

## **APPENDIX A**

### **Policy on Acceptance, Management, and Sale of Gifts of Property**

#### **General Policy Statement**

It is the policy of Telluride Foundation to accept gifts of real property. Such gifts may include residences, vacation homes, business, or commercial property (developed or undeveloped).

Telluride Foundation recognizes that gifts of real estate create significant legal and economic issues. Telluride Foundation recognizes that policies and procedures for such gifts should be established under which the authority for the acceptance, management, and disposal of such gifts, within the specified parameters, is delegated to management.

Telluride Foundation will not accept delivery of real estate either as an outright donee or in a fiduciary capacity as a trustee unless the Board is satisfied that procedures pertaining to zoning, title and environmental hazards have been met.

Although each determination will be made based on the specific circumstances of the proposed gift, the following represent general procedures and guidelines.

Gifts of real property are subject to the approval of the Board.

#### I. Requirements for Gifts of Real Estate.

A prospective donor who wishes to make a gift of real property or an interest in real property to Telluride Foundation, or the personal representative of an estate in which a devise of an interest in real estate is contained, shall submit a written request for acceptance of the gift to the Board for their approval.

- a. A proposed gift of an interest in real estate shall be referred to the Board. Each request should be accompanied by the following, to the extent available:

- 1) A complete legal description and, if applicable, street address of the real property.
- 2) At the option of the Board, a survey showing the exact location of the real property.
- 3) The current tax notice and evidence of the most recent payment.
- 4) A preliminary title report ordered. The report will be reviewed for:
  - ◆ proper legal ownership by the donor
  - ◆ the existence of covenants, conditions or restrictions which may affect its value to Telluride Foundation
  - ◆ the rights which another party may have in the use of the surface, air or subsurface of the property through easements or options
  - ◆ the existence of any tax liens, encumbrances, or judgment items.

At the option of the Board, an existing title insurance policy for the property or a current title insurance commitment to insure the real property, together with copies of any documents that appear as exceptions to title on such policy or commitment are required.

- 5) Copies of any documents representing deeds of trust or other security interests encumbering the property, a summary of the payment terms of any such obligations, and the proposed donor's plans regarding payment of such obligation.
- 6) A summary description of all insurance policies in force with respect to the real property and the amount of the annual premium due with respect to such policies.
- 7) At the option of the Board, a physical inspection report and/or an environmental assessment of the property.
- 8) If the proposed gift is of an undivided interest in the real property, a copy of any tenants-in-common or other agreement, together with all amendments, which may affect the ownership of such real property.
- 9) If the proposed gift is a partnership interest, a copy of the current partnership agreement or business formation agreement, together with all amendments, and evidence that all required filings have been made at the Federal level and with the state in which the partnership or business was organized.
- 10) Where applicable, documents are required demonstrating that the donor has the authority to transfer all or a partial interest of the real property, or interest in real property or partnership business interest, to Telluride Foundation without the consent of any other party. If other such consents have been given, information relating to any restrictions on the ability of Telluride Foundation to sell the property will be required.
- 11) Copies of any current leases of the property together with all tenant information.
- 12) An acknowledgment letter signed by the donor in the form of Letter of Receipt, attached to these guidelines.

- 13) A copy of an independent qualified appraisal (paid for by the donor) when required by the Internal Revenue Service or state tax authorities.
- b. It will be the policy of Telluride Foundation that, unless waived by the Board, the donor will pay all costs associated with the contribution of interests in real property. For example, if the Board recommends an environmental assessment, the donor will be asked to defray this cost. Costs of the qualified appraisal will be borne solely by the donor.
  - c. Prior to accepting any gift of real property or an interest in real property, a member of the Board shall physically inspect the real property unless the Board has approved other arrangements.
  - d. Any transfer of real property to Telluride Foundation shall be by general or specific warranty deed unless otherwise approved by the Board.
  - e. The Board will follow the environmental policies established by the Board attached hereto as Guidelines for Accepting Gifts of Real Estate Environmental Considerations Policy and Procedures and obtain written environmental audits where necessary with respect to the real property.
  - f. Prospective donors will be encouraged to make gifts of real property or interests in real property that are readily saleable. If the real property or interest in real property being offered to Telluride Foundation is not readily saleable, the Board may request the donor to provide a cash gift to Telluride Foundation in an amount sufficient to pay for the anticipated expenses related to the ownership of the real property during the period prior to the time it can be readily sold, as determined by the Board.
  - g. In the case of a proposed gift of an interest in a partnership/business interest, the Board shall determine whether or not additional capital contributions will be required by the partnership within the five-year period following the gift. In the event such capital contributions are anticipated, the Board may request that the donor (i) contributes additional cash as necessary to allow Telluride Foundation to make such capital contributions; (ii) executes a promissory note or pledge obligating the donor or the donor's successors to make such capital contributions if and when they are declared due and payable or (iii) makes acceptable arrangements to protect Telluride Foundation.
  - h. Every effort will be made by the Board to reduce or eliminate the potential for Telluride Foundation's liability in the acceptance and future ownership by Telluride Foundation of any real property or interest in real property.

Acceptance of Property.

- a. Limits of Authority: Telluride Foundation's Board Chair shall have the authority to accept gifts of tangible personal and real property with a fair market value (FMV) of less than \$100,000, if the above conditions are met. **Acceptance of gifts of property with a proposed FMV greater than \$100,000 requires approval by the Board.**
- b. Execution of Documents: Telluride Foundation's Board Chair **plus one other voting officer of the board (or two voting officers in the absence of the President)** are authorized to execute documents necessary to accept such property, subject to the conditions listed above.
- c. Book Value: Gifts of property will be booked according to generally accepted accounting principles.
- d. Reporting to the Board: Telluride Foundation will prepare and distribute to the Board no later than the next regularly scheduled meeting of the Board a full description of the property received plus other information requested by the Board.
- e. IRS Reporting: Telluride Foundation shall identify the specific IRS reporting requirements for gifts of appreciated property and shall establish controls that assure that reports are filed on a timely basis. (See above.)

In any case in which, within two years from the date of the gift, Telluride Foundation sells the property with respect to which it has received an IRS Form 8283, Telluride Foundation must report the details of the sale and gift to the Internal Revenue Service on IRS Form 8282. It will generally be the policy of Telluride Foundation to sell gifts of property. Telluride Foundation will insist that no restrictions be placed on the manner in which Telluride Foundation may use or dispose of the property as is consistent with the attached Letter of Receipt. Telluride Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.

#### Management of Properties.

- f. Records Management and Reporting: Telluride Foundation will maintain records for all gift properties and will prepare for Telluride Foundation's trustees and/or their designated agents a summary report on a quarterly basis of the status of gifts property.

**APPENDIX B  
LETTER OF RECEIPT**

Dear (Donor):

The purpose of this letter is to acknowledge receipt of your gift to Telluride Foundation of the property described in the attachment to this letter. Telluride Foundation has required, and you have accepted, certain understandings in connection with this gift that are also described in the attachment.

You have not imposed, and Telluride Foundation has not accepted, any conditions, restrictions, or limitations on the manner in which Telluride Foundation may use or dispose of the property, or fund of Telluride Foundation, pursuant to the stated restrictions of such Fund. Telluride Foundation may sell or otherwise transfer or dispose of any or all of its interest in the property at any time, in its sole discretion. When it does, it shall comply with any and all applicable reporting requirements, including those of the Internal Revenue Service.

If the foregoing accurately reflects our understanding, please sign this letter in the space provided below.

Very truly yours,

Telluride Foundation

By: \_\_\_\_\_

ACCEPTED AND AGREED as of the date set forth below:

\_\_\_\_\_  
(Donor)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Donor)

\_\_\_\_\_  
Date

**APPENDIX C  
Telluride Foundation**

## **Guidelines for Accepting Gifts of Real Estate Environmental Considerations Policy and Procedures**

### I. Policy.

It is the policy of Telluride Foundation not to accept gifts of real estate or interests in real estate which could result in Telluride Foundation's liability for environmental contamination under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) as amended by Super Fund Amendment and Reauthorization Act of 1986 (SARA), other such amendments that may be adopted in the future, or any other applicable laws or regulations.

Telluride Foundation will review the potential for such liability in connection with each and every parcel of real estate that may be proposed to be transferred to Telluride Foundation by virtue of a will or inter-vivos gift. This review shall be for the specific purpose of determining whether or not the property potentially contains or previously contained contaminants or hazardous wastes. A decision will be made as to whether or not this property will be accepted based on initial environmental assessments as set out in the following procedures.

Telluride Foundation retains the right to refuse or accept property in the event potential liability is evidenced by the initial environmental assessment, site examination, or investigation into prior uses, or for any other reason.

#### Procedure for Reviewing Potential Environmental Liability.

- a. The donor will be advised of Telluride Foundation's need to avoid liability in connection with the risk of contamination to the property which is proposed to be given. A letter attached as Environmental Law Impact on Real Property Ownership will be sent to the donor requesting information needed to determine whether an environmental assessment is required.

- b. The Board will gather information from the donor using the Prior Utilization Questionnaire attached.
- c. Representatives of the Board will conduct an on-site examination of the property using the Environmental Site Examination Checklist and will report the findings to the Board with a recommendation of whether a formal environmental assessment should be conducted.

NOTE: Telluride Foundation may elect to require an environmental assessment without first performing its own on-site inspection and evaluation.

- d. Properties which meet the following criteria may be considered for acceptance if:
  - 1) The prior utilization of the property and surrounding properties are not of a nature that, in the judgment of the Board, may have exposed the property to contamination. See the attached Examples of Prior Utilization with Potential Risk for examples. This list is not all-inclusive.
  - 2) Either the site inspection of the property revealed no evidence of contamination or an existing environmental assessment or an environmental assessment requested by Telluride Foundation substantiates that the property is free of contamination.
- e. If there is concern about possible contamination, Telluride Foundation should use an environmental assessment company to conduct an environmental assessment of the property. The donor may be asked to incur the cost. The Explanation of Environmental Assessments attached to this document discusses the usual procedure for such assessments.
- f. If the assessment report indicates that the property may be contaminated, Telluride Foundation may reject the property. The Board will forward its recommendation with a summary of the findings of the environmental assessment.

**APPENDIX D**  
**Environmental Law Impact**  
**On Real Property Ownership**

Dear Donor:

As part of the current national focus on cleaning up our environment, strict legislation has been passed which may seriously affect owners of property that is found to be contaminated.

In effect, any current or prior owner of such property may be held liable, without fault, for costs to reduce or eliminate contamination found on the property.

Telluride Foundation has adopted certain policies and procedures for its donors designed to identify and avoid the potential risk posed by environmental contaminants. A copy is enclosed for your review. These policies provide for on-site examination of the property by the Telluride Foundation's representatives at the election of the Telluride Foundation, and may require environmental assessment of the property.

In order to facilitate the evaluation process and assist the Telluride Foundation in determining whether an environmental assessment should be performed, please complete the attached questionnaire if you have knowledge of the prior use of the property.

Please note your approval to conduct an environmental assessment of the property by signing and returning the completed questionnaire to the Telluride Foundation. Thank you for your cooperation and assistance.

Sincerely,

Telluride Foundation

By: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX E**  
**Environmental Considerations Policy**  
**Prior Property Utilization Questionnaire**



Donor Name: \_\_\_\_\_

Information Source: \_\_\_\_\_

Location of Property:

Description of Property:

Agriculture \_\_\_\_\_ Commercial/Industrial \_\_\_\_\_ Undeveloped Land \_\_\_\_\_

Other \_\_\_\_\_ Age of Buildings (years) \_\_\_\_\_ Residential \_\_\_\_\_

I. If known, please indicate prior utilization of property.

For each utilization identified in No. 1 above, has an environmental license or permit ever been issued? If so, provide details.

Are there any oil, fuel, or chemical storage tanks located on the property above or below ground? If so, please provide the location, approximate size, contents, age, and type (if known) of each tank and associated lines and whether the tanks have been registered within the state. Provide copies of registration forms.

Are there any oil, fuel, or chemical storage tanks located on the property above or below ground? If so, please provide the location, approximate size, contents, age, and type (if known) of each tank and associated lines and whether the tanks have been registered within the state. Provide copies of registration forms.

Has an environmental assessment been previously conducted?

Yes \_\_\_\_\_ No \_\_\_\_\_

If so, provide a copy of the report.

If available, attach maps or surveys that describe the property.

I hereby consent to the performance of an environmental assessment of the property described above. I FURTHER SWEAR AND ATTEST THAT THE INFORMATION PROVIDED ABOVE IS TRUE, COMPLETE, AND ACCURATE AND MAY BE REASONABLY RELIED UPON BY TELLURIDE FOUNDATION.

OWNER OF PROPERTY:

\_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX F**  
**Environmental Considerations Policy**  
**Site Examination Checklist**

Date of Site Examination: \_\_\_\_\_ Name of Examiner: \_\_\_\_\_

Donor Name: \_\_\_\_\_

Location of Property: \_\_\_\_\_

- I. Is there any visible evidence that the ditches or canals or other surface waters (i.e., streams, ponds, water retention pools, "puddles") are polluted?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is there any visible evidence of potentially hazardous materials such as chemicals, garbage, or metal containers stored or disposed of on the property?

Yes \_\_\_\_\_ No \_\_\_\_\_

Are there any areas of the property without vegetation?

Yes \_\_\_\_\_ No \_\_\_\_\_

Are there any areas of the property with a suspicious odor?

Yes \_\_\_\_\_ No \_\_\_\_\_

Are there any commercial buildings on the property constructed before 1979 (these often contain asbestos)?

Yes \_\_\_\_\_ No \_\_\_\_\_

Regarding undeveloped property, are there controls against unauthorized access, such as gates or fences?

Are there (locked) gates to prevent use of access roads?	Yes _____	No _____
Is the property fenced?	Yes _____	No _____
Is the property posted?	Yes _____	No _____
Are there other controls?	Yes _____	No _____

From a review of the tax maps and a drive around the property, if possible, does any surrounding property appear to be used or ever used in a manner that would be considered a potential risk?

Yes \_\_\_\_\_ No \_\_\_\_\_

Attach photographs of the property, particularly any photographs showing potential hazards.

Additional comments:

Further action recommended:

**NOTE:** Yes or no answers to any of the above questions do not by themselves suggest that an environmental assessment is needed. If concern exists, a Phase I assessment by an environmental assessment company might be appropriate.

What to look for: A partial list of items that should warrant concern.

II. Stained soils, concrete, or asphalt paving.

Stained sinks and toilets (some companies try to dispose of their chemicals by pouring them down the sink or in the toilet). Additional concerns would be the type of sewage disposal system on the property, e.g., septic tank or city sewers.

Stained storm drains (some owners dispose of chemicals directly down storm drains or they pour chemicals on the site which sometimes make their way to the storm drains).

Evidence of stressed vegetation (vegetation damage) or absence of vegetation where it would be expected.

Standing lagoons, pits, or ponds with suspicious contents.

Oily sheens or discoloration of surface water.

Foul or unusual odors or noxious fumes.

Observed storage tanks or lines and/or storage drums (improper storage of drums or tanks that could leak into the ground).

Sprayed-on fireproofing.

Leaking pipes, electrical transformers, tanks, barrels, or containers.

Flaking ceiling tiles, floor tiles, or insulation (possible asbestos concerns).

Acoustical plaster.

Electrical transformers or capacitors that may contain polychlorinated byphenyls (PCBs).

Gas pumps or bases for pumps that have been removed (a sure sign of underground storage tanks).

Above ground storage tanks.

Sickly wildlife.

Asbestos used in construction of building (particularly in structure built prior to the mid-1970s).

Property Uses. Property uses should also be considered. Some property uses require strong chemicals which, when disposed of properly, pose no threat. However, improperly disposed chemicals could be dangerous. Some present and past uses of concern are:

- |   |  |
|---|--|
| <input type="checkbox"/> Battery shops                      | <input type="checkbox"/> Landfills               |
| <input type="checkbox"/> Lawn mower repair                  | <input type="checkbox"/> Paint shops             |
| <input type="checkbox"/> Plating shop                       | <input type="checkbox"/> Body shops              |
| <input type="checkbox"/> Junkyards and recycling operations | <input type="checkbox"/> Industrial properties   |
| <input type="checkbox"/> Dry cleaners                       | <input type="checkbox"/> Veterinarian clinics    |
| <input type="checkbox"/> Gas stations                       | <input type="checkbox"/> Automotive repair shops |
| <input type="checkbox"/> Undeveloped land with access       | <input type="checkbox"/> Aviation centers        |
|   | <input type="checkbox"/> Other _____             |



# APPENDIX G

## Environmental Considerations Policy

### Examples of Prior Utilization with Potential Risk

III. Agriculture	Pest control (fungicides, insecticides, rodenticides, pesticides)
Asbestos products	Petroleum products manufacturing, refining, or handling
Auto parts/repair shops	Photo processing
Aviation centers	Plating shops
Batteries/transformers	Plastics or synthetic products
Body shops	Printing
Cement or cement products	Repair or maintenance of vehicles
Chemicals	Rubber products
Dry cleaning	Service or gas stations
Electroplating	Soaps or detergents
Farming/fertilizers	Swimming pool supplies
Food canning, preserving, or processing	Timber or paper products processing
Funeral home	Veterinarian centers
Furniture refinishing	
Gas stations	
Glass or glass products	
Industrial sites	
Junkyards and recycling centers	
Landfill or dump site	
Leather tanning or refinishing	
Machine shop	
Metal fabrication/plating works	
Mined for oil, gas, or other materials	
Paint or decorating supplies	

# APPENDIX H

## Environmental Considerations Policy and Procedure

### Explanation of Environmental Assessments

#### Use of an Environmental Engineer/Consultant

The environmental assessment should be undertaken by a qualified environmental assessment professional. These professionals perform "phased" examinations of properties on an "as directed" basis.

#### Environmental Assessments

Environmental assessments are usually "phased" or "stepped," meaning there are several levels of examinations ranging from the fundamental to the more sophisticated, with separate costs for each level.

##### I. Phase I Assessment

Provides data to determine if there is a possible contamination of the property. Consists of site inspection, historic research, review of public record, examination of facility records, and interviews of past and present owners/ operators. Samples of soil, water, and potential asbestos-containing materials may be taken. Usually requires two to four weeks to complete.

#### Phase II Assessment

Provides information to define the nature and extent of contamination. The purpose is to qualify and quantify the problem. Includes greater detail in analysis of data gathered in Phase I and extends to sampling and testing of soil, water, and facilities. Usually requires three to six weeks to complete.

#### Phase III Assessment

Provides further data regarding the degree and quantity of contamination and plan(s) or remediation, including cost estimates. Includes sophisticated testing and analysis. Usually requires six to twelve weeks to complete. May include preparation of remediation or clean-up plan.