vehicles

Vehicles that are designed for or capable of off-road use may only use deeded rights-of-way that benefit other parcels unless specific approval for such use has been approved by the Board and is consistent with the management plan for the preserve. The criteria and process for such approval is described below.

12.7.3 Criteria and Process for Approval of Off-Road Vehicular Access to and Use of Preserves

Proposals for allowing vehicular access to and use of preserves by the public will be considered under the following criteria and through the following process.

12.7.3.1 Criteria

a) General Criteria

- In no case will the preserve be the destination of the proposed vehicular use.
- The vehicular access and use proposed for a preserve will be confined to the minimum area of the preserve necessary to provide the use, and passage over the preserve must be located on the most direct route feasible that least impacts ecological conditions, visitor experience, and public safety, except that more extensive use of a preserve by human-powered bicycles might be allowed if such use is specified in the preserve management plan.
- Vehicular access to and use of a preserve will only be allowed if the vehicle user group has obtained written permission from abutters to the preserve that allows the vehicular use of their land for vehicles entering or leaving the preserve.
- The proposed vehicular use must have been occurring on the preserve prior to its acquisition by the Land Trust, except in the instance of use by human-powered bicycles, in which case such use may be introduced to a preserve if it is specified in the preserve management plan.
- There must be reasonable assurance that the vehicular use will be confined to the designated passage corridor.

b) Criteria Regarding the Management Plan

- The management plan for the affected preserve will be completed and approved by the Stewardship Committee prior to consideration of vehicular access and use proposals.
- During the period of developing the management plan, human-powered bicycles may continue to use existing trails on preserves unless the impact of such use is significantly degrading ecological resources.
- The proposed vehicular access and use will be consistent with the goals and management practices of the preserve management plan.
- A primary purpose in allowing the vehicular access and use will be to provide a specific, delineated place for such use that will reduce potential impact to the rest of the preserve and further the management plan's strategy of governing vehicular use of the preserve.

c) Criteria Regarding User Groups

An established, formally organized user group recognized by the local community and/or by a state program must agree to enter into a revocable use agreement with the Land Trust that sets terms for monitoring, maintaining, and enforcing vehicular use in the proposed vehicular passage corridor on the preserve. The user group will be obligated to:

- operate their vehicles in a safe and courteous manner;
- ensure that vehicles will not be used outside of the passage corridor;
- comply with closure of the passage corridor when seasonal conditions are such that the natural resources of the passage corridor and preserve would be negatively impacted by the use; and

- conduct the substantial work necessary to construct and maintain an appropriately hardened trail to the specifications and under direction of the Land Trust, and to repair any damage caused by the vehicular use.

12.7.3.2 Process

The Stewardship Committee will review all proposals for vehicular access to and use of preserves. Should the Committee determine that such use is suitable under the Management Plan, Staff will prepare a specific proposal for consideration by the Board that includes the rationale for granting an exception to the general policy prohibiting vehicular access and use of preserves, identification and description of the user group, a map delineating the passage corridor on the preserve, limitations on the proposed use, and a draft of the revocable use agreement. The Board will act to approve or reject the proposal. If the Board rejects the proposal, it will state the reasons why so the user group can be informed by Staff of the basis for the decision.

12.7.4 Reserved Rights of the Land Trust

In all instances, at any time, and at its sole discretion, the Land Trust reserves the right to discontinue vehicular access to and use of a Preserve or to change the terms of use, including re-routing the location of the passage corridor. This reservation will be stated in all revocable use agreements.

12.8 Use of the Beech Nut Historic District

The Beech Nut Historic District of the Beech Hill Preserve is managed with several objectives related to the mission of the Land Trust and how it is implemented. In particular, the Beech Nut Historic District is managed with these primary objectives:

- to sustain the natural and historic values of the Beech Nut Historic District;
- to provide opportunities for the public to experience a place that at times offers solitude and wildness in its immediate landscape and scenic views of the western Penobscot Bay region; and
- to promote public awareness of and support for the history, ecology, management, and conservation of the Beech Hill Preserve.

To achieve this end, the Board of Directors has approved the following set of guidelines:

- Beech Nut may not be used for commercial events or private, non-Land-Trust functions (for example, weddings);
- no more than one major Land Trust event will be held at Beech Hill per year (events similar in scale to a Conservation Partners' Party or an Annual Membership Meeting);
- Beech Nut may only be open when a Staff member, Board member, or trained volunteer is present;
- Beech Nut may be open to the public no more than two days per month between mid-May and mid-October; in addition, Beech Nut will be open during the annual free blueberry pick; and
- Beech Nut may occasionally be opened in other months as necessary to conduct outreach events (for example, a winter snowshoe trip to see a celestial occurrence).

13. Agreements with Partners to Projects

When the Land Trust collaborates with another conservation organization or governmental organization on any type of substantial project, the understandings of the partners will be documented by a written agreement. The agreement will state:

- the goals of the project;
- the roles and responsibilities of each partner;
- any relevant legal or financial arrangements;
- how communications between the partners will be managed; and

- how the public will be informed of the project, including acknowledgement of each partners' involvement.

14. Public Issues

14.1 Process for Considering Involvement in Public Issues

The Land Trust is occasionally encouraged or asked to take a position in various public issue, often concerning environmental policies, regulations, enforcement matters, or other such issues. Because the Land Trust believes that intervention in such issues has a significant potential to diminish the opportunity to work with landowners of any political perspective on a fully cooperative basis to conserve their lands, the Land Trust has generally elected to not intervene unless land it owns or conservation easements it holds will be directly and substantially affected by the particular public issue.

All proposals that the Land Trust become involved in such public issues will first be reviewed by the Executive Committee. Should the Executive Committee decide to recommend the issue for Board consideration, the Board will make all decisions concerning approval of the Land Trust's involvement in the issue. The key criteria for this decision process are:

- How does the issue relate to the Land Trust Mission, and will involvement advance its implementation?
- Will Land Trust involvement alienate key parts of the community and make achieving its Mission significantly more difficult or less likely?
- Is land owned by the Land Trust directly affected by the issue, and will it impact or substantially interfere with the goals of the Land Trust's stewardship of the land?
- Will involvement of the Land Trust result in the allocation of organizational resources-- financial, staff and volunteer time--to an extent that other program initiatives will be impeded?
- Are there organizations or individuals involved in the issue that share our interests and are already covering them adequately? Conversely, is the Land Trust better situated to address issues not adequately represented by others?

Public issues that concern matters intended to directly improve the general potential for land conservation will usually be supported by the Land Trust. Such matters include bond issues to provide funding for land conservation (e.g., bond issues for the Land for Maine's Future Program), proposals to enhance incentives for land owners to conserve their property voluntarily (e.g., legislation concerning tax benefits of land conservation), and other such matters. The Executive Committee will consider such matters to determine if the Land Trust should become involved in them.

14.2 Registration For Lobbying Election

The Land Trust has registered for the lobbying election with the Internal Revenue Service. The purpose for registration is to allow the Land Trust to expend up to 20% of our first \$500,000 of exempt expenditures on direct lobbying activities, and up to 25% of that limit on grassroots lobbying. When such lobbying activities occur, the expenditures will be classified with a specific account in the Land Trust's Chart of Accounts, and the Bookkeeper will record all such expenditures in that account. These records will be included in the IRS Form 990 for the affected fiscal year.

15. Confidentiality

The Board, Staff, volunteers, consultants, and others working on behalf of the Land

Trust are exposed to confidential information in the normal course of working on Land Trust activities, thereby becoming "informed persons" to whom this policy applies. Confidential information includes, for example, such information as personnel evaluations, details of donor contributions, terms of land acquisition transactions, or other similarly sensitive matters. Disclosure of confidential information to members of the public can damage the integrity and reputation of the Land Trust as well as those parties related to the specific information, and might cause such serious problems as legal action by aggrieved parties, loss of donor confidence and support, breakdown in land acquisition negotiations, and other similar negative impacts to the Land Trust program.

This policy does not apply to general information concerning the Land Trust program that is available in its publications or on its website.

The Land Trust is committed to maintaining the highest level of protection of confidential information obtained, developed, or used in the course of its business.

15.1 Adherence to the Confidentiality Policy

When confidential information is made available to informed persons, they will be clearly advised of the confidential nature of the information, and will be expected to follow this policy by adhering to the following rules:

- request and use only information that is necessary to conduct the related Land Trust business;
- do not divulge any confidential information to any party external to the Land Trust;
- do not exploit for individual benefit, or improperly use or permit to be used for the benefit of others, any confidential information;
- keep all confidential information in their possession in a safe and secure place and take reasonable steps to protect the information against inadvertent or purposeful disclosure;
- do not make any copies of any materials, unless required for Land Trust business, and purge electronic materials from personal computers when no longer needed for Land Trust business;
- return all materials containing confidential information to the Executive Director when such materials are no longer necessary for conducting the specific business of the Land Trust; and
- inform the Executive Director immediately if the confidentiality of materials have been compromised due to loss or theft;
- promptly advise the Executive Director upon becoming aware that another party has disclosed, used, or handled confidential information in a manner inconsistent with this agreement; and
- follow the Land Trust's conflict of interest policy (as described in 7. Conflicts of Interest) in the event that there is a conflict between this confidentiality policy and the conflict of interest policy, as the conflict of interest policy takes precedence.

15.2 Breach of the Confidentiality Policy

In the event that the Executive Director becomes aware of a potential breach of the above rules regarding adherence to confidentiality, he/she will investigate the potential breach to determine if it occurred and the extent of the disclosure of confidential information. Promptly following that investigation, he/she will take the following actions:

- if the breach was made by any informed person other than a Board Member, the Executive Director will determine how to address the breach by methods appropriate to the extent of the breach; the mitigating action by the Executive Director might range from directing the informed person who caused the breach to cease such breaches and to recover the disclosed information, to dismissal from employment or involvement with the Land Trust; or
- if the breach was made by a Board member, the Executive Director will inform the President of the Board of all known facts concerning the breach; the President will

address the breach by methods appropriate to the extent of the breach, which might include presentation of the facts concerning the breach to the full Board for action.

15.3 Agreement to Abide by the Confidentiality Policy

The following statement will be signed by all persons who are might become informed of confidential information and would henceforth become covered by this policy:

I have read and understand the Coastal Mountains Land Trust Confidentiality Policy and agree to abide by its terms at all times and in any circumstance.

Signature: _____

Name: _____

Date: _____

The file containing the Confidentiality Agreement statements will be reviewed annually by a designated member of the Board during the Third Quarter of the year to ensure that all covered persons have signed an Agreement.

16. Appendix: Table of Key Policy Implementation Dates

<u>Date to Implement</u>	<u>Which Action</u>	<u>Who Implements</u>
Annually, 1st Quarter	Review Policies and Bylaws	Board
Annually, 1st Quarter	Evaluate Plan Progress	Board + Staff
Annually, 1st Quarter	Inspect Corporate Documents	President
Annually, 3rd Quarter	Review Confidentiality Agreement statements	Board
Annually	Planning Meeting	Board + Staff
Annually	Audit Conservation Records	Stewardship Staff
Even-numbered years, 3rd Quarter	Review Executive Director job description	Board
Even-numbered years, 3rd Quarter	Review Staff job descriptions	Board + Executive Director
January	Contribution to Towns re: Services for Office and Beech Nut	Board
February and March	Operating budget	Executive Director, Finance Comm., Board
March	Consider withdrawal from Endowment	Board
March (if necessary)	Transfer excess funds from Conservation Lands Defense Fund to Endowment	Treasurer + Executive Director
March	Insurance Report to Board	Treasurer + Finance Comm.
March	Review Conservation Lands Registry	Board Member + Stewardship staff
Prior to fiscal year	Annual Work Plans	Staff + Executive Comm.
Promptly after end of fiscal year	Prepare Audit, Financial Statements, IRS 990	Staff, Treasurer, Accountant
April and October	Investments Report to Board	Treasurer + Finance Comm.
November	Evaluate Executive Director	Board
November	Evaluate Staff	Executive Director
Every 3 Years	Audit Conservation Records	Board Member
Every 5 years	New Strategic Plan	Board + Staff
With New Strategic Plans	Review Mission Statement	Board
Every 5 years (next 2010)	Review Personnel Handbook	Executive Comm. + Executive Director
As necessary	Review Board job description	Board Advancement Comm.
As necessary	New Board Member orientation	President+ Executive Director
End of 1st 6 mo. of term	New Board Member evaluation	Vice President
6 mo. prior to end of term	Board Member evaluation	Vice President
If Non-cash gift sold within 2 years of gift	File IRS 8282 within 125 days of sale	Executive Director