

**GREENSBORO LAND TRUST  
STATEMENTS OF POLICY**

**(Readopted, Amended or Adopted February 17, 2018)**

*The complete policies of the Greensboro Land Trust (hereafter “GLT”) are set forth at length below. In 2017 a committee was formed to review all then existing policies and to make recommendations for amendments and new policies. The committee was also charged with aligning the GLT policies with the revised Standards and Practices of the national Land Trust Alliance (hereafter “LTA”), which is required in order for the GLT to retain its LTA accreditation.*

*After reviewing, discussing and modifying the committee’s recommendations, the entire GLT board met on February 17, 2018 and adopted the policies which follow. In some cases the policies remain essentially the same as they were in the past; in other cases there are some significant differences. Also, several new policies have been adopted.*

- 1. CRITERIA FOR LAND PROTECTION/PROJECT SELECTION**
- 2. STEWARDSHIP FEE**
- 3. LTA STANDARDS AND PRACTICES**
- 4. PROJECT PLANNING**
- 5. CODE OF ETHICS**
- 6. RECORDS**
- 7. CONFLICT OF INTEREST**
- 8. EASEMENT AMENDMENT POLICY**
- 9. NON-DISCRIMINATION**
- 10. FINANCIAL AND ASSET MANAGEMENT**
- 11. STEWARDSHIP/MONITORING**
- 12. PURCHASING LAND OR CONSERVATION EASEMENTS**
- 13. ENFORCING CONSERVATION EASEMENTS**
- 14. BOARD GOVERNANCE**
- 15. DISCLOSING A DONOR’S OPTION TO PURSUE A TAX DEDUCTION**
- 16. COMMITTEE MEETINGS: NOTICE AND MINUTES**
- 17. YEARLY CALENDAR**
- 18. STRATEGIC PLAN**
- 19. POLICY AND BYLAW REVIEW**
- 20. ELECTRONIC RECORD KEEPING**

## 1. CRITERIA FOR LAND PROTECTION/PROJECT SELECTION

*(Originally adopted by GLT Board on June 3, 2005, and April 6, 2007, amended and readopted February 17, 2018. Related LTA Standard, #8)*

In selecting conservation projects, it is the Greensboro Land Trust's policy to evaluate each proposed project according to the following criteria:

**1. Consistency with the GLT's mission and objectives as stated in its bylaws;**

**2. Public benefit according to the following four categories listed by the Internal Revenue Service:**

- a. Outdoor recreational or educational use by the general public;
- b. Protection of a relatively natural habitat for fish, wildlife, plants, or similar ecosystems;
- c. The preservation of an historically important land area or certified historic structure; and
- d. Open space (including farmland and forest land) that is either preserved for the scenic enjoyment of the general public or protected pursuant to clearly delineated federal, state, or local governmental conservation policy, and that will yield a significant public benefit.

**3. Federal and state requirements;**

**4. The probability that costs of the project can be covered by special fund-raising and/or the GLT's unrestricted reserves, without unduly depleting the latter;**

**5. The GLT's ability, as far as can be foreseen, to conduct perpetual stewardship of the project.**

**6. The following priorities specific to Greensboro:**

- a. Farms (dairy and other) and other agricultural uses
- b. Land abutting and/or linking existing nature preserves or protected areas
- c. Other land containing open spaces for scenic enjoyment by the public, i.e. offering significant views either towards the property itself or from the property to other sites (applies particularly to hilltops and ridge lines)
- d. Properties surrounding Caspian and Eligo Lakes and Long Pond
- e. Traditional community assets (e.g. Sharp's and Cook's Hills)
- f. Ecologically unique areas.
- g. Woodland
- h. Lands under development pressure
- i. Lands linking properties in order to preserve wildlife corridors

**7. The GLT will refrain from adopting a formal plan or strategy which targets individual properties.**

## 2. STEWARDSHIP FEE

*(Adopted by GLT Board on December 10, 2004, amended on October 7, 2005 and May 17, 2014, amended and readopted February 17, 2018. Related LTA Standard, #11)*

The GLT maintains a stewardship endowment that can only be drawn on to finance costs of monitoring its conservation easements and defending them against potential legal challenges. The GLT subscribes to the captive insurance program called Terrafirma, established by the Land Trust Alliance in 2014. Terrafirma maintains a formula by which a land trust can compute the minimum level of funds it needs to hold in its stewardship endowment for purposes of monitoring and defending its conservation easement portfolio, and the GLT will adhere to that formula. The GLT will maintain at least this amount in its stewardship endowment. Additions to that amount may be required if one or more easements have provisions that would add to monitoring costs in the future.

Pursuant to Article VIII of the GLT bylaws, as amended (December 2, 2017), funds in the stewardship endowment fund in excess of the amount which the board estimates to be required for monitoring and legal defense may be transferred into the general fund. Such transfers may only be made with board approval.

If financial or market conditions reduce the value of stewardship endowment fund below the amount required by the Terrafirma formula, the treasurer shall immediately transfer sufficient funds from the general fund to cover the shortage.

According to the Terrafirma formula, acquisition of a conservation easement imposes a need to add a stewardship fee for that easement to GLT's stewardship endowment. The appropriate time for payment of the stewardship fee is the date of closing, since GLT's liability commences at that point.

**1. Donated Easements.** The GLT recognizes that an easement donation has significant value, while the accompanying costs for survey, appraisal, and legal advice represent out-of-pocket expenses for the donor. Ordinarily, the donor of an easement will be asked to cover the stewardship fee. However, this requirement may be waived by board of trustees.

**2. Purchased Easements.** In the case of purchased easements, the seller, as a rule, will be responsible for contributing the full costs of a stewardship fee, as the GLT is prohibited from paying more than fair market value for an easement.

**3. Bargain Sales.** In the case of acquiring an easement through a bargain sale, the responsibility for the stewardship fee will be made explicit as part of the negotiation. The trustees may assume the responsibility as with donated easements, or the seller may assume the responsibility as with purchased easements.

## 3. L.T.A. STANDARDS AND PRACTICES.

(Adopted by GLT Board Sept 16, 2017, readopted February 17, 2018)

WHEREAS the Greensboro Land Trust has reviewed the Land Trust Standards and Practices (the “Standards”), first published by the Land Trust Alliance in 1989, and with the most recent revisions effective February 3, 2017, and

WHEREAS the Greensboro Land Trust agrees that the Standards are the ethical and technical guidelines for the responsible operation of a land trust,

NOW THEREFORE, be it resolved that the Board of Trustees of the Greensboro Land Trust hereby adopts and commits to implementing the Standards as guidelines for the organization’s operations.

#### 4. PROJECT PLANNING

*(Adopted by GLT Board on April 6, 2007, amended and readopted February 17, 2018. Related LTA Standard, #8)*

In planning conservation projects, it is the Greensboro Land Trust’s policy to take the following steps:

1. Identify the property boundaries
2. Identify important conservation values.
  3. Identify how the project meets the GLT’s mission and its protection criteria
4. Evaluate any threats to the conservation values
5. Clarify landowner and GLT goals for the project
6. Select the appropriate conservation strategy for the property
7. Evaluate the GLT’s capacity to undertake the project and fulfil long-term stewardship responsibilities.

#### 5. CODE OF ETHICS.

*(Adopted by GLT Board on April 6, 2007, amended and readopted February 17, 2018. Related Land Trust Alliance Standard, #1)*

1. We, as trustees and advisors of the Greensboro Land Trust, dedicate ourselves to the protection of land that furthers the mission of the GLT, and to fostering opportunities to

connect people with the land. As representatives of the GLT, we have an obligation to help maintain the credibility of the land conservation community by ensuring that our actions will enhance the reputation of land conservation. We acknowledge the trust placed in the GLT by our donors, landowners, partners, and the public, and our actions will always uphold that trust. We pledge to conduct organizational and land protection activities under the highest professional standards and in accordance with Land Trust Alliance Standards and Practices. Furthermore, we pledge to be especially diligent in ensuring that our actions serve the public interest, respect all laws, demonstrate integrity, and consider the long-term responsibility to the lands we protect.

2. Ordinarily, information regarding monetary contributions by donors will be maintained in confidence, accessible only to the board chair and treasurer. However, instances may occur where the board must have information about donations in order to make informed decisions about easements or other transactions. Therefore, the board may go into executive session to discuss such donations or other information which the board deems should remain private. If an executive session is held, the minutes should reflect the fact and state the result.

3. All actions by the Greensboro Land Trust, its board of trustees, its advisory board and any employees or agents working on its behalf shall comply with all applicable state and federal laws and any applicable GLT policies or bylaws. Any individual who suspects and discloses any inappropriate or unlawful activity shall not be subject to retribution or censure.

## 6. RECORDS.

*(Adopted by GLT Board on April 6, 2007 and December 6, 2008, amended and readopted February 17, 2018)*

The Town of Greensboro is allowing the Greensboro Land Trust to store its permanent records in the town offices in locked file cabinets. Keys to the file cabinet are held by the Greensboro Town Clerk. Any member of the executive committee and the chair(s) of the monitoring committee are authorized to borrow the keys and access documents in the file cabinets. It is the policy of the GLT to store the records listed below in the file cabinets as soon as they become available. As of April 2007, GLT management has been charged with loading as much of this material as is available in electronic form onto one or more compact disks and storing it/them in the file cabinets.

### **Type of Record Retention and Storage Periods**

1. Accreditation documentation and correspondence with the LTA Commission:

permanently

2. Internal and external auditors reports: permanently
3. Bi-annual filing on GLT with the Vermont Secretary of State: permanently
4. Easement and land ownership records including project evaluation reports, baseline documentation reports, deeds, easement agreements, maps, appraisals, monitoring reports and all related correspondence: permanently
5. Determination letter from IRS regarding GLT's 501c3 status: permanently
6. Financial statements - annual: permanently
7. GLT newsletters (Includes board membership information): permanently
8. Insurance records, claims, accident reports: permanently
9. Minute books, charter, by-laws: permanently
10. Planned Gifts, codicils to wills, other donor trust documents: permanently
11. Tax returns, worksheets and all supporting documents: permanently
12. Bank deposit slips, reconciliations, statements, cancelled checks: 4 years
13. Credit and debit memos on transfers between GLT accounts: 4 years
14. Donor records: 4 years
15. Expense reports and invoices: 4 years
16. Financial statements – interim: 4 years
17. Committee and other board reports: 4 years
- 18 Invoices: 4 years
- 19 Litigation files – inactive: permanently
- 20 Insurance policies – expired: 3 years
- 21 Budgets: 2 years
- 22 Correspondence, general: 2 years

### **Technology Committee**

A technology committee has been formed to help modernize the GLT's long term storage options. See Policy Number 20.

<b>7. CONFLICT OF INTEREST</b>
--------------------------------

*(Adopted by the GLT Board on April 6, 2007, amended on March 8, 2008, June 14 and*

*September 27, 2014; amended and readopted February 17, 2018. Related LTA Standard, #4)*

**Preamble:** The GLT's effectiveness is especially dependent upon its credibility. It is also essential to maintain our historic organizational values, which include objectivity and fairness. At the same time, it is possible that individual board or advisory committee members, as landowners or developers, may be potential participants in land transactions and advocacy issues in which the GLT is involved.

**Definition:** A conflict of interest exists whenever a trustee or advisory committee member or related party (including the spouse, siblings, parents or children of a trustee or advisory committee member), or a substantial contributor or party related to him or her, has a material financial or other interest in a transaction or project under consideration by the GLT Board of Trustees.

**A. Obligations of Trustees and Advisory Committee members:**

Each member of the board and advisory committee has the following responsibilities and obligations:

1. To disclose in writing to the board chair and/or the executive committee the existence of any real or apparent conflict of interest.
2. To abstain from discussing with the board or staff any issue involved in a conflict of interest, unless requested by the board or a committee thereof to give information on the issue.
3. To absent himself or herself from board or committee discussion on any such project or transactions involving a conflict of interest, unless requested by the board or committee to give information on the issue.
4. To absent himself or herself from the room during voting on any such issue.
5. If so requested by the board, to resign from the board or advisory committee due to the nature and magnitude of the conflict of interest.
6. No board member shall be engaged for paid professional services to the GLT unless a request for proposals regarding those services has been publicized and a committee of at least three trustees has determined that selection of the board member in question over outside candidates is in the GLT's interest.
7. The GLT will at no time loan money to trustees or staff.

**B. Board's Obligations:**

If a GLT transaction or project involves a conflict of interest, whether real or apparent, by a member of the board or advisory committee, the board shall do the following:

1. Consider the nature of the conflict of interest and decide if the transaction or project materially affects the economic interest of the conflicted trustee or advisory committee member, and, if so, ask the party in question to absent him or herself from the discussion and vote on the transaction or project (which may include, but is not limited to, acquisition of conservation interests such as easements or land, financial decisions, and amendments or transfers of conservation interests).

2. Take a position on such project or approve such transaction only if the board makes specific findings that (A) the project or transaction is (i) fair and benefits the GLT and its objectives; and (ii) is approved with full knowledge of the economic benefit to the trustee or advisory committee member involved in the conflict of interest; and (B) that the affected trustee or advisory committee member has not participated in the vote approving the transaction or project and was in fact absent both during the discussion of the transaction or project, and at the time the board voted thereon.
3. The board shall request that the affected trustee or advisory committee member resign from the board or advisory committee if it determines that the nature and magnitude of the conflict of interest warrant it.
4. The GLT shall document the disclosure of any actual or apparent conflicts of interest.
5. Each year, board and advisory committee members shall sign a written disclosure statement which addresses potential conflicts of interest. The audit committee shall review the statements to determine if a real or potential conflict exists, and report back to the board in writing.

## 8. EASEMENT AMENDMENT

*(Adopted by GLT Board on April 6, 2007; amended on May 17, 2014 and February, 2015; amended and readopted February 17, 2018. Related LTA Standard, #11)*

While recognizing that easements are designed to last in perpetuity, the Greensboro Land Trust accepts that it may occasionally be desirable to amend a standing easement agreement in order to take into account changed legislation or changing environmental conditions, or to make the easement acceptable to a successor organization. In any case where the GLT considers amending an easement agreement, the following principles shall be observed:

1. Any amendment must be consistent with the GLT's objectives as stated in its bylaws.
2. Any amendment must result in either a positive or not less than neutral outcome with respect to land conservation.
3. No amendment may lead to private inurement or private benefit inconsistent with the GLT's objectives, and any amendment must be consistent with the GLT's conflict of interest policy.
4. Any amendment must be approved by the GLT's Board of Trustees.
5. If the landowner requests an amendment, and the GLT finds it acceptable, the landowner should pay any associated cost. If the GLT takes the initiative, it shall bear the cost. If the amendment is in the interest of both parties, they should share the cost.
6. Any amendments must be consistent with the documented intent of any direct funding



source of the original easement. In addition, any amendments must be consistent with the documented intent of the donor and grantor.

7. Any amendments must clearly be in the public interest served by the conservation easement, and within the constraints of applicable federal, state and non-profit law and of the easement itself.

8. Any amendments must comply with all federal, state, and local laws.

9. Any amendments must not jeopardize the GLT's tax-exempt status or status as a charitable organization under federal or state law.

10. Any amendments must be consistent with the conservation purpose(s) and intent of the conservation easement.

11. If an amendment is used to adjust conservation easement boundaries (such as to remedy disputes or encroachments) and results in a *de minimis* extinguishment, the GLT will document how the amendment follows LTA amendment principles.

12. The GLT cannot unilaterally amend a conservation easement.

13. Any amended easement, however minor the amendment, shall be recorded in its entirety in the town land records.

14. Should some statute, regulation, court decision or other unforeseen event occur which requires the dissolution or partial dissolution of a conservation easement, the GLT shall consult with the LTA and adhere to the then existing LTA procedures. As of October, 2017, those procedures were set forth in LTA Standard 11J.

## **9. NONDISCRIMINATION.**

*(Adopted by GLT Board on April 6, 2007; amended and readopted February 17, 2018)*

It is the policy of the Greensboro Land Trust not to discriminate on the basis of race, national origin, religion, age, sex, sexual orientation, or disability in regard to the recruitment, hiring or retention of otherwise qualified employees, service on the board of trustees or advisory committee or as an officer, or any other aspect of the GLT's operations. It is furthermore the policy of the Greensboro Land Trust to develop an inclusive and welcoming organizational culture.

## **10. FINANCIAL AND ASSET MANAGEMENT.**

*(Adopted by the GLT Board on April 6, 2007; item E was adopted by the GLT Board partially on June 9, 2012 and subsequently by email votes on July 6, 2012; item C was adopted by the GLT Board on May 17, 2014. Amended and readopted February 17, 2018; Related Land Trust Alliance Standard, #6)*

### **A. Annual Budgets**

The GLT treasurer shall prepare a budget for each fiscal year and submit it to the board at the last regularly scheduled meeting of the current fiscal year. The budget will outline a program for raising funds. The budget shall be consistent with board policy and will be based upon programs planned for the budget year. Budgeted revenue will be greater than or equal to expenses unless the board votes to deliberately draw on reserves.

### **B. Financial Reports and Financial Records**

Each quarter the treasurer shall prepare a financial statement. The statement shall include a profit and loss statement, showing monthly and year-to-date amounts, and a balance sheet.

Whenever the reserves of the GLT change significantly due to major contributions or distributions, the treasurer shall note the contribution or distribution at the next board meeting.

The fiscal year financial statements shall include a written financial review and a comparison of actual results to budget.

Accurate financial records will be maintained on a cash basis and in a format acceptable to a board-approved financial advisor. A board or advisory committee member with an accounting background may be used.

### **C. Financial Review**

The annual financial report, with supporting documents, shall be submitted to an annual external financial evaluation, such as an audit, review, compilation, or other inspection, conducted by an independent certified public accountant (CPA) or qualified accountant who is not a member of the GLT's board or advisory committee. The reviewer's or accountant's written report shall be submitted to the board early in the following fiscal year.

### **D. Internal Controls**

The GLT will maintain one checking account for its own use. All receipts will be deposited in this account and expenditures and fund transfers processed through it. A sufficient balance will be maintained to cover monthly expenditures. The remainder will be invested. All expenditures of over \$250.00 must be approved by a member of the board (a) other than the treasurer or the check signer and (b) other than the person incurring the expense. Invoices relating to expenditures over \$1,000 require two board member signatures for approval prior to payment.

### **E. Investment and Management of Financial Assets**

The Greensboro Land Trust shall maintain two funds: (1) a stewardship endowment fund that is available only to monitor and ensure compliance with the GLT's conservation easements; and (2) a general fund into which receipts other than monies reserved for stewardship are deposited, and out of which operating costs and other non-stewardship expenses are paid.

The stewardship endowment fund may be invested in financial instruments that, in the

opinion of the investment committee, meet the general GLT investment goals of diversified, conservative long-term growth.

Management of the stewardship endowment fund will conform to Article VIII of the GLT's bylaws, as amended February 17, 2018, and by the terms of Policy Two, as amended February 17, 2018.

Apart from those amounts held for short-term cash needs, or amounts too small to be invested for income, or funds in the process of being reinvested, the general fund shall be invested only in FDIC-insured certificates of deposit or U.S. Government obligations. The investment committee will consider investing a portion of the general fund in financial instruments that, in the opinion of the committee, adhere to the investment goals set by the board, and compromised of diversified, conservative long-term growth assets. The treasurer or other officer charged from time to time with managing these funds shall aim towards a maturity structure that will ensure availability of funds as needed, avoiding undue risk of concentration and the risk of penalty from premature conversion of investments to cash.

In addition to the stewardship endowment fund, it is the GLT's policy to build and maintain sufficient reserves in its general fund to cover peaks in annual operating expenses and to provide seed capital for new projects.

#### **F. Donations**

All donations shall be acknowledged by U.S.P.S. mail. The acknowledgement shall contain a statement affirming that the donor has received no goods or services in exchange for his/her donation.

#### **G. Earmarked or Restricted Contributions**

Funds whose donors or other sources have earmarked them for specific purposes shall be so identified in the monthly and annual financial statements, and shall not be expended for other purposes without the source(s)' consent.

#### **H. Non Liquid Assets**

At the discretion of the investment committee, unrestricted gifts of stocks and bonds may either be retained or sold upon receipt.

#### **I. Risk Management and Insurance**

The GLT will maintain adequate liability insurance for its trustees, advisors, and officers and such other insurance as the board deems necessary to protect its assets, directors, advisors and volunteers. The board will review the GLT's insurance coverage annually at the last regularly scheduled board meeting of the fiscal year.

#### **J. Compliance with State and Federal Non-Profit Corporate Reporting Requirements**

The registered agent will file the Non-profit Biennial Report Form with the Office of the Vermont Secretary of State no later than April 1 of even years, so that the Corporation retains its Vermont non-profit corporate status. As long as the GLT's yearly gross receipts

are normally \$50,000.00 or less, the treasurer shall execute an electronic 990N as soon as possible after the end of each July 31 tax year.

## 11. STEWARDSHIP/MONITORING

*(Adopted by GLT Board on August 3, 2007, amended on April 5, 2008. Amended and readopted February 17, 2018. Related LTA Standard, #11)*

The Greensboro Land Trust accepts its responsibility to uphold and protect its conservation easements in perpetuity. Regular stewardship of existing easements is a permanent task. The GLT's bylaws entrust this mission in the first instance to the GLT Monitoring Committee.

### **A. Baseline Documentation**

For each new easement the GLT will prepare a baseline documentation report that includes, at a minimum, the following items:

- (1) The date of completion.
- (2) Documentation (such as maps, photographs, and written summaries) of the conservation values protected by the conservation easement.
- (3) Documentation (such as maps, photographs, and written summaries) of existing conditions that relate to the easement's restrictions and reserved rights. This includes the location and condition of any manmade improvements, data that would influence the exercise of reserved rights, pre-existing conditions that are otherwise prohibited by the easement and/or other features that may threaten the conservation values.
- (4) A combination of dated signatures and/or acknowledgments that would make the material admissible as a business record in court, such as dated signatures of parties and/or dated acknowledgments and the qualifications of the preparer.

As a rule, the baseline documentation report will be prepared sufficiently in advance of closing on an easement agreement so that it can be signed and notarized by a GLT officer and the property owner(s) contemporaneously with closing. The only exceptions to this requirement are existence of poor seasonal conditions for documenting the conservation values of a property, or other extraordinary circumstances which delay completion of the baseline documentation report despite the GLT's best efforts to comply with this rule. In such cases an interim report shall be prepared and executed at closing. The interim report shall include all data available by the date of closing and shall specify a completion date for the final baseline documentation report. Annual monitoring visits (see below) will refer to the baseline documentation report in establishing whether the terms and conditions of the easement agreement have been observed.

When there are significant changes to the land or the conservation easement (such as the result of an amendment or the exercise of a permitted right), those changes will be

documented in an appropriate manner, such as through monitoring reports, a baseline supplement or current conditions report.

### **B. Monitoring Checklist.**

It is the Greensboro Land Trust's policy to monitor its conservation easements annually by visiting the land, preferably in the company of landowners, who will be contacted in advance of each visit and invited to accompany the monitoring team. The following checklist will be reviewed by each team with respect to the properties it visits:

1. Is the landowner familiar with the GLT's annual newsletter? Does he/she/they find it of interest, and what, if any, additional public information would he/she/they like to see the GLT produce?
2. If the landowner is second generation or later, is he/she/they familiar with the easement? (Subsequent landowners may lack a good understanding of the easement before they purchase and may miss minor details, depending on their or their attorney's review.)
3. Does the landowner wish to offer comments vis-à-vis the easement or perceive any problems or needs regarding it?
4. How (if at all) is the land being used agriculturally, and with what results? Is it in current use? Are any new agricultural activities or structures planned?
5. Are any commercial activities underway—home industry or fee-based uses? If GLT approval is required, has it been granted?
6. At the present time most forest management plans expire after ten years. Updates are required at expiration, including amendments desired by the landowner. The GLT must issue a new approval for the updated/amended plan.
7. Has the landowner adhered to the management plan, or has the volume or pattern of cutting exceeded that foreseen in the plan?
8. Is the landowner, through haying or brush hogging, maintaining spaces that were open at the time of closing? If not, what if any action should the GLT take to maintain the spaces? (While a landowner is not required to mow or brush hog open land, it could become costly for the GLT to hire out this service. A landowner may be able to enroll in programs such as the USDA-funded wildlife habitat incentives program, which provides money to brush hog, plant trees, etc.)
9. What plans for the future does the landowner have, including possible sale of the land, estate planning, utility rights-of-way, development of housing, or recreation?
10. Does the baseline documentation report need to be updated to take into account new or changed surveys, other maps, structures, access roads, forest cover, etc.? (In the Vermont Land Trust's experience, some later surveys do not match the metes and bounds description of the easement or area excluded for a homestead. This may require an amendment or notice of conformance establishing that all parties agree to the survey lines.)
11. Does the easement agreement require GLT approval for a landowner's act, subject to certain conditions? (Any such provision should be reviewed on the occasion of the annual

monitoring visit. If a conditional approval expires upon an event such as change of ownership, this should be noted in the GLT's records.)

12. Discretionary approval. If an easement agreement requires GLT approval for certain acts of a landowner, such as installation of structures or establishment of a home business, the GLT will follow a regular procedure for considering approval. Upon receiving word of the landowner's intent, the board chair will consult with the chair of the monitoring committee to consider whether the act in question would compromise values protected by the conservation easement. If they find no detrimental effect, they will so advise the landowner. Conversely, if they find the act to be controversial and possibly detrimental, they will refer it to the board for its next meeting. The board chair will communicate the board's decision to the landowner and other board members in writing.

### **C. Monitoring Report.**

A report will be prepared in two copies following each visit. One copy will be stored in the GLT's records in the town offices. The second copy will be retained by the chair or co-chair of the monitoring committee.

### **D. Longer-term issues**

1. Twenty years after the creation of each easement, the existing baseline documentation report should be evaluated systematically to see if intervening changes call for an *updated* document. In any case, an *updated* baseline documentation report should be prepared for each property after no more than 40 years from creation of the easement, preferably with notarized signatures by the current owner and a GLT representative. The *updated* baseline documentation should accompany previous such reports in the GLT records.
2. Thirty five years after an easement or amendment is recorded, a "notice of recording" shall be filed and recorded in the town land records. Such notice shall adhere to all of the requirements of the Vermont Marketable Act as it is then enacted.
3. If, after a period of years, the GLT significantly changes the template on which it bases its conservation easements, it must consider whether existing easements could or should be changed to incorporate new provisions. However, all such changes must be consistent with the GLT's amendment policy, and cannot be imposed unilaterally by the GLT.

## **12. PURCHASING LAND OR CONSERVATION EASEMENTS**

*[Adopted by GLT Board on August 3, 2007; final paragraphs on title search were adopted by GLT Board on May 17, 2014. Amended and readopted February 17, 2018 )*

When the Greensboro Land Trust buys land, easements or other interests in real property, with rare exceptions it will obtain a qualified independent appraisal to justify the purchase price. An exception may be justified where a property has very low economic value or a full appraisal is not feasible before a public auction. In such cases the GLT may choose to obtain a letter of opinion from a qualified real estate professional.

As a rule the GLT will not acquire real property above the appraised value. An exception to

this rule may occur in cases where the board decides that the public benefit of conserving a parcel exceeds the appraised value, and negotiations with the landowner fail to bring the purchase price down to or below the appraised value. In such cases the justification for the purchase price will be thoroughly documented. Moreover every step will be taken to ensure that the purchase does not result in private inurement or impermissible private benefit.

If negotiating for a purchase below the appraised value, notably in cases of bargain sales, the GLT will ensure that its communications with the landowner are honest and forthright. In particular, the GLT will share with the landowner all information at its disposal relating to tax benefits to which the landowner is legitimately entitled by virtue of accepting a price below market value. Before closing on an acquisition of land or a conservation easement, the GLT will contract with an attorney or title company to search the title. A title opinion must be obtained as close to the closing date as is reasonable and practical, consistent with practice standards in the area. The title opinion should certify that title is marketable to the satisfaction of the GLT. Following closing the attorney or title company must issue a title update which certifies that no encumbrances were placed upon the land between the original date of the title opinion and closing, and which certifies that all necessary documents have been properly recorded. The title update should be issued as soon after the closing as is reasonable and practical, consistent with practice standards in the area. Nothing in this policy shall prevent the GLT from conducting its own preliminary title search to facilitate negotiations with a landowner.

### 13. ENFORCING CONSERVATION EASEMENTS

*(Adopted by GLT Board on August 3, 2007. Amended and readopted February 17, 2018)*

#### **A. Responsibility to Enforce**

By accepting a conservation easement or other real property on which an easement is placed, the Greensboro Land Trust also accepts the responsibility to enforce that easement in the event it is violated, and to defend it from challenges. Enforcement is needed to:

- (1) Engender public confidence in the GLT and its easement program. Addressing violations shows landowners and the public that the GLT stands by its easements for the public benefit.
- (2) Maintain the GLT's legal authority to enforce. Letting a violation slide could undermine the GLT's position in eventual litigation.
- (3) Maintain the GLT's tax-exempt status and ability to accept tax-deductible easement gifts. IRS regulations require that land trusts "have a commitment to protect the conservation purposes of [a] donation, and have the resources to enforce the restrictions." Tax exemption may be jeopardized if a land trust relinquishes enforcement rights to benefit

private individuals.

### **B. Reviewing and Responding to Possible Conservation Easement Violations:**

A violation may be detected during a monitoring visit, observed at other times by GLT members, or reported by third parties. The GLT's first response will be twofold: to document the violation, and contact the landowner in writing, citing the alleged violation. Documentation will normally be carried out by members of the monitoring committee, based on photographs and field notes, comparing the condition of the property following the alleged violation with the condition described in the baseline documentation report. The strategy for contacting the landowner will normally be decided by consultation between the chair of the monitoring committee and members of the executive committee. In the first instance, the GLT will use diplomacy to induce the landowner to acknowledge the violation and the need to correct it. Every effort will be made to negotiate a voluntary resolution.

### **C. Taking Action to Remedy Conservation Easement Violations**

Violations span a wide range between unintentional acts or oversights with minor consequences, or actions that damage an irreplaceable conservation value, such as clear-cutting a forest habitat in violation of the current forest management plan. In the former case, the GLT may 1) decide to take no action beyond educating the landowner to prevent future acts or oversights; 2) respond with a discretionary approval or other remedy such as a written interpretation of vague language in the easement, or 3) recommend to the board/executive committee for approval of an amendment to the conservation easement consistent with the GLT's policy on amending conservation easements. In the case of a significant violation which the GLT cannot adequately remedy through negotiation with the landowner, the GLT will seek legal advice. On the advice of counsel it may choose to propose mediation or arbitration, or as a last resort, undertake litigation. At every stage the GLT will leave the door open to voluntary remediation which does not reduce conservation value. If a violation (such as clearcutting) is irreversible, imposition of further restrictions may be considered as part of the remedy. In order to facilitate enforcement of its easements, and minimize the GLT's financial burden thereby, the following language (or language to the same effect) shall be inserted in GLT easement agreements:

The grantee [i.e. the GLT] shall make reasonable efforts from time to time to assure compliance by grantor with all of the covenants and restrictions herein. In connection with such efforts, grantee may make periodic inspection of all or any portion of the protected property, and for such inspection and enforcement purposes, grantee shall have the right of reasonable access to the protected property. In the event that grantee alleges to the grantor that there is non-compliance with the terms and conditions herein set forth, and grantor agrees to correct this situation to grantee's satisfaction, either through negotiation or other voluntary actions, and if grantee has not incurred any extraordinary expenses, no fees will be assessed to grantor.

Failure by grantor to cause discontinuance, abatement, or such other corrective action as may be demanded by grantee within a reasonable time after receipt of notice and reasonable opportunity to take corrective action shall entitle grantee to bring an action in a court of competent jurisdiction to enforce the terms of this grant and to recover any damages arising from such non-compliance. Such damages, when recovered, may be applied by grantee to corrective action on the protected property, if necessary. If such court determines that grantor has failed to comply with this grant, grantor shall reimburse grantee for any reasonable costs of enforcement, including grantee's staff time, court costs, and attorneys' fees, in addition to any other payments ordered by



such court. In the event that grantee initiates litigation and the court determines that grantor has not failed to comply with this grant and that grantee has initiated litigation without reasonable cause or in bad faith, then grantee shall reimburse grantor for any reasonable costs of defending such action, including court costs and reasonable attorneys' fees. The parties to this grant specifically acknowledge that events and circumstances of non-compliance constitute immediate and irreparable injury, loss, and damage to the protected property and accordingly entitle grantee to such equitable relief including, but not limited to, injunctive relief, as the court deems just. The remedies described herein are in addition to, and not in limitation of, any other remedies available to grantee at law, in equity, or through administrative proceedings.

No delay or omission by grantee in the exercise of any right or remedy upon any breach by grantor shall impair grantee's rights or remedies or be construed as a waiver. Nothing in this enforcement section shall be construed as imposing a liability upon a prior owner of the protected property, where the event or circumstance of non-compliance shall have occurred after said prior owner's ownership or control of the Protected Property has terminated.

## **14. BOARD OF TRUSTEES: GOVERNANCE**

*(Adopted by GLT Board on October 5, 2007, amended on April 5, 2008. Amended and readopted February 17, 2018)*

The GLT Board of Trustees' mission is to represent the people of Greensboro and the Greensboro Land Trust's clients and donors in determining and carrying out appropriate organizational performance. The board's primary role is to set policy and to implement that policy. In so doing, the board is ensuring the GLT's ultimate effectiveness, sustainability, health and integrity. It is the ongoing responsibility of the board to: a) monitor these policies to assess the progress towards goals and compliance with standards and guidelines; and b) to re-evaluate the policies in light of changing circumstances, and in light of new opportunities for, and new challenges to, the GLT. In carrying out these responsibilities the board will likely engage in the following activities:

### **1. Evaluate Organizational Effectiveness and Performance:**

- (a) Consider, determine and evaluate the mission and philosophy;
- (b) Ensure effective organizational planning;
- (c) Select, collaborate with and evaluate the GLT officers;
- (d) Ensure a process to evaluate organizational performance.

### **2. Safeguard the GLT's Legal Integrity**

### **3. Ensure the GLT's Fiscal Health:**

- (a) Consider, determine and evaluate major resource allocations;
- (b) Help develop and solicit sources of support;
- (c) Develop and monitor investment policies.

### **4. Serve as a Link Between the GLT and the Community at Large Through Education and Dialogue:**

- (a) Represent the public interests to the GLT;
- (b) Represent the GLT to the public, especially to potential sources of financial support;
- (c) Represent the GLT to other organizations through linkages to other boards;
- (e) Enhance the GLT's public image and community and governmental relations.

#### **5. Enhance Board Performance:**

- (a) Assess general board and individual trustee performance, the latter by completing each year the annual self-assessment form.
- (b) Ensure trustees understand the GLT's mission through a regular process of trustee orientation;
- (c) Ensure a regular process of board assessment and development;
- (d) Ensure the board's responsiveness to the GLT's needs.

#### **6. Individual Board Member's Responsibilities**

- (A) Acquaint themselves with the GLT's By-laws and Statement of Policies.
- (B) Attend board meetings.
- (C) Serve on board committees and subcommittees.
- (D). Make a personal financial contribution.
- (E) Assist in cultivating and training new trustees.

#### **7. Board Composition**

The GLT's board will be constituted so as to represent different elements in the Greensboro community. The posts of chair and treasurer will not be held by the same individual. If the GLT acquires paid staff, no paid staff member will serve either as Board chair or treasurer.

#### **8. Board Handbook**

The GLT shall provide a written handbook or loose leaf binder which provides expectations for board members, and which contains important information about the GLT, including its policies, bylaws and easements.

<b>15. DISCLOSING A DONOR'S OPTION TO PURSUE A TAX DEDUCTION</b>
--

*(Adopted by GLT Board on May 17, 2014. Amended and readopted February 17, 2018)*

#### **A. Appraisal of the Value of Conservation Easements.**

Many donors of conservation easements seek income tax deductions corresponding to the loss in market value of their conserved land arising from extinction of development rights. The IRS requires that loss to be appraised by a qualified appraiser. A GLT donor claims the deduction by completing an IRS form, currently No. 8283, which indicates the appraised value, and which must be signed by both the appraiser and the authorized GLT officer.

GLT management will not approve such signature unless it is satisfied that the value claimed on the form is reasonable. In case GLT management has doubts about the appraisal and/or the claimed value, it may consult legal counsel and take appropriate action. It will also use a high level of due diligence in evaluating projects with pass-through entities of unrelated parties, and will decline to participate in transactions which it considers to be abusive.

## **B. Acknowledgement Requirements**

The GLT will acknowledge, in writing, each donation to it of cash, objects of value, real estate, or a conservation easement. A donation of part of the appraised value of real estate or a conservation easement is defined as a bargain sale. The GLT's acknowledgement will subtract from the value of the donation the fair market value of any goods or services received by the donor from the GLT in return for the donation. The acknowledgement will specify the date of the donation, and state that the donor has received no goods or services from the GLT in return for it. The GLT's easement agreement template, furnished to every landowner at the outset of negotiations over a project, shall contain the following wording, which shall be omitted from the final version of the agreement:

In the event Landowner intends to declare the easement as a charitable deduction for federal income tax purposes, federal laws require the landowner to do the following:

1. Obtain a qualified appraisal report prepared by a qualified appraiser, which follows the Uniform Standards of Professional Appraisal Practice (USPAP), and which establishes the value of the contribution. Timing of the appraisal must not be earlier than 60 days prior to the date of contribution, and before the due date for the tax return on which the deduction is first claimed. If the appraisal report is dated subsequent to the date of contribution, it must cite the easement's fair market value as of that date,
2. File a summary report (Form 8283) with Landowner's income tax return, containing signatures of the appraiser and the GLT chair,
3. Obtain a release or subordination agreement from all parties that hold a mortgage interest, lien or similar encumbrance on the protected property.

The GLT will need to view the appraisal report, and will ask the landowner to instruct the appraiser to prepare a separate copy of the report (or at least its summary) for the GLT to retain in its records. The GLT will not knowingly participate in a project if it has significant reservations about the claimed tax deduction.

Failure to meet the requirements of the Internal Revenue Code may cause the deduction to be disallowed. The landowner should have all documents reviewed by his/her/their legal advisors and tax advisors before signing to ensure that their interests are fully protected.

**(New Policies as of February 17, 2018)**

<b>16. COMMITTEE MEETINGS: NOTICE AND MINUTES</b>
---

*(Adopted by GLT Board, February 17, 2018)*

It is impractical and often counter-productive for detailed minutes to be taken at every committee meeting. However, the following policies shall apply to all committee meetings:

(A) A committee member shall give advance notice of the committee meeting, generally by email.

(B) A committee member shall write a brief summary of the meeting, which shall be appended to the minutes of the next board meeting.

(C) Any trustee or advisory board member can attend any committee meeting.

## **17. YEARLY CALENDAR**

*(Adopted by GLT Board, February 17, 2018)*

At the beginning of each year the chair shall prepare a calendar of the known deadlines and time lines for the coming year, particularly any activity necessitated by the monitoring requirements and schedule. The calendar should note important dates beyond the coming year in order to provide advance notice of complex or time consuming tasks. The calendar should be appended to the minutes of the year's first board meeting.

## **18. STRATEGIC PLAN**

*(Adopted by GLT Board, February 17, 2018; related LTA Standards 1B(2) and(3))*

The GLT shall adopt a strategic plan every five years. At least one board meeting a year should devote time to monitoring and evaluating progress on implementing the plan.

## **19. POLICY AND BYLAW REVIEW**

*(Adopted by the GLT Board, February 17, 2018; related LTA Standard 2B(3))*

All GLT Bylaws and Policies should be carefully and thoroughly reviewed every five years.

## **20. ELECTRONIC RECORD KEEPING**

*(Adopted by the GLT Board September 16, 2017. Readopted February 17, 2018.)*

A permanent technology committee shall be formed which will be charged with the following responsibilities:

A. Implementing and monitoring a long term protocol for electronically saving and storing GLT records and documents.

- B. Developing a method for cataloguing and indexing those records so they are easily accessible for future board members
- C. Developing an electronic repository for making important documents available to board members.
- D. Maintaining and updating the GLT website as needed.
- E. Issuing an annual report which outlines the specifics of the GLT's electronic protocols.