

**THE LAND STEWARDSHIP PROJECT'S
POLICY FOR REAL ESTATE GIFTS
Previously Updated 4.11.2014
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I. VISION

Since its founding, the Land Stewardship Project (LSP) has worked on behalf of family farms and sustainable agriculture. As we look toward the future, we are concerned that farmers or other landowners who have been good stewards of the land be able to pass their farms on to young farmers or Indian tribes who share their values. It is crucial that beginning farmers have opportunities to build their knowledge and assets on farms and eventually purchase farms based on viable business plans. To advance racial equity, LSP is building relationships with Indian tribal governments that have plans to address land access, food sovereignty and restoration of ecological function. In these ways our vision -- of revitalized rural communities, thriving family farms, a healthy environment and racial justice -- will be strengthened.

Therefore, the Land Stewardship Legacies Initiative has been established whereby farmers and others may, during their lifetime or through their will, gift real estate to LSP as a Land Stewardship Legacy. A Land Stewardship Legacy gift enables a farmer or other landowner to pass to a new generation or Indian tribal entity both land and a land ethic that will benefit the wider community and the common good. After it is sold to a beginning farmer or stewardship-minded farmer, or to an Indian tribal entity with which LSP has a relationship, it will strengthen LSP financially. A Land Stewardship Legacy gift may provide tax benefits to the donor.

A Stewardship Legacy gift enables a person who owns farms or other kinds of real estate to benefit a future generation of stewardship minded farmers and the wider community through a gift that will be sold and used to support LSP's mission.

II. INTRODUCTION

This policy governs a unique opportunity designed to help donors create a legacy and provide a gift to the Land Stewardship Project to support beginning farmers and the mission and work of the organization. Due to the unique nature of each interest in real property, the potential acquisition, management and disposition of property must be carefully reviewed to ensure that the acquisition, maintenance and disposition is in the best interests of the Land Stewardship Project. Therefore, all real estate gifts must be processed in accordance with the provisions of this policy. It is the intention of the Board of Directors that gifts of real estate add to the resources available for program work of Land Stewardship Project. Land Stewardship Project does not intend to become a long-term land manager. Gifts of real estate will not be held in perpetuity through Land Stewardship Project.

III. AUTHORITY TO NEGOTIATE

The Executive Director, or his or her designee, working closely with the Chair of the Land Legacy Committee of the Board of Directors of Land Stewardship Project has the authority to provide oversight, direct volunteers and staff to handle inquiries, negotiate with donors, assemble documentation, and retain appraisers, surveyors, realtors and other technical consultants on behalf of Land Stewardship Project. The Executive Director and Land Legacy Committee Chair can veto a gift as not suitable, but Board approval is required to accept a gift.

Such activities must follow approved procedures and, assuming such agreements are approved by the LSP's legal counsel, a recommendation will be brought for approval to the Board of Directors. If a gift is not in the best interest of LSP, LSP should take the necessary steps to disclaim the gift.

IV. TYPES OF GIFTS

LSP will only accept gifts which clearly support LSP's mission and current programs.

A. Gifts of property that are not real estate. These gifts can be accepted through the Individual Giving Program of LSP.

B. Real estate gifts that can be later sold. LSP will accept a real estate gift that could be sold in one of these ways:

- Held for a finite period during which it can be leased to a beginner farmer while they gain skills and assets to embark on a career in farming or
- Sold to a beginning or stewardship minded farmer at a price that reflects the productive capacity of the land or
- Sold or conveyed to an Indian tribal entity with which LSP has a relationship to use for local food access and/or restoration of ecological function (see the Continuum of Options in Addendum Section E) or
- Used by a beginning farmer for a specified period ~~to assist beginning farmers~~ before being sold in conjunction with a charitable trust to provide income for the donor and eventually LSP or
- Sold immediately to generate income for LSP (or to be part of a charitable trust) because it is not suitable for helping a beginning farmer start a sustainable farming operation or is not farmland.

C. Types of gifts. We will consider the following kinds of gifts:

1. Outright gifts. The Donor may donate his or her entire interest in a parcel of real estate or a partial interest which qualifies as a charitable deduction under the Internal Revenue Code (IRC). A gift of farmland may be held by LSP for a finite period and leased to a beginner farmer while they gain skills and assets to embark on a career in farming, leased to a family farmer, or may be sold to generate income for LSP.

2. Retained life estate. A Donor may donate their real estate and retain a life estate for one or more individuals. This real estate could at some point be leased to a beginner farmer while they gain skills and assets to embark on a career in farming, a family farmer or Indian tribal entity with which LSP has a relationship, and used to provide income to LSP and later sold. After this conveyance, LSP has an equitable interest in the property, with the life tenants retaining a legal interest until the death of the last surviving tenant. In this case the life tenant remains responsible for all costs, maintenance, upkeep, insurance and taxes associated with the property for the remainder of the term of their life use. LSP shall make reasonable inspections to keep apprised of its condition. These inspections shall not interfere with the life tenant's use or enjoyment of the property. Generally, LSP will not make any expenditures for repair or maintenance during the term of the life estate. The remainder interest on retained life estate will generally qualify for a current income tax donation under the IRC to benefit the Donor.

3. Real estate gifts by bequest. If the Land Stewardship Project will or may receive land in satisfaction of a gift, the Executive Director or designee will request that the executor, trustee, or

other legal representative conduct an environmental study similar to that required for an inter-vivos gift. If the executor, trustee, or other legal representative has not made the study and if it does not do so, the Land Stewardship Project may make its own study, determine a study is not needed, or decline to accept the gift.

4. Bargain Sale. A Donor may propose a conveyance of real estate to LSP which is part sale and part gift transaction, which is known as a bargain sale. Bargain sales typically require LSP to purchase the property from a Donor for a sum that is less than fair market value (FMV) of the property. The difference between the FMV and the purchase price represents the amount of the Donor's gift. LSP would need to have funds available to participate in such a transaction. It is not the intent of the Board of Directors to seek to raise funds for these types of gifts.

5. Deferred gifts. There are three options:

- a. A Donor may donate real estate that will be placed in a charitable remainder trust and leased to a family farmer, beginning farmer or Indian tribal entity with which LSP has a relationship. LSP will eventually sell the land through an investment manager and that manager will invest the assets to provide an income for the donor.
- b. Alternatively, a donor may specify that the land be sold as quickly as possible and the assets be placed in a trust to provide an income to the donor, with the remainder interest in LSP's name. In this case LSP would first try to sell the land to a beginning farmer or Indian tribal entity with which LSP has a relationship focused on high levels of stewardship and landscape diversity for a price that reflects the productive capacity of the land (see sales below). Otherwise it would be sold to a farmer for market prices. Upon the death of the donor and beneficiaries, the remainder interest in the assets in the trust would revert to LSP. In either case, it is anticipated the assets after the sale of land will be managed through contract with or in a fund held by a community foundation or other entity with expertise and resources to invest and manage such gifts during the lifetime of the donor. A management fee will be charged by the asset manager. Fees, taken out of the principal would include all trust document costs, accounting and recording payments to beneficiaries, regular reports, IRS reports and the annual IRS K-1. To start a trust would require a minimum investment as specified by the investment manager.
- c. If the donor specified that they want to create a charitable remainder trust based on a maximum return or a sale as quickly as possible, LSP would review the offer. If accepted, it is anticipated that the sale of the land and the assets after the sale of land will be managed through contract with or in a fund held by a community foundation or other entity with expertise and resources to sell the land, invest and manage such gifts.

V. EVALUATION OF POTENTIAL INTERVIVOS GIFTS OF REAL ESTATE.

LSP will evaluate potential gifts using the following process:

A. Property and Report Form. Upon initial inquiry, potential donors will be asked to complete a Real Property Gift Inquiry Form and return it to the Land Stewardship Project with appropriate maps and documentation for review by the Executive Director, or his or her designee, and the Land Legacy Committee Chair.

B. Liens, Mortgages and Encumbrances Review. Property will be reviewed by LSP's legal counsel to determine if it is subject to liens, unpaid mortgages, deeds of trust, unpaid taxes or assessments, or

other encumbrances. If it is found to have such encumbrances, receipt of the real estate will be considered only upon advice from the Land Stewardship Project's legal counsel.

C. Management Evaluation. LSP will conduct a review of its current capacity to manage the land, if it is to be held for a finite period of time. LSP will only agree to receive the land if it has the capacity to manage it.

D. Field Evaluation. Following an offer of a gift of real estate, a member of the Land Stewardship Project staff or an authorized representative will visit the property. A representative may be a local realtor or other person, as the Executive Director may deem appropriate. The purpose of the visit will be to determine the nature and type of the property and to identify potential problems not evident from information initially supplied in the Real Property Gift Inquiry Form that would hinder or prevent the sale or lease of property for cash proceeds. Inspection should include all facts and circumstances surrounding the property, including its use, condition, market value, income analysis, liquidity, zoning, restrictions, whether it is subject to a lease and the terms of that lease and other factors. Other factors could include: adjacent land uses, development, timber harvest, or land uses not compatible with the Land Stewardship project's vision. Land uses on the gift property that should be reviewed in detail include: the current crop production and the current and future cropping options, cropping systems history, history of fertilizer and pesticide use, use of GMOs, soil productivity, history of soil improvement needs, history of soil testing, history of livestock production, history of sustainable approaches for livestock production, potential for livestock production, drained wetlands, potential for wetland restoration, prairie remnants, presence of invasive, threatened or endangered species, etc.

E. Market Evaluation. Whenever practicable, a realtor will analyze the property to evaluate the potential market for each gifted property. The Executive Director may request that the donor provide such an acceptable evaluation from a realtor.

F. Expense Budget. The Land Stewardship Project's staff will prepare a budget outlining all the projected expenses and revenues associated with the acceptance of each proposed real estate gift. Land Stewardship Project's staff will determine if the property has potential for income or a negative cash flow. Generally, property that provides no income or has a negative cash-flow will be reviewed very carefully. This type of property would only be accepted if LSP determines that unique features are such that it would be appropriate to incur reasonable expenses during a period LSP would hold the property and that it could be sold if LSP is unable to carry the expenses.

VI. RESPONSIBILITIES OF THE LIVING DONOR

A. Qualified appraisal.

1. In the event the donor is intending to seek a charitable tax deduction: The donor will be responsible for obtaining a qualified appraisal complying with IRS regulations for the purpose of establishing the value of the gift to comply with federal income tax requirements, including the preparation of Form 8283 ("Non cash Charitable Contributions") See Treas. Reg 1.170A-13(a).

2. If the donor is not seeking charitable tax donation. An appraisal may not be needed, subject to the decision of the Board of Directors.

B. Clear title. The donor must furnish the Land Stewardship Project with evidence of title that shows that title to the property is free and clear, except for current real estate taxes and restrictions

of record, which would not create any economic burden on the Land Stewardship Project as a result of taking title. Title defects may influence acceptance of the property. The Land Stewardship Project will determine whether the defects can be reasonably corrected. If correction of title defects is possible, corrections will be at the expense of the donor or donor's estate. The cost of a title insurance policy can be split between donor and the Land Stewardship Project.

C. Preparation of deed. The donor will be responsible for preparing the deed and other instruments necessary to transfer the property to the Land Stewardship Project. All proposed transfer instruments must be reviewed by the Land Stewardship Project's legal counsel prior to acceptance by the Board of Directors of the Land Stewardship Project.

D. Maintenance of property. A Donor will be responsible for all expenses of maintaining the property and will assume any risk of loss up to the date of conveyance of property to LSP.

E. Payment of other expenses. Prior to acceptance of a property, the Land Stewardship Project and the Donor must agree in writing on arrangements for payment of expenses associated with the property, such as commissions, real estate taxes, utilities, insurance, and maintenance costs. The Land Stewardship Project will not advance funds for the payment of such expenses without an agreement between both parties.

F. Environmental audit. No property will be accepted if there is a likelihood of liability that could attach to the Land Stewardship Project as a result of taking title to the property. The Land Stewardship Project Board of Directors may decide to self-fund an environmental audit or request the donor to pay for it. If environmental risks exist, LSP will determine whether those risks should be assumed by LSP, mitigated by the Donor before acquisition by LSP or whether indemnification of LSP by the Donor should be required.

VII. BEQUESTS

A Donor is encouraged to discuss contemplated bequests of real estate with LSP before finalizing their wills. Property that is bequeathed to the Land Stewardship Project will be evaluated in accordance with section V above as for all other gifts of real property. In addition, the estate will be responsible for the following:

A. Qualified appraisal.

1. In the event the estate is intending to seek a charitable tax deduction: The estate will be responsible for obtaining a qualified appraisal complying with IRS regulations for the purpose of establishing the value of the gift to comply with federal income tax requirements, including the preparation of Form 8283 ("Non cash Charitable Contributions") See Treas. Reg 1.170A-13(a).

2. If the estate is not seeking charitable tax donation an appraisal may not be needed, subject to the decision of the Board of Directors.

B. Clear Title. The estate will be responsible for furnishing the Land Stewardship Project with evidence of title that shows that title to the property is free and clear, except for current real estate taxes and restrictions of record, which would not create any economic burden on the Land Stewardship Project as a result of taking title. Title defects may influence acceptance of the property. The Land Stewardship Project will determine whether the defects can be reasonably corrected. If

correction of title defects is possible, the Board of Directors will decide if LSP will bear that cost along with a title insurance policy.

C. Preparation of deed. The estate will be responsible for preparing the deed and other instruments necessary to transfer the property to the Land Stewardship Project. All proposed transfer instruments must be reviewed by the Land Stewardship Project's legal counsel prior to acceptance by the Board of Directors of the Land Stewardship Project.

D. Maintenance of property. The estate will be responsible for all expenses of maintaining the property and any risk of loss up to the date of conveyance of property to LSP.

E. Payment of other expenses. Prior to acceptance of a property, the Land Stewardship Project and the estate must agree in writing on arrangements for payment of expenses associated with the property, such as commissions, real estate taxes, utilities, insurance, and maintenance costs. The Land Stewardship Project will not advance funds for the payment of such expenses without an agreement between both parties.

F. Environmental audit. No property will be accepted if there is a likelihood of liability that could attach to the Land Stewardship Project as a result of taking title to the property. If environmental risks exist, LSP will determine whether those risks should be assumed by LSP, mitigated by the Donor before acquisition by LSP or whether indemnification of LSP by the estate should be required.

VIII. PROCEDURE FOR ACCEPTING REAL ESTATE

A. After completion of evaluation. After all other the requirements of this Policy and Procedure have been satisfied, the Land Legacy Committee and the Executive Director of Land Stewardship Project will review the proposed gift of real property. The Committee and the Executive Director will make a recommendation to the Board, which must agree to accept gifts by a 2/3 majority.

B. Option to refuse gift. The Land Legacy Committee or the Board may refuse any offered gift of real property.

C. Agreement about no restrictions. Prior to or upon transfer of title to the Land Stewardship Project, the donor and the Land Stewardship Project will sign an agreement (approved by legal counsel) stating the terms of the gift, which shall specify that there are no restrictions on the Land Stewardship Project's right to use or convey the property, unless explicitly included in the agreement. Any restrictions (that may also affect the amount of charitable deduction from the IRS) will be included as part of signing IRS form 8283.

D. Recording the Deed. The Land Stewardship Project will ensure that the deed will be recorded with the appropriate Register of Deeds or County Clerk as soon as possible after receipt of property transfer.

IX. MANAGEMENT OF REAL ESTATE HELD BY LSP

A. General Policy. It is the general policy of the LSP to hold onto farmland for a finite time as long as it is consistent with LSP's current programs, it is suitable for leasing or selling to beginning farmers who have graduated from the Farm Beginnings program and have acceptable business plans, or if

there appears to be reasonable future prospects to sell it to a family farmer using sustainable practices, or if there appears to be reasonable future prospects to sell or convey to an Indian tribal entity for local food production or restoration of ecological function. This will be done in ways consistent with the Minnesota Corporate Farm Law. Otherwise, it is the policy to sell donated real estate as soon as conditions warrant and to invest the sale proceeds for the purpose for which the gift was intended (see sales below).

B. B. Expenses Incurred During Holding Period. Land will only be held for a short period of time if the revenue from holding it will not be sufficient to cover all expenses of holding it.

C. Insurance. The Land Legacy Committee will annually review and make recommendations to the Executive Director regarding hazard and liability coverage on real property owned by LSP.

D. Management of property held by LSP

1. Residential property

- a) Leased property. If the property is leased to an individual and will provide a positive cash flow, it may be retained for a period of time if negative market conditions exist. LSP may manage this in-house unless conditions warrant hiring a professional manager.
- b) Vacant Property. Such property will be listed for sale with a professional realtor upon receipt and rely on that person to monitor the property.
- c) Life Estates. Management of this property will be the responsibility of the life tenant(s) until the remainder interest vests in LSP.

2. Commercial Property

This will be treated similarly to residential property except that a professional manager would be hired until the property could be sold.

3. Agricultural Property.

If the property will be held for a period of time before a sale it will be managed as follows:

- a) Management oversight. Farm properties will be overseen by staff, consultants or a Farmland Management Committee working with LSP staff that have farm management experience and in concert with the Farm Beginnings Program. If that is not possible, LSP will engage a property management firm or individual with appropriate management experience to manage the gifted land and protect the value of the structures and the land.
- b) Conservation plan. A Natural Resources Conservation Service approved conservation plan will be prepared, if needed or required, for each parcel through the local Soil and Water Conservation District.
- c) Lease to qualified farmer. LSP will not derive income from the sale of farm products and will rent or lease to a qualified farmer or farm corporation as defined by the Minnesota Corporate Farm law.
- d) Vision for property. LSP will create a vision of stewardship for the property and work with the renter to develop and implement a plan.
- e) Annual report to Minnesota Department of Agriculture. The Land Stewardship Project will report ownership of farmland to the Minnesota Department of Agriculture, the annual 990 filing and the annual charity form for the Attorney General's office.
- f) License for farm practices. As part of a lease to a farmer, and in lieu of a conservation easement, LSP may include a license in the deed to restrict the use of the property to certain production practices systems and/or require use of conservation practices.

E. Lease agreements. Long-term leases or lease purchase agreements should require the lessee to pay all taxes, maintenance, and insurance for the gifted property to the appropriate entities.

E. Improvements. It is the general policy of LSP to avoid borrowing for improvements that may lead to the creation of Unrelated Business Income Tax on lease income or capital gains taxes on the sale of property within one year of holding loans.

X. MARKETING AND SALE OF REAL ESTATE

A. General Policy. Market conditions may dictate that it is unwise to attempt sale of a real estate parcel at a particular time, either due to a generally depressed market for such property, or if placement of all of the property on the market at one time would have the effect of glutting the market and depressing prices.

B. Sales.

1. **Direct sales.** LSP may offer real estate for sale without the services of a professional realtor where there is an immediate buyer at an acceptable price.

2. **Sales through a Professional Realtor.** Upon acceptance of a real estate gift, Land Stewardship Project will make arrangements to sell the property through a qualified real estate professional if it is not sold directly under paragraph B 1. above.

C. Pricing. If an up-to-date appraisal is not available, LSP will hire an accredited appraiser to value the land with any conditions set by the terms of the gift or subsequently by LSP.

1. **Standard sale at market price.** The terms of the sale of farmland will take into account current market conditions, availability of financing, the lands productive capability and other factors as determined by a real estate appraisal. Sale prices for real estate intended for sale on the open market will equal or exceed the appraised value of the property.

2. **Sale to a qualified beginning farmer.** LSP may sell the land for less than full market value to start a beginning farmer. The land should be valued in relation to its productive capability. If in order to help establish a qualified Farm Beginnings graduate, LSP sells property at below market rate, LSP must include in the deed a penalty payable to LSP if the beginning farmer were to sell at a market rate that exceeds the original sale price plus reasonable asset appreciation.

3. **Sale with other conditions.** LSP may also sell the land for less than full market value because it places restrictions in the form of a conservation easement on the use of the land to protect the environment.

a) **Easements.** To adequately assure continued conservation of farmland, LSP may donate a conservation easement to a suitable organization to assure continued conservation of the land after sale.

4. **Sale or conveyance to an Indian tribal entity.** If LSP has a relationship with an Indian tribal entity, LSP may sell or convey to them land to use for local food access, restoration of ecological function or other purposes. See the continuum of options in Addendum Section E.

D. IRS Filing. In the case of a sale within two years of the date of the gift, the Land Stewardship Project will report the actual sales proceeds to the IRS on Form 8282 ("Donor Information Return").

E. State Reports. The Land Stewardship Project will report farmland donations, continued ownership or sale to the Minnesota Department of Agriculture and on the annual charity form to the Attorney General's office.

F. Utilities and Insurance. Transferring utility and tax bills and the cancellation of insurance coverage will be the responsibility of The Land Stewardship Project.

XI. WHAT THE LAND STEWARDSHIP PROJECT WILL NOT DO

A. The Land Stewardship Project will not establish or corroborate the value of a property for the purpose of substantiating a donor's income tax charitable deduction.

B. Except in extraordinary circumstances, as determined by the Board of Directors, the Land Stewardship Project will not pay for legal assistance, or other services on behalf of a donor.

C. The Land Stewardship Project will generally not seek exemption from real estate taxes assigned by local taxing entities.

XII. CONFLICT OF INTEREST

A. General restriction. Board Members or staff of Land Stewardship Project may not participate in or profit from donation, lease or sales of land gifts to or from LSP for a period of 10 years before or after they serve in these capacities. However, a Board or staff member may receive a charitable tax deduction for donation of farmland to LSP under the terms of this policy.

B. Disclosure. Board members, Land Legacy Committee members and staff working with the land legacy program must disclose any relationship by close friendship, blood relationship, employment or other close connection that could prejudice decisions about a potential real estate donation after initial inquiries are made to LSP by a donor.

C. Absent from decision making. Board members, Land Legacy Committee members and staff working with the land legacy program who have a conflict regarding a particular potential gift must recuse themselves from the discussion and decision making about that land gift.

D. Connected to Board policy. This policy is an extension of the conflict of interest policy that is part of the Board of Director's policies.

ADDENDUM

The purpose of this addendum is to more fully describe the context and conditions for sale or conveyance to an Indian tribal entity. LSP's effort to sell/convey land to Indian tribal entities partly seeks to address land cession treaties that were effectively abrogated by the U.S. government or through the actions of land speculators who purchased parcels from individual Indian landowners on unfavorable terms to the Indian landowners. LSP believes that Indian tribes are important allies in our common struggle to steward the

land, and keep the land and people together. By returning land to Indian tribal entities, LSP could help the movement for sustainable agriculture and healthy communities to become more powerful and successful. Indian tribes are leading the way in advancing a food system that cares for the people and the land through the food sovereignty movement. Returning land to Indian tribal entities increases the opportunity for LSP to learn about new models and apply what we learn from Indian tribal entities to our work to build a more just and sustainable food system.

- A. Indian Tribal entity.** As used in this policy, Indian tribal entity shall mean a federally recognized Indian tribe, an Indian tribal government, a governmental unit of an Indian tribe, a political subdivision of an Indian tribal government or any other business, organization, or other entity owned by an Indian tribe. In the instance of a gift, such as a full or partial donation of the full market value of a parcel, to an Indian tribal entity, the Indian tribal entity must be determined by the IRS as qualified, or eligible to be qualified, for: (a) Treatment as a state or a political subdivision of a state as provided under section 7871 of the Internal Revenue Code and therefore eligible to receive charitable contributions that are deductible for federal income, estate, and gift tax purposes, or (b) Corporation organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. A parcel sold to an Indian tribal entity for full market value may not necessarily be qualified by the IRS to receive charitable donations.
- B. Relationship.** LSP will only consider selling or conveying to Indian tribal entities with which we have an ongoing relationship with the entity's decision-making body.
- C. Guiding Principles.** LSP will:
- ☐ Recognize Tribal Sovereignty in the United States, support it and never undermine it;
 - ☐ Approach this as relational work, including building ongoing relationships across organizations;
 - ☐ Seek mutually beneficial outcomes;
 - ☐ Be attentive to building the capacity of both LSP and the Indian tribal entity we are in relationship with;
 - ☐ Work to shift the dominant narrative about the land, rural people and farming to align with LSP's Mission; and
 - ☐ Continue building relationships and trust during changes in organizational staffing and leadership.
- D. Food Sovereignty.** LSP acknowledges the rights of individual people and sovereign tribal nations to choose to grow and eat food they deem to be culturally appropriate and have the land base to support traditional practices for food production.
- E. Continuum of Options for Real Estate Transactions with an Indian tribal entity.**
The disposition by LSP of a previously donated gift suitable for this purpose will depend on the intentions of donors, relations with a given Indian tribal entity, the exact location of a parcel of land in relation to former and current treaty and reservation boundaries, and what entity may realistically farm the land in ways that the donor and LSP intended. As a public charity, LSP works to serve a public purpose through these options. These options are a clarification of section X. "Marketing and Sale of Real Estate, section C. Pricing".

The continuum of options includes, but is not limited to, the following:

- 1) *Sale for full market price.* If the Indian tribal entity would use the land as income property and not use it for growing local food or to enhance and/or address published assessments of

the need to enhance ecological function, LSP would sell the real estate at the full market price and require as a condition of the sale that a conservation plan be followed by the receiving entity to assure the land was managed to address basic resource concerns.

- 2) *Sale for below market price.* If an Indian tribal entity would use the land to enhance local food production with soil health building practices and address other resource concerns, and/or address published assessments of the need to enhance ecological function, LSP would be willing to sell below the market price.
- 3) *Conveyance of a parcel that lies within cession treaty boundaries and outside current reservation boundaries to an Indian tribal entity with other conditions.* If the parcel falls within a cession treaty boundary but outside current reservation boundaries and the land would be used to enhance local food production with soil health building practices and address other resource concerns, and/or address published assessments of the need to enhance ecological function, LSP would convey through a donation the parcel of land and would include conditions consistent with this policy. Because LSP would not receive financial compensation for expenses through a donation, the LSP Board could require that all LSP direct and staff-related costs for the conveyance of land be reimbursed.
- 4) *Conveyance of a parcel within current reservation boundaries to an Indian tribal entity with other conditions.* If the parcel falls within reservation boundaries, LSP would convey through a donation the parcel of land and would include conditions consistent with this policy. Because LSP would not receive financial compensation for its expenses if the land within the current reservation boundaries is donated to the Indian tribal entity, the LSP board could require that the Indian tribal entity reimburse all LSP direct and staff-related costs associated with the conveyance.