

**ORIENT LAND TRUST (OLT) BOARD OF DIRECTORS MEETING
SEITZ RESIDENCE BEHIND THE OLT WELCOME CENTER
SATURDAY, APRIL 17, 2010**

MINUTES

- I. Record Attendance – Dan Jones, Doug Bishop, Harold Pratt, John Eiseman, Marilyn Sherbring, Mike Blevins, Paul Zoric were present. Guests present: Amy Trainer, Barbara Tidd, Neil Seitz, Terry Seitz, Don G, Kathy G, Deb H, Larry W, Sid C, Annie P, Jeff J. John L, Sarah H, Rob Z, Radar B arrived at 9:10 AM. Jan K arrived at 9:15 AM. Keno M arrived at 9:40 AM. Ron Rivale, DOW Wildlife Mgr., arrived about 10:00 AM. Julie S arrived at 11:00 AM. Chris and Betsy M arrived at Noon. Dave M and Norby P arrived at 1:00 PM. Chuck B arrived at approximately 3:00 PM.
- II. Meeting Call to Order – Dan called the meeting to order at 9:05 AM.
- III. Changes to Agenda – John requested that the Investment Committee report be part of the Treasurer’s report. Dan added under the Board Chair’s report, item a. to accept Amy Trainer’s resignation.
- IV. Welcome Guests, comment opportunity after lunch – Dan welcomed guests.

Continue 9:10 AM

- V. Unfinished Business
 - a. TNC Conservation Easement – Amy reported that the Draft CE sent out on April 13 is about 98% complete. Amy and Greg discussed the subdivision clause. Jeff J is completing the baseline report (BDR). The BDR must be completed before the transaction may close. The riparian areas and ditches that are man-made must be distinguished. All will be mapped along with other Conservation Values. Uses language that has been worked out is cut and pasted into the BDR to describe allowable uses. The BDR and CE deed work in tandem. The CE deed cannot be completed until the BDR is completed.

Jeff commented about the BDR. In the BDR, a 20 ft. buffer will be required around seeps and riparian areas. Where the seeps come out of the pools, the buffers are so wide that OLT may have to take a different approach to protecting that area after the CE is done. Perhaps OLT will want to look at creating a water district or conservation district and putting restrictive covenants on the CE property to regulate and restrict the types of uses in that area. Restrictive covenants would be independent of the CE and recorded after the CE. The restrictive covenants would be subject to the CE. This would entail a larger planning process.

There is a blanket provision that all uses of existing pools will remain. If there is an emergency, we have the right to begin remediation, then ask for permission from TNC to continue the work. The top spring’s use for fire protection is allowable with prior permission from TNC. An alternate trail to the hot springs would be allowable with prior permission. TNC has 45 days to approve a request from OLT; we send another letter if TNC doesn’t respond; TNC then has 15 days to respond; if TNC doesn’t respond, OLT’s request is deemed approved. OLT has the right to take immediate action to protect the Conservation Values of the property. The Board could create a policy for staff to understand what needs to be done and what is not to be done to track with the CE, but the CE governs. Some projects planned for this summer, e.g., the pipe to

the wastewater treatment plant, will be ready and documented at closing so that those projects won't be held up following closing.

Subdivision issue in CE: One provision in the CE allows the separation of the Ranch one time from the rest of the property under the CE, so that if a mortgage were to ever be deemed necessary, a mortgage could be taken out on the Ranch and not the Hot Springs. The Ranch itself cannot be subdivided. The CE forever protects all the land under the CE, no matter who owns any of the property in the future. Annie asked if the Ranch were separated from the rest of the property, could the properties be merged back together. Amy clarified that the CE allows for boundary line adjustments, so that the parcels could be merged together at a later date. Amy said that TNC does not amend easements. Amy sent to the Board modifications to para. 4.B.1. of the CE deed, which is the version that would be part of the CE deed if the Board votes to approve the 'Restrictions on Subdivision' clause. It is the same language that is in the proposed resolution. John explained that this is a tool, not something that we're using at this time. In the for-profit world, this allows an organization to do the best they can with the resources that they have. In our situation, there are mitigating circumstances wherein this may not be the best approach. The three parcels remain legally three parcels. This subdivision clause would allow the Ranch parcel to be separated off from the hot springs parcel to prevent the hot springs parcel from being mortgaged.

John moved that proposed Resolution No. 2010-____ Concerning The Nature Conservancy Conservation Easement Transaction-Approval of "Restrictions on Subdivision" Clause in the printed Board packet at pages 15-50 be approved. Paul seconded the motion.

Discussion ensued. Mike stated that the Ranch was purchased with the understanding that it would not be subdivided; a parcel purchased in the future could be mortgaged. It is a risk that some future board would not be so prudent with its financial leveraging. Mike is therefore against the resolution. Harold said that this makes mortgaging the Ranch *possible*. When the Ranch was purchased, the Board intended for the Ranch to be part of the total segment with the hot springs. Although no restriction on subdivision was included, the intent of the board was to have a single undivided parcel. The Board's approval of the purchase of the Susman parcel specified that the parcel would not "be sold, developed, mortgaged, or changed in any way" clarifying and documenting the intent of the board. We have a trust to keep with the original board, the contributors who helped buy the ranch and the founders. Harold understands the purpose of such a tool. Harold would rather not have an escape clause. We're going to operate OLT with reserves and prudence, so that we don't ever have to think about this. This is the spirit of the original land trust, a good land trust. The CE does not restrict us from mortgaging all of the property under the CE. A bank in the future may allow a mortgage on a portion of the property. Doug asked why would OLT tie its hands by not having all tools available? It may be conventional wisdom, but on the other hand, Neil and Terry didn't follow conventional wisdom in donating the property. Doug is opposed to the subdivision. Marilyn is in favor of including the subdivision clause as proposed. She completely understands what others have said. Her reasons for wanting to keep this tool in our toolbox is based on longstanding principles of law. The conservation easement is a relatively new concept of law. It's the unforeseen nature of the world and government that concerns Marilyn. Marilyn has

faith that we'll continue to have prudent board members and donors who would help OLT. She does not have faith in banking regulations and government. She would hate to see the entire property mortgaged if necessary rather than only the Ranch. Marilyn wants to keep every right we can. John indicated that he expects future boards to focus on reserves and manage OLT prudently. He likes to keep the tools in the toolbox. He would like to retain this right. Paul acknowledged everything that has been said. He asked, What is the implication of not having this right? He is leaning toward accepting the language and protecting the hot springs. Harold reiterated that this separation of the Ranch could only be done once. Amy clarified that if the Ranch were to remain separated once, it could be mortgaged more than once.

Neil directed his comments to the public and referenced his statement (pp. 9-11 in the Board Confidential packet and also in the public packet). The hot springs has been mortgaged three times since it was homesteaded. Neil handed out the OLT general brochure pointing out OLT's statement that to achieve its mission, it strives to consolidate parcels of land and prevent them from being sold, subdivided or overdeveloped. Neil also mentioned the potential issues that could arise regarding water rights if there are two different owners, one for the Ranch and one for the hot springs. Neil asked, Are we going to follow the mission?

Terry thinks that Harold, Mike, and Doug have been cogent in expressing past feelings of the board. However, Terry thinks it is worthwhile to have this tool. Annie commented about the big picture; the board's loyalty to its members who donated toward the purchase of the Ranch is big. There are a bazillion ways to raise money. 150 years from now, the hot springs might not be the crown jewel. The Ranch may become the crown jewel. How can we make decisions now based on the current banking, government systems? Deb stated that having a one-time 'out' in 500 years, is that really going to help? If what's been done in the last 35 years is any indication, if this process continues, she has a hard time wrapping her head around what could happen. This is the mission; we need to stay true to that mission or will we trust anything else that is done with OLT? Don agrees with the position of the first three members and Paul's fence sitting. Don has read the documentation concerning this issue. He respects John's arguments in favor of this resolution. He would request that the board vote this resolution down. He referred to the portion of the goals in connection with the mission statement stated above – it would reduce the integrity of the land trust of which he is a strong supporter if OLT were to allow the separation of the Ranch from the hot springs. Radar agrees with both sides. He asked, Why are we using a CE to block what a future board can do? He thinks this should be somewhere else, which it is, i.e., in the goals in connection with the mission statement.

Jeff pointed out the increased liability that OLT will have once it starts holding CEs. That liability puts OLT at risk as an institution. If a CE were challenged, it could cost up to \$500,000 to defend that CE. If you're building a land trust, you need to think about what it will look like if, e.g., the hot springs went away. Jeff expressed his experience in defending CEs and the huge legal costs involved.

Neil commented further. By borrowing to pay for a defense, that weakens the organization further. Harold understands Jeff's comments. Mike said that his comments go to our need for more reserves. Dan summarized the motion and called for the question. The board voted as

follows: For: Paul, John, Marilyn. Against: Doug, Harold, Mike. Dan said there are two prongs to this: fiscal responsibility and business prowess and the other is more emotional. All votes are adhering to the importance of responsibilities as board members. Neil and Terry had a vision. A key to that was to include all parcels under one umbrella. They gave away everything with the Mine and the hot springs. The Ranch was purchased, but their intent was to unify all parcels. Dan voted against the resolution.

Therefore, the language of the CE will be amended to exclude the restrictions on subdivision clause. Harold moved to approve the CE deed striking the restrictions on subdivision clause with respect to the ability to separate out the Ranch one time. Mike seconded the motion. Dan is proud to have connected OLT with TNC and gave Amy and Greg accolades for the time they have spent working with TNC in crafting this complex CE Deed. Harold feels we have a well crafted, very restrictive document in OLT's favor following Neil and Terry's wishes. This has evolved over several months. John said that TNC gives clout and legitimacy to OLT by working with us. TNC is all aboard with what OLT wants to do. We have the best of conservation easement holders behind us. Neil and Terry agreed a long time ago. TNC is fully aware that this is a naturist organization. Dan called for the question. The motion was approved: All in favor, none opposed, no abstentions.

- b. Colorado Division of Wildlife Conservation Easement and Public Access Easement on Orient Mine parcel – Amy welcomed Ron Rivale, our DOW Wildlife Manager and summarized the transaction which involves a DOW real estate support grant in which DOW will accept a CE and/or public access easement and will pay all transaction costs up to \$5,000. Another component of this transaction is DOW's Watchable Wildlife program because of the bats. DOW will provide an intern during the summer months to help OLT with bat tours and provide a kiosk. Public access will be provided off County Rd. GG across BLM property, an alternative to going through the hot springs area. OLT has entered into a Memorandum of Understanding with BLM for this access. BLM is allowing a kiosk (see photo in packet) that DOW is paying for which will be placed where the old railroad grade meets OLT's property to point folks to the Orient Mine. It is a non-motorized access point to get to the Rio Grande National Forest and wilderness area. DOW is paying for other signage as well. Kirk Navo, the State's bat specialist, has been a tremendous help to OLT with the bats. This solidifies that relationship and opens up an incredible recreational and watchable wildlife opportunity for the public and raises their awareness of OLT and what we have to offer to the public. Doug stated that this is a great opportunity for outreach. This opens the door to future opportunities for other grants. This was the first time DOW has ever combined the very competitive real estate grant with a watchable wildlife component.

Ron Rivale gave a brief history of DOW's and Kirk Navo's involvement with OLT and came to answer any questions. He said this is a great opportunity to include the watchable wildlife aspect of DOW's program.

Marilyn said that this is a model nationally. Annie said that this would open a public access point to Mine. How might this affect access to the hot springs? There will be new signage. DOW will be reimbursing an intern who will be camping at the Mine. This person will ensure

that anyone who comes from the public access leaves the way s/he came. We are increasing security at the locked gate. Anti-ATV device barriers will be installed. We are going to take every precaution we can to prevent people accessing the hot springs from the Mine property. Making OLT donation envelopes available will be part of the kiosk.

Amy indicated that Kirk said that he thinks we're underestimating the number of bats at the Mine and that it may be a staging area. Kirk will work on developing information for both their intern and our volunteers so that consistent information is provided to the public. The pedestrian gate will remain locked. USFS or BLM will be working on the trail. Ron's recommendation would be to make no improvements to the trail. The grant for an intern is for two summers at this time. DOW cannot promise for a longer period of time because of State law and budgeting. However, DOW will look at the intern program every year for possible funding. There will be a sign on the road up to the trailhead that this is private property and allows clothing-optional recreation. Larry asked about photography. Keno asked about changing the Hot Springs Canyon trailhead sign. Neil expressed that that is the name of that canyon and further there is a process for going through federal agencies to get a trailhead sign changed. It is a long process.

John moved that proposed Resolution No. 2010-05 Concerning Colorado Division of Wildlife Conservation Easement and Public Access Easement on Orient Mine Property in the printed Board packet at pages 52-58 be approved. Harold seconded the motion. There was no further discussion, and the motion was adopted: all in favor, none opposed, no abstentions.

- c. AYO Wrap-Up – Dan introduced the Assess Your Organization topic. It gives OLT a three-year window during which OLT can apply for accreditation with the Land Trust Alliance. CCLT teamed up with LTA and thanks to Jeff in part, OLT received a \$2,500 grant which paid a good portion of the costs for this process.

Jeff said his report is usually done in Executive Session. He is therefore going to give the public version of the report and will meet with the Board at a later date to craft a work plan. He gave an overview of the report. LTA has established these Standards and Practices for land trusts. Accreditation is based on these best management practices. These are benchmarks used in determining whether a land trust becomes accredited. The Recommended Actions Checklist is to be followed in order for a land trust to be prepared to apply for accreditation. Jeff said that OLT is early in the process of building a land trust. There is a lot of construction that OLT would need to do in order for it to become a traditional land trust. OLT is at a place where it needs to look at its business model. Does OLT want to reach out to landowners and hold CEs that it then monitors in perpetuity? Harold pointed out that we are a 501(c)(3) and we are State certified. LTA is a standard-setting group. Jeff is asking the larger question of traditional land trusts that hold CEs. We are doing incredible outreach, stewardship of our fee simple property, and restoration. This provides opportunities to partner with agencies for restoration projects, stewardship projects and not hold CEs. At this time, we are legally able to hold CEs. However, Jeff said that our liability is high in that we haven't put in place many of these standards and practices. Jeff is suggesting we think about how we want to develop this land trust. He said that another option is to not hold CEs and become a transaction agent only, which acts as an

intermediary between a landowner and the entity that ultimately holds the CE. If OLT's vision is to focus on the northern San Luis Valley, hold CEs and maintain them in perpetuity, that's one thing. Jeff said OLT has a cohesive board and a consistent revenue stream. What kind of land trust do you want to be? Look at your model – an ED who is directing recreational facilities and a land trust. Just managing a land trust in and of itself is more than a full-time job. If we want to move forward and grow the organization, what is the role and structure of the ED? Shannon and Jeff agree that the current model is extremely difficult; EDs will burn-out and it is not sustainable. How can OLT separate out the position so that one person can focus on growing the land trust? Harold is asking for a report that includes answers to the question that Jeff raised. Jeff said that the purpose of the report is to raise these issues. We can seek further information from Jeff or someone else to help us answer these questions. The goal of the report and the process is to help OLT to know what it needs to do to enter the LTA Accreditation process. Marilyn said the overarching benefit to our becoming accredited is that we would have more input and control of the northern SLV for the benefit of OLT, and we would have a more proactive cohesive impact in the future on the management of all CEs on all the land that's going to be conserved with the idea that without a Valley *view*, there is no Valley View.

OLT is so unique in that it is operating a rustic hot springs and has a revenue stream. Jeff said that if we make a commitment to build a land trust and put policies in place, we could become a traditional land trust. We could concurrently put policies in place as we work on our first CE. Jeff and/or Shannon or someone they recommend would be available as a resource to help OLT through this process of creating policies and holding our first CE.

Neil said that there was discussion before OLT was created about whether the hot springs should be part of the land trust or be separate. Should there be a different business model for each?

Jeff suggested the board figure out a timeline for going through the next steps per the Recommended Actions Checklist. Dan and Jeff will talk next week. Amy said that what accreditation is looking for is whether the land trust is following the policies it has created. How is the land trust implementing its policies? Jeff said that OLT could do transactions and move forward according to standards and practices, collaborating with other agencies, building the infrastructure and institution for CEs and apply for accreditation without a CE. Dan thinks doing a CE would help OLT go through the process more quickly. Jeff suggested his report be given in Executive Session because the first obligation of a board is its governance responsibility. Jeff said that if you can go through this delicate process while engaging membership, go ahead. Because the AYO process requires the board to do a lot of reflection on governance, finances, and staff, some of it is executive session material. John and Harold would like to keep as much of the process open to the public/membership as possible.

Neil pointed out that the public may observe in a regular meeting, while not engaging in the discussion.

VI. Committee Reports

a. Board Development (BDC)

- i. Board Development Strategy – BDC met on April 1, 2010. Don G has agreed to be on the BDC. Dan said that we'll need a comprehensive review of the bylaws. Harold has volunteered to be part of that process. Marilyn will assist. Jeff was clear that the bylaws review should be done before the accreditation process begins. The BDC didn't look into creating public policy. Mike, Harold, and Dan and all officers will be up for reelection in July.

Deb asked if there was discussion about, for example, a member-at-large, intern, board member-elect on the board for someone to learn about land conservation, learn about being on a board like this; someone who doesn't have a specific skill set. Amy indicated we need a board member with fundraising skills and someone who has connections in the community. Annie was surprised at the requirement that a prospective board member attend a minimum of one meeting before becoming a board member. Annie suggests that a prospective member attend *many* board meetings before becoming a board member.

John explained this is a work in process and we are trying to not have to reinvent the wheel every time we bring a new member on the board. Harold also pointed out that an important skill set is that it's important for a board member to understand the role of the board member, what the Board's business is and what its business is not. Having a strong ED has allowed the Board to stay 'out of the weeds'. Dan and Amy clarified that the Board Strategy document is a guidance document. It is not a requirement that we approve it. It is part of the LTA Standards and Practices. This goes to transparency and for those on the Board. Harold said this is quasi-policy. It goes to Sec. 3 of the AYO Report. It would be up to the BDC Chair and the Secretary to keep the Board of Directors grid current.

John moved to approve the proposed Resolution No. 2010-06 Concerning Board Development Strategy in the printed Board packet at pp. 78-94. Harold seconded the motion. Mike brought up that IT is not included in the grid. Dan clarified that the grid is a tool. Dan will include a category for 'Other' in the grid under Expertise and Skills and Culture. The motion was adopted: all in favor, none opposed, no abstentions.

b. Land Action (LAC) – Amy said that these LAC meetings have been held as if in Executive Session without the minutes made public because they involve real estate transactions.

- i. Committee membership and chair – Amy said LAC needs a chair, and an attorney with real estate transaction experience on the LAC would be valuable. Jan K offered to join the LAC; final decision as to her joining the LAC will be discussed later. The LAC is to develop policies relating to CE transactions. There was previous discussion about folding LAC and LMP into one committee. LAC is a pre-transaction committee. Any transaction should go through the LAC which would then make a recommendation to the Board. This is standard land trust practice. LAC transactions include CEs and fee simple properties. Marilyn volunteered to be LAC Chair.

John mentioned the land transactions that we completed at the end of 2009: Susman, Essen, and VVHS donation from Neil and Terry.

Amy showed the Conservationist of the Year Award that was presented to OLT for the restoration work that is being done on the Ranch. NRCS and the Center Conservation District are in the same office in Center. NRCS provides funding for our restoration programs.

- c. Land Management (LMP) – Doug reported that the LMP is working on coming up with a plan for hunting on the Mine parcel. Hunting will be allowed because historically hunting has been allowed. Ron Rivale said that it is such a small piece of property, there will be signage; it will be used for access by hunters by permission only. Neil said that in the past, he and OLT have tried to limit hunting to bow hunting and permission for access was on a case-by-case basis. Neil said OLT is not bound by any historical precedent. Amy said that at the grant application process, all property owners may control access whether it's public access or hunters. Having the public access at the Mine was a huge selling point because all three big game species are in the area. Doug mentioned that the area can support about 1500 head of elk, but there are estimated to be 4,500 head of elk. The elk have run off the big horn sheep. Doug suggested that as a conservation group, OLT may want to look at ways to encourage hunting. Neil said that if you want to claim damage from big game species and don't allow hunting on your land, DOW will not pay for any damages. John indicated that hunting is part of DOW wildlife management plan; it's part of the culture.
- d. Resource Development (RDC) – Paul reported that the auction will kick off on June 25, 2010, member appreciation weekend. Anyone who wants to donate an item, please contact Terry. Paul said the RDC is struggling with larger fundraising events. Terry said that it would be nice to have auction donations by May 1, 2010. Bidding starts June 25. Hopefully, fliers will be done by May 1, 2010. Annie asked about sponsorships. The committee needs to take action on sponsorships. The Board realizes it needs to ratchet up fundraising to the next level and is considering such a fundraising person for the board.
- e. Steam Room/Sauna – Amy pointed to the steam room/sauna drawings in the packets. It will be a structure that is not susceptible to burning down and will not be subject to mold. Mike said that it is one of the most requested projects from visitors. This is a draft from Oz. This is based on previous input from the former VEC, Mike, Sid, and Amy including technical issues. The box within a box is for thermal purposes. Plans are to start the project in late fall 2010 with possible extension into spring 2011 if the 2010 budget cannot cover it. It is a \$25,000-30,000 project. We have \$25,000 in the 2010 budget for this. Mike had this design reviewed by Tara, a spa expert. Therefore, there may be some changes. This is a hot rocks design with a mechanical steam generator for boiler back-up. This lends itself to a "hydro circuit." Harold would like to see the exterior treatment in the next draft to ensure that it will fit into the rustic ambience. River rock pebbles could be embedded into the concrete. Stained glass piece – the idea is to have an artists' competition to make it interesting. Doug asked about a cold dip pool. According to Tara, the cold dip pool should be next to the dry sauna. An outdoor shower and in-sauna hand held shower are possibilities as well as a small fountain in the sauna.

John asked Sid about the difficulty in building this. Sid said that we'll have to eliminate some electric heat in cabins in winter. There is plenty of power in summer. That's why Sid suggested

hot rocks vs. steam generation. They're thinking the steam sauna would use about 14 kW of power. This is functional for the public. Solar panels are also a possibility for electricity to take some of the load off the hydro. The governor replacement is much more efficient. John mentioned that he heard that some members think the steam sauna is too fancy.

Annie asked where we made the leap from a steam sauna to a steam room. Mike said there is no difference. Annie said that there is a big difference. Annie said that somewhere people got the idea that the element in the existing sauna could be swapped out for a steam sauna element. She thinks this has been an understanding of many members. Sid said that the room in the sauna has not been designed for a steam sauna. Amy said that you don't want wood as an inside material for a steam room. It would have to be rebuilt. Annie said that she knows of many steam saunas that are wood. Wouldn't a steam sauna be less expensive than a steam room? Annie said a steam sauna is traditionally wood inside with rocks on which you can pour water. A steam room is usually ceramic or tile. It's always hot and humid. The amount of power needed is very different. Mike clarified that the current design is for the use of rocks. Surfaces will be hard surfaces, not wood. Keno said that humidity in a steam sauna is 35-40%. Steam room humidity will be around 85%. Dan summarized that the Board didn't understand the difference between a steam room and steam sauna. What has been proposed sounds like a hybrid.

When Neil built the sauna, he realized that it could not be a steam room. The intent was to spread out another use, i.e., a separate facility. The maximum timer on a steam room is 15-20 minutes. It's also easier to maintain the separate facilities. Keno suggested being accurate with the term used to describe whether it's a steam room or a steam sauna.

The Public Comment Forum Minutes are in a separate document titled, Minutes of Public Comment Forum (1:00 to 3:30 PM) also broadcast live (by Rob Z).

VII. New Business

a. New Policies

i. Vendor Policy

Dan said that this policy came from committee, was discussed with staff and then presented to the Board. Mike announced his conflict of interest and will therefore not vote on the policy because he does a website for a massage therapist who practices at OLT. It is a \$40/day flat rate for a massage therapist plus admission. He doesn't think this is that fair. He thinks OLT could collect an amount from massage therapists per massage based on the trust between OLT and massage therapists.

Harold moved that the proposed Vendor Policy along with the Application to Provide Massage or other Hands-On Therapy Services at Orient Land Trust-Valley View Hot Springs in the printed Board packet at pp. 108-114 be approved. Doug seconded the motion. John L. said that the consensus was 3 to 1 in favor of this policy, that it was fair and reasonable. The only negative feedback he received was from those massage therapists who are here regularly. Based on our signed client waivers, it is a rare day when massage therapists have very few clients. John E. suggested therapists go up and solicit or test the waters before

paying their daily fee. The limiting factor is whether a space would be available and not be previously reserved. Mike mentioned that a storm can come up quickly. He also said we can look at the policy after it has been in effect for some time. Doug is going to defer to the staff's crafting of the policy. Harold said that participants vote with their fees. We will learn from that. The massage deck will have a roof. Deb said that this only addresses the summer months. What about the winter months and people want to have someone come into a cabin? John L. mentioned liability issues. Annie asked, What about a massage given as a 'gift'? John L. indicated we don't have any control over that. Dan indicated that rules are a framework, there must be trust; we can't address every little thing. Jan's concern is OLT avoiding liability and wondered if the building of the deck should be a concern. Amy clarified that we are renting real estate to therapists. Amy thinks that more than ever, OLT is on the right side as far as protecting it from liability. The Policy has been reviewed by OLT's attorney. Paul said that the policy started out in the RDC with a study of different hot springs' policies. John L. said that three or four people suggested OLT take a percentage, but the staff didn't want that level of involvement and it puts the staffs' hands more into the whole process. Mike asked about a yoga instructor. Use of the deck for yoga would be for practice, not for someone to pay someone else to instruct. Outdoor sinks are close by the massage deck for hand washing. Marilyn said that if we have to change how OLT is compensated, we can do that in the future. She is happy with the process the policy has gone through. Marilyn's concern is including sellers of merchandise in the Vendor Policy. She thinks it is part of the culture and experience. She is not sure about including sellers of goods who are more entertainment value, and she would not like to see this aspect of the culture of OLT eliminated because of the fee charged to vendors of goods.

Marilyn moved to amend the Vendor Policy to exclude Vendors of Goods and only include Vendors of Services. Mike seconded the amendment. John L. said that except for vendors of goods paying a fee, nothing has changed for vendors. Marilyn doesn't think it's ripe yet to charge fees to vendors of goods. John L. asked, if we remove the fee for vendors of goods, may we keep the rest of the policy? OLT wants to keep the control over what is sold. Marilyn is fine with the control but not the charge. John E. voted in favor of the amendment; others voted against the amendment; there were no abstentions. The amendment was not approved.

Marilyn moved to amend the Vendor Policy to strike the charging of \$20/day for Vendors of Goods and instead charge no fee to Vendors of Goods (Sec. D, Part 4). Mike seconded the motion. Paul said that the \$20 fee for Vendors of goods was minimal, Amy said it was one-half of what massage therapists are charged and Amy, John, and staff thought it was fair. Marilyn would like to not see vendors of goods limited because they are charged. Keno said that the policy was initially brought up to protect OLT from liability, not so much for any revenue that is generated. Terry said that it is customary for vendors to be charged a fee whether on a plaza or at a street fair. If they're in business, they are required to display a sales tax license. Dan called for the question on the amendment. John, Marilyn, and Mike voted for the motion; Doug, Harold, Paul and Dan voted against the amendment; there were no abstentions. The amendment was not approved.

John L. asked if a lower fee would be approved. Dan called for the question on the original motion. The motion was adopted: Harold, Doug, John, Paul in favor, none opposed, Mike and Marilyn abstained.

- ii. Member Advocates – Amy said that this is being proposed based on conversations she has had with members and staff and board input. Don G proposed this. Don suggested two Member Advocates representing different demographics and that there would be a way to collect data to help staff and board to develop policies in the future and a record of member input for the future. Data collection could be summarized. It would be a way to increase communication. Staff or advocates would compile and keep track of it. This would be a way to keep lines of communication open. Mike said there has been some discussion of an annual questionnaire. Could this be worked in to this position in having Member Advocates develop a questionnaire? Don sees no problem with this. Barb clarified that committees can only be formed by the Board according to the bylaws. Focus groups, task forces are different. Member Advocates would report to staff on a more regular basis and report to the board quarterly. The 12 hours' time in the position description would be complimentary day soaking. Annie suggests some type of information input program where, in addition to member advocates, visitors themselves could enter some information on the computer in the Welcome Center before they leave the hot springs – if it were made really easy – and it would automatically go into the same program that member advocates use to collect information. For example, SurveyMonkey. Neil suggested comment cards in accommodations. Neil suggested a mailbox called board@olt.org that people can remember and that the Secretary monitors. Dan isn't sure that this has to be needled down to specifics. Rather, get people into the positions and then details could be worked out by those in the positions. Set it in motion with the understanding that it will evolve. The concept is that the board creates the position, and staff implements it. Annie also said to make it very clear to members so that members know what happens to that information and how it gets there, and Dan said, a response goes back to the member(s). This is only one avenue. It does not negate any other avenues. These advocates could be committee members. Dan said that this would allow advocates to funnel the information. Harold said these are advocates for people, not ideas. They're data collectors. They tell the Board what they hear. Mike said we don't want to focus all of it on the Board. Some input would go to staff. All of it would be reported at board meetings.

Harold moved to approve the concept of the Member Advocate Position, but allow staff to refine this concept so that we're not locked into the precise words. Doug seconded the motion. Mike asked that we include an annual survey, which is already in the document. The motion carried: all in favor, none opposed, no abstentions.

- iii. Ranch Lease – Amy stated that the current tenants at the Ranch quit their lease early. Therefore, Amy started learning more about the Ranch and put the lease out for bid. About 20 people contacted Amy for information; 7 submitted formal bids to lease the Ranch. Doug received correspondence from someone who submitted a bid. He'll provide it to the Secretary for the Board's record. The bids will be discussed in Executive Session.

VIII. Executive Director's Report – Amy commended staff, especially Terry and John L. on the Vendor Policy. Massage deck construction is to begin in the next 10 days down and to the west of the main restroom, which is about a 24' X 20' deck with a north wall and overhang from the north. DOW is paying OLT \$5,000 for the CE and public access easement which was placed into the stewardship, monitoring and legal defense fund. DOW will hire the intern for a \$50/day stipend. We can post this information on our website. Amy has been working on the CE deed with TNC and OLT's attorney. Amy is teaming up with RiGHT and the Gunnison sage grouse group to hold a landowner workshop on May 4 from 5-7 PM at Dessert First in Saguache. The SLV Conservation Roundtable group is now focusing on the San Luis Creek corridor from Poncha Pass to San Luis Lakes. A fourth meeting will be held on May 14 again with a facilitator. OLT received the Conservationist of the Year Award. The Ranch lease was a great outreach opportunity and learning experience about proper rangeland management. We signed the agreement with Partners for Fish and Wildlife. We're receiving \$34,000 in stimulus money; we will contribute \$15,000 in in-kind donations. Hot Springs Creek will be brought outside on the north side of the wildlife fence in two small stretches as permanent cattle watering holes to provide for more rotational grazing. We have one of the best creek ecologists working on the restoration project. Amy sees OLT giving ranch tours; OLT will have control of the Ranch house. Marilyn sees this as a model Ranch. Neil is working on the restoration of the buildings. Mike suggested a videographer who might want to take on the project for free.

Dan said that Amy has legitimized us. John said this is right in line with the vision of the founders. Accolades to Amy.

IX. Board Chair's Report

a. The Board accepted the resignation of Amy Trainer as Executive Director effective May 31, 2010 (resignation attached). Dan read Amy's letter of resignation. John asked that there be an opportunity at a future time to recognize Amy. Harold said with his deepest appreciation and sincere regret, we accept Amy's resignation. Doug seconded, and the motion carried: all in favor, none opposed, no abstentions.

Dan reminded everyone of the June 25, 2010 celebration for the founders and invited Amy to come back for that.

John expressed to Amy his appreciation for her being a drill sergeant toward the Board and that she's been the best thing for the Board.

X. Secretary's Report/Correspondence – Barb reported that the Board had received correspondence in connection with the Petition to the Board and the Board and Neil and Terry had responded. The Board received a letter from Chris and Betsy M regarding the Subdivision Restriction clause in the Conservation Easement Deed and a letter of support from CPI for OLT's sponsorship of a laser light show in lieu of fireworks at the Crestone Music Festival. Barb received confirmation of receipt from the Div. of Real Estate of OLT's final payment for its 2010 State Certification.

Amy mentioned that she thinks the Conservationist of the Year Award was because of her connections with Larry McBride who is in the same office, and Larry knows about what OLT is doing on the Ranch.

XI. Treasurer's Report

- a. Income Statements, Balance Sheet, Cash Flow Statement – John said we have had a rich year as far as land acquisitions, and a lot of money going out the door. Our heavy expenditure period is over. We are in better shape to understand what we can and cannot invest in going forward. We have now separated the Land Conservation and Visitor Services budgets. Visitor Services is up about 11% from the price increase. Gifts/contributions are about \$5,500 under budget. Land conservation income is donations. Amy said that the \$5,300 expense on technology was for Chris M for database fixes, query for the newsletter, and credit card security. Chris has used the entire budget. Costs going forward will be minimal. We are reallocating to the technology budget. John further summarized the Income and Expense Budget, actual and comparison to 2009. Occupancy expense has been 50% over budget. The insurance audit caused us to have to pay an additional premium in first quarter 2010. Terry will adjust this for 2011 so that funds are set aside during the summer months. Terry said we're waiting on a \$3,000 refund from Farmers for auto insurance. The old blue truck is running now with only 25,000 miles on it and about \$1500 in maintenance expenses. We're about \$6,000 to the good on the total budgets. John commended Terry and Amy on the budget.

Balance Sheet: We are now a \$4MIL organization in large part because of Neil and Terry's donation. We have about \$81,000 in liquid cash. We can add to that the net cash flows going forward during April through July minus \$56,000 worth of payments still to come that we'd anticipated in 1st qtr. that will happen in 2nd qtr. We are not yet putting aside operating funds for downtime. Terry said we've been tapping our operating reserves for operating income. John doesn't see any problem in amortizing the Essen property over the next three years.

Cash Flows: We now start putting money aside into our operating reserves.

Cash Assets & Restricted Funds: PB&T doesn't charge OLT for the raffle account. John suggested the balance in the account be moved; Amy said to the land conservation fund. Terry said OLT is required to have a separate raffle fund if we have a raffle. OLT is not currently growing its endowment fund with a monthly investment. Amy thinks it is more important now to focus on the stewardship, monitoring and legal defense (SM&LD) fund, which is active. Doug agreed. It was pointed out in our State Certification report that OLT needs to grow the SM&LD fund. John said we have plans in place to address this by at least \$7,000 this year. John asked for questions from the Board and public. Doug is concerned and acknowledged that our reserves are down. John said our purchasing of fee simple lands is over for awhile. We have an outstanding \$117,000 note, but are not carrying nearly the burden that we were carrying in the past. We have preserved the lands between here and the Everson Ranch as envisioned by Neil and Terry.

Harold brought up reserves and said this needs to be a much higher priority and define what we mean. The purpose of the endowment is not to cover the sort of problem that was discussed previously in connection with the restriction on subdivision clause. The Board has a challenge that has surfaced more recently. The Board needs to be thinking about the 2011 budget.

Investment Committee Report (none)

- b. Report on CPA Review - John brought our attention to the CPA's review. The auditors saw no problems with the financial operations of OLT. Note the 2009 net operating cash to which we added \$123,866 to reserves. John thinks we'll be adding \$150,000 to reserves this year. That will go to land conservation, stewardship, legal defense and capital improvements.

Marilyn moved to approve the Treasurer's report and the Auditor's Review. Doug seconded, and the motion carried, all in favor, none opposed, no abstentions.

- c. Adherence to and Review of 2010 Budget – moved to July meeting.
- d. Stats Charts - Barb reported that total income is off \$978 from 2009. Admission income is up \$15,542 over the first quarter 2009 because of our rate increase, although the number of visitors is down by almost 300 for the first quarter of 2010. John would like to see visitor days flat. Neil said don't ever lower prices. Offer discount. This has been the pattern historically when we have a rate increase, that number of visitors goes down while admission income remains the same or increases over the previous year. Our donation income, excluding government, for March is less than 50% of March 2009 and is 70% of last year's first quarter. This could be because donation solicitation letters went out in December, 2009 and not again until about March 25, 2010. The most recent Individual donations are a bit better, but still only 78% of first quarter 2009. Barb added the Unique Donors chart because it's important for the Board to see the number of donors. She will continue to include this chart in her report. The number of donors or members was brought to her attention as part of the AYO process.

Terry explained that she must have a minimum number of letters to do a bulk mailing. Sometimes it gets put off because of other deadlines. Terry said it would be nice to get the donation solicitation letters out on a regular basis.

XII. Announcements

- a. Next board meeting is annual meeting – Saturday, July 17, 2010 at 9 AM. Location to be determined. Free Picnic Lunch! "Meet & Greet" with the board from Noon to 2 PM at the Pavilion

John suggested the Board be available for questions at the Pavilion during lunch.

- XIII. How did we do today? Self-examination on our governance – Dan asked the Board for comments. John thought this meeting went well. Marilyn said she'll work harder. Doug felt we did well to stay on board vs. staff business; he thought the open forum went pretty well. It was more of a dialogue than he expected. Harold observed that today was a good day because it was centered around the members, the open forum and it engaged the members during the entire meeting. Harold does not by this comment intend to minimize comments from visitors; he suggests asking visitors to read what will be discussed and formulate their comments during those periods set aside for visitor comments, so as not to create a debate among members and the Board. The Board should be good listeners. Member Advocate and other means of communication are good avenues for communication. When the board is making decisions and discussing issues, the board is doing its business. Dan said that this puts the burden on the visitors to do their homework.

Mike said that it's good for visitors to see the process. Mike thinks the Board handled the divided board issue well, but not the process – in getting caught up in the discussion on the Vendor Policy and John L.'s suggestion at the last minute. Harold said the Board could have voted to reconsider the motion. Doug said that John L. and staff are free to revise their proposal and bring it back to the Board for consideration. Paul said the Board covered a lot today. More Members/visitors are coming to meetings. The Board is opening itself up more to members. This is one of the better meetings the Board has had. John said it was both a good day and bad day for the Board. Dan said we deteriorate into a lot of cross-talk. Try to avoid it in the future. Dan asked that others not whisper or nudge him about the agenda rather than trust him to follow it. Terry wants to thank the Board, Amy and Barb for the preparation. John L. thanks everyone, staff, Rob, Keno, and all associated with the petition; the dialogue was helpful. Don would like to recognize the job that Amy has done. Amy will be missed for both the job she's done here and the friendship she's provided. Jan mentioned the Board's professionalism and that they are articulate.

XIV. Executive Session - The regular Board meeting adjourned at 5:43 PM, and the Board reconvened in Executive Session at 5:51 PM.

Submitted by:

Approved by:

_____/_____
Barbara Tidd, Secretary Date

_____/_____
Dan Jones, Chair Date

Orient Land Trust

Resolution No. 2010-05

***CONCERNING COLORADO DIVISION OF WILDLIFE
CONSERVATION EASEMENT AND PUBLIC ACCESS EASEMENT
ON ORIENT MINE PROPERTY***

Effective April 17, 2010

WHEREAS, Orient Land Trust (“OLT”) owns in fee simple the real property described in the attached Exhibit A, sometimes referred to as the Orient Mine Property, which consists of approximately 350 acres containing two parcels of land located in the San Luis Valley, County of Saguache, State of Colorado: (1) the area where the Orient iron ore mine and associated historic mining town is located (330 acres) and (2) a 20-acre parcel just east of the mine which is surrounded by US Forest Service land (collectively, the “Property”);

WHEREAS, on or about December 18, 2007, Neil and Teresa Seitz (“Seitz”), the founders of OLT, donated the Property to OLT, as was their intent since founders Seitz created OLT in 2001, and the acceptance of the Property donation was reiterated in the Board’s resolution dated September 14, 2008;

WHEREAS, the Property has considerable significant and unique Conservation Values and natural features that include the following:

- (1) Significant wildlife habitat
- (2) Biological resources
- (3) Ecological habitat
- (4) Open Space and development buffer
- (5) Scenic areas and vistas
- (6) Unique historic and geologic features

WHEREAS, on or about April 16, 2004, the Property was designated a Colorado Natural Area by the Colorado State Parks’ Colorado Natural Areas Program, and the Property has received an importance rating of “very high biodiversity significance (B2)” by the Colorado Natural Heritage Program;

WHEREAS, a large opening in the Orient Mine, called the “Glory Hole,” has been, since the mid-1960s, the summer roost to a bachelor colony of approximately 250,000 Mexican free-tailed bats, *Tadarida brasiliensis*, which is the largest colony of bats in Colorado and perhaps the largest bachelor colony of this bat species in North America;

WHEREAS, OLT conducts walking tours to the Property in the evenings from approximately mid-June to mid-September for the scenic enjoyment of the general public who may view the out-flight of the bats from the Glory Hole, which tours are of significant public benefit, provide an outdoor recreation opportunity, and provide an incredible and educational wildlife viewing, experience;

WHEREAS, the Property provides winter and summer habitat for deer, pronghorn and elk, is a concentration area for deer and elk, and is a migration corridor for all three big game animals;

WHEREAS, in founding OLT, Seitz intended to provide a means for the protection and preservation of the Property for current and future generations;

WHEREAS, placing a conservation easement on the Property will ensure the protection of the Conservation Values of the Property in perpetuity;

WHEREAS, CDOW is willing to place signage along the public access entrance to the Property to the effect that visitors to the nearby clothing-optional Valley View Hot Springs may be hiking on the Property in the nude;

WHEREAS, placing a conservation easement on the Property fits within the mission of OLT, specifically, the “...preservation of natural and biological resources, agricultural lands, wildlife habitat, open space, and historic and geologic features of the northern San Luis Valley for the enjoyment of current and future generations”;

WHEREAS, the Property holds a special significance for OLT;

WHEREAS, OLT’s mission is well-served by the Colorado Division of Wildlife (“CDOW”) purchasing from OLT both a conservation easement (“CE”) and a non-exclusive public access easement (“Access Easement”) over the Property where the old railroad grade connects to the Property on the northern side from the Black Canyon Trailhead road and parking area on BLM property as depicted in the attached Exhibit B to enhance public access for hunting and wildlife viewing by providing a critical link between lands managed by the Bureau of Land Management, Colorado Division of Wildlife, and the Rio Grande National Forest;

WHEREAS, OLT’s sale to CDOW of an Access Easement allows the public to utilize the Property for non-motorized recreational opportunities, including controlled-access for big game hunting, horseback riding, wildlife viewing, hiking, backpacking and backcountry skiing;

WHEREAS, OLT and BLM have agreed to enter into a Memorandum of Understanding to allow the public to utilize the existing parking area at the Black Canyon Trailhead to access the Property and for all the non-motorized uses as stated above;

WHEREAS, BLM will allow OLT to place signage on its existing sign posts along Saguache County Roads GG and 61 pointing to the Black Canyon Trailhead, and BLM will donate a small kiosk at the Trailhead parking area to point the public to the Property;

WHEREAS, the placing of a CE on the Property whereby the Property will be co-managed by CDOW and OLT, ensures that the Property will be protected and co-managed with OLT in perpetuity for its biologically diverse wildlife habitat and exceptional wildlife viewing of the summer evening out-flights of the Mexican free-tailed bats;

WHEREAS, CDOW has agreed to purchase a CE and the Access Easement for the sum of \$5,000 as well as provide funding for all transaction costs, including an appraisal, if needed, update to the 2007 Baseline Documentation Report, Environmental Hazards Report, Title Policy, Mineral Remoteness Letter, and Closing Costs;

WHEREAS, CDOW has further agreed to pay for all-terrain vehicle deterrent devices, informational signage and maps, a large informational kiosk, and a downloadable podcast that would provide information about the hike to the Glory Hole, the Mexican free-tailed bats, and their summer habits and habitat;

WHEREAS, CDOW has also agreed to recruit a summer intern or volunteer 3-4 nights per week from mid-June to mid-September to assist OLT in guiding the public up to the Glory Hole to see the evening out-flight of the bats.

WHEREAS, OLT will contribute in-kind services toward construction of the informational kiosk and installation of the signage and will pay for its attorneys' fees;

WHEREAS, OLT shall retain the right to provide water from either the well or the natural spring on the Property to the BLM allotment to the southwest of the Property to allow for enhanced rangeland management and shall reserve two very small building envelopes;

WHEREAS, on or about March 11, 2010, CDOW's Wildlife Commission approved moving forward with all necessary due diligence to accept a CE and purchase the Access Easement on the Property;

WHEREAS, the OLT Board of Directors ("Board") has been involved in discussions concerning CDOW's holding a CE and purchasing an Access Easement on the Property since the Executive Director first brought this before the Board for discussion at its July 18, 2009 regular meeting;

WHEREAS, OLT's Executive Director and staff have performed the necessary due diligence in cooperation with CDOW staff and both parties believe it is in their best interests to draft the CE and Access Easement documents whereby CDOW will purchase from OLT and OLT will grant to CDOW a CE on the Property and the Access Easement by December 31, 2010; and

WHEREAS, OLT recognizes the importance and significance of placing a conservation easement on the Property in order to ensure the Property's Conservation Values are protected in perpetuity.

NOW, THEREFORE, BE IT RESOLVED THAT on the effective date of this Resolution, the Board of Directors of Orient Land Trust directs and authorizes its Executive Director to proceed with the closing of this Conservation Easement and Access Easement transaction whereby CDOW will hold a conservation easement and non-exclusive public access easement on the Property ("Transaction") and further authorizes its Executive Director to sign any and all documents required in connection with this Transaction.

Dan Jones, Chair

Date

ATTEST:

Barbara Tidd, Secretary

Date

"EXHIBIT A"

Nero, Caesar, Cleopatra, Othello, Booth, Macbeth, Hamlet, Top Gallant, Portia, Trilby, Mercutio, Ephemeris and Brutus Lode Mining Claims, Survey No. 11400, Blake Mining District, embracing a portion of Sections 24 and 25, in Township 46 North, Range 10 East, and Sections 19 and 30, in Township 46 North, Range 11 East, N.M.P.M., Saguache County, Colorado, EXCLUDING all that portion of the ground embraced in said Mining Claims or Surveys Nos. 1684-4988 and said Grand View and Grand Tower lode claims, Survey No. 4887 and also all veins, lodes and ledges throughout their entire depth, the tops or apexes of which be inside of such excluded ground and EXCLUDING any portions described in Patent recorded December 23, 1897 in Book 61 at Page 542.

Flag Lode Mining Claim, Survey No. 1507, Smiths Gulch Mining District, embracing a portion of Section 25 and 36 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, EXCLUDING all that portion of the ground embraced in said Section 36, Township 46 North, Range 10 East, N.M.P.M., and also all that portion of said Flag vein or lode and of all veins, lodes and ledges throughout their entire depth, the tops or apexes of which lie inside of such excluded ground and EXCLUDING any portions described in Patent recorded March 21, 1891 in Book 41-2 at Page 15.

Vivia B. Lode Mining Claim, Survey No. 4988, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, EXCLUDING all that portion of the ground embraced in said Mining Claims or Survey Nos. 1684 and 4887, and all that portion of said Vivia B. vein or lode and of all veins, lodes and ledges throughtout their entire depth, the tops or apexes of which lie inside of such excluded ground, and EXCLUDING any portions described in Patent recorded August 17, 1891 in Book 41-2 at Page 18.

Poor Mans Lode Mining Claim, Survey No. 4933, Smiths Gulch Mining District, embracing a portion of Section 25, in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, EXCLUDING all that portion of the ground embraced in said Mining Claims or Survey No. 4906 and all that portion of said Poor Mans vein or lode and of all veins, lodes and ledges throughout their entire depth, the tops or apexes of which lie inside of such excluded ground, and EXCLUDING any portions described in Patent recorded August 17, 1891 in Book 41-2 at Page 19.

Big Strike Lode Mining Claim, Survey No. 4907, Blake Mining District, embracing a portion of Section 30 in Township 46 North, Range 11 East, N.M.P.M., Saguache County, Colorado, EXCLUDING all that portion of the ground embraced in said Mining Claim or Survey No. 1552, and also all that portion of said Big Strike vein or lode, and of all veins, lodes and ledges throughout their entire depth, the tops or apexes of which lie inside of such excluded ground, and EXCLUDING any portions described in Patent recorded May 27, 1903 in Book 41-2 at Page 73.

Denver Lode Mining Claim, Survey No. 4908, Blake Mining District, embracing a portion of Section 30 in Township 46 North, Range 11 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded May 27, 1903 in Book 41-2 at page 72.

McClellan Lode Mining Claim, Survey No. 1684, Blake Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded August 22, 1887 in Book 41-2 at Page 1.

Valley View Lode Mining Claim, Survey No. 8940, Smiths Gulch Mining District embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 11, 1897 in Book 41-2 at Page 44.

Runaway Lode Mining Claim, Survey No. 1539, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 21, 1891 in Book 41-2 at Page 13.

D.N. Jones Lode Mining Claim, Survey No. 1540, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 21, 1891 in Book 41-2 at Page 11.

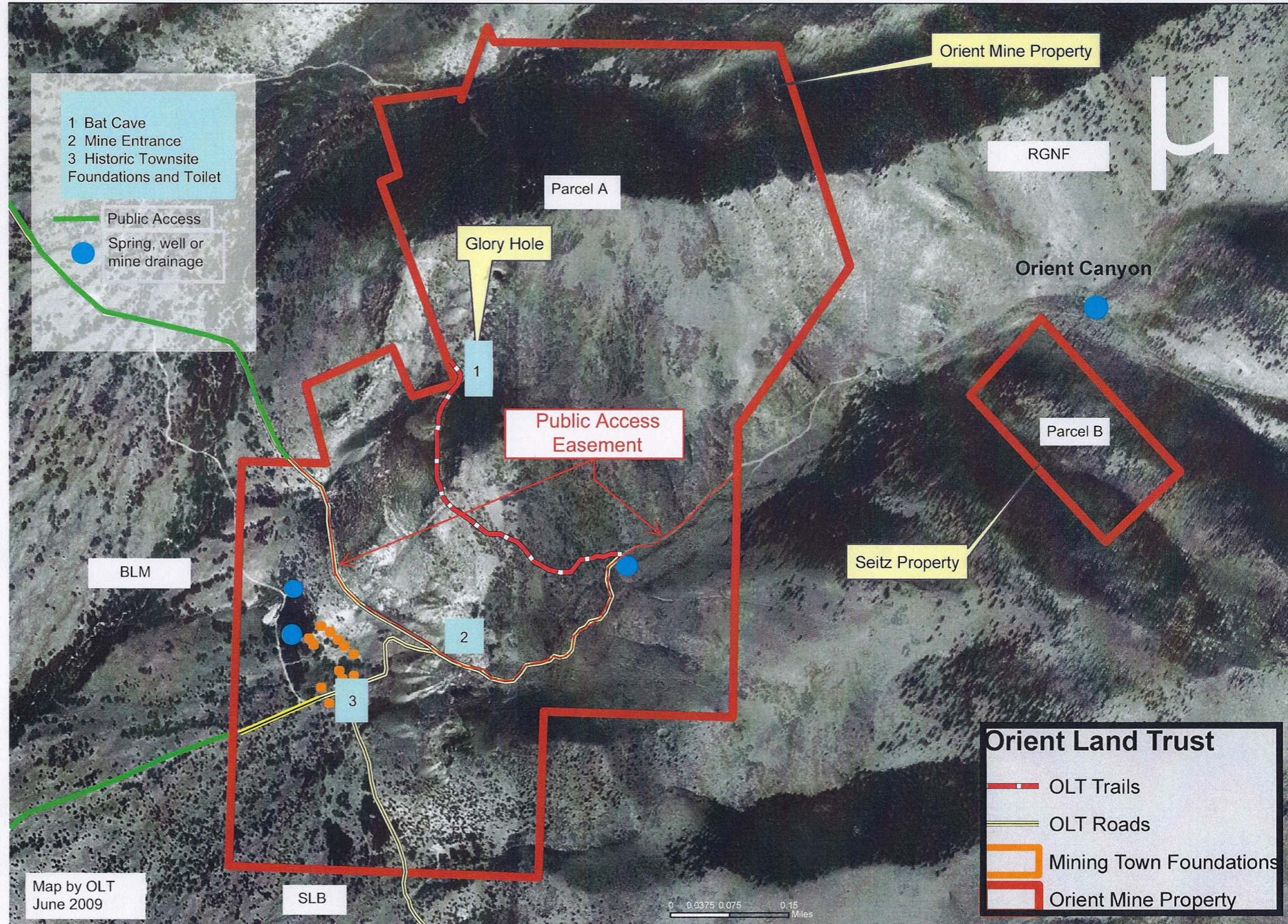
Prospector Lode Mining Claim, Survey No. 1505, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 21, 1891 in Book 41-2 at Page 12.

Enterprise Lode Mining Claim, Survey No. 1506, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 21, 1891 in Book 41-2 at Page 14.

Beehive Lode Mining Claim, Survey No. 1504, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 21, 1891 in Book 41-2 at Page 16.

Grand View and Grand Tower Lode Mining Claim, Survey No. 4887, Smiths Gulch Mining District, embracing a portion of Sections 24 and 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded August 17, 1891 in Book 41-2 at Page 20.

Security Placer Mining Claim, Survey No. 1903, Smiths Gulch Mining District, embracing a portion of Section 25 in Township 46 North, Range 10 East, N.M.P.M., Saguache County, Colorado, as described in Patent recorded March 11, 1897 in Book 41-2 at Page 45.



ORIENT LAND TRUST

Resolution No. 2010-06

CONCERNING BOARD DEVELOPMENT STRATEGY

Effective April 17, 2010

WHEREAS, the Orient Land Trust (OLT) Board of Directors (Board) has provided direction and responsibilities to the Board Development Committee (BDC) in a motion on May 14, 2005 and by Resolution 2010-01 approved January 16, 2010;

WHEREAS, the OLT Bylaws provide for the granting of duties to various committees of the full Board;

WHEREAS, the Board understands that it is not necessary or required that the Board approve the attached Strategy to Identify and Attract New and Diverse Board Members (Board Development Strategy), which includes the board position description approved January 16, 2010, forms of evaluation for existing and exiting board members, board development checklist, interview questions for prospective board members, and a grid for analyzing the board's makeup, all developed by the BDC for its use in carrying out its duties and responsibilities; and

WHEREAS, the Board believes it is in its best interest and in the best interests of OLT for the entire Board to approve this Strategy because it involves the entire board and tasks to be undertaken by the entire board about itself;

RESOLVED, that the Board approve the attached Board Development Strategy and commit to its implementation.

Dan Jones, Chair

Date

ATTEST:

Barbara Tidd, Secretary

Date

Orient Land Trust

Strategy to Identify and Attract New and Diverse Board Members **(Strategy for New Board Members)**

Summary

The Land Trust Alliance (LTA) recommends creating a strategy to identify and attract new and diverse board members. LTA addresses this in *Standard 3: Board Accountability* and *Practice 3b: Board Accountability* suggests that “The board is of sufficient size to conduct its work effectively. The board is composed of members with diverse skills, backgrounds and experiences who are committed to board service. There is a systematic process for recruiting, training and evaluating board members.”

Background

OLT has established a quantifiable process for evaluating its current board makeup so that it can in turn identify gaps in diversity of age, ethnicity, background and experience. This information establishes criteria for completing a grid which identifies gaps – and thus preferences – in identifying candidates for the board. This grid is applied to the guidelines for attracting new board members identified later in this strategy. The process is ongoing and circular: Evaluation (step 1) leads to identifying (step 2) which becomes the basis for recruitment (step 3), and subsequent election and training (step 4) of new board members.

In addition to desiring candidates with strengths in land conservation, OLT is unique in needing candidates familiar with resort operations and naturism. OLT operates a clothing optional recreational facility – Valley View Hot Springs (VVHS). Discussion of naturism is necessary when interviewing candidates. Familiarity with naturism is imperative to the success of board members. OLT has placed a deed restriction on the VVHS parcel which includes the language, “‘Naturist Use’ is defined for this restriction as allowing the practice of clothing optional communal nudity in a non-erotic setting, with a commitment to inclusiveness and diversity, and without discrimination based on race, age, gender, sexual orientation, religion, lifestyle or socio-economic background. The purpose of preserving the naturist culture is to encourage body acceptance, self-respect, respect for others, and caring for the environment. The Hot Springs Parcel provides a pristine, rustic and peaceful setting in which to enjoy the benefits of a naturist lifestyle including feelings of physical, spiritual, and psychological well-being, as well as a sense of freedom and relaxation.”

Goal

The goal of this Strategy is to develop and maintain a healthy, productive and diverse Board of Directors (BoD) through identifying and recruiting quality directors that can manage the professionalism and time demands of the position. By establishing a clearly-stated expectation of the position and through careful recruitment and selection, the likelihood of adding an ineffective director is minimized. A strong and diverse board provides a number of benefits including:

- Community credibility by having board members present in a variety of communities in order to represent the organization
- Board diversity increases the organization's effectiveness to govern by having a number of areas of expertise and experience represented
- Potential conflicts of interest decrease when there is a diverse board with a variety of backgrounds and interest
- 501(c)(3) tax-exempt status is protected since the Internal Revenue Service examines a board to ensure it is representing broad-based and public interests and isn't representing a minority or the financial interests of a small donor group

Implementation

The Board Development Committee (BDC) of OLT is responsible for implementing the procedures set forth in this strategy. The BDC's directive in these matters was approved by the BoD May 14, 2005, "Board Development Committee's authorization and responsibility to include: continually recruiting board members; new board member orientation, including creating packets for new board members; refinement and revision as the committee deems appropriate of the current board position description; and board meeting programs and training for board development." This directive was updated by the BoD January 16, 2010 to include the self-evaluation of existing board members.

Strategy to Identify and Attract New and Diverse Board Members

1. Current Board Evaluation

Each July, following the annual meeting when new directors are elected, the BDC updates the Board Grid for existing directors. (see attached) The grid identifies the strengths of the current BoD and shows gaps in demographics, gender, ethnicity, expertise and culture. This becomes the basis for the BDC to use in implementing the procedures for identifying future board members.

Each September, board members fill out a Self-Evaluation (see attached) which is administered by the Chair of the BDC who then randomizes the responses and presents them to the entire BoD in executive session for discussion. Through the self-evaluation process issues needing improvement are identified and discussed.

The BDC updated and approved Board Grid as well as the compiled Self-Evaluations of board members are included in the confidential meeting packet for the October quarterly meeting of the OLT BoD. In addition to discussion of these two items, the entire board completes the Board Development Checklist (see attached). Review and discussion of the questions facilitates sharing of information so the entire BoD is aware of current practices. Gaps are identified and subsequently addressed by the BDC. Through this process the entire board, along with the Executive Director (ED) has recurring input into key organizational questions such as the effectiveness of the size of the BoD, the success of ongoing planning and the relationship between directors and staff.

Additionally, exiting directors are asked to fill out an Exiting Evaluation (see attached) which provides insight to the BDC in identifying strengths and weaknesses within the BoD. This information is shared with the entire BoD in executive session in order to preemptively address concerns with current directors as well as learning from past errors.

2. *Identifying Future Board Members*

The BDC annually reviews and updates the Board Grid in order to add or delete criteria which may have changed in the past year pertaining to the makeup of the BoD. This is done following the July annual meeting when the BDC will convene for this purpose as well as to update the Board Grid based on newly-elected directors. Gaps in the board makeup are identified and a profile of attributes to seek in board candidates is created and utilized in the recruiting process.

3. *Recruiting Directors for the Board of Directors*

The starting point for successful recruitment is having a comprehensive Position Description for Directors (see attached). This job description is reviewed regularly by the BDC for accuracy in content and current practices. It was most recently updated and approved by the BoD on January 16, 2010. Following are the variety of ways in which future directors are recruited.

- *Word of Mouth, General.* Having identified desirable attributes for board candidates, the BDC shares this information with the full board as well as the ED. The ED disseminates this information to staff. Everyone, in their day-to-day lives is then an effective mouthpiece for the BoD in promoting director vacancies.
- *Word of Mouth, Targeted.* Directors and the ED are regularly in contact with local businesses, local government agencies and jurisdictional agencies of the state and federal government. Acquaintance is maintained with local landowners in order to educate them on the conservation easement process. Through this networking potential directors are identified. Resort staff is in regular contact with guests of the hot springs operation and can further identify possible candidates for directorship. It is through targeted word of mouth that advisory-capacity individuals are sought for positions per the OLT bylaws. These advisors are from government agencies and specific industries whose expertise will be beneficial to board knowledge and/or community relations.
- *Website.* OLT maintains a website page for volunteer recruitment and utilizes this area for current and upcoming vacancies on the BoD. The Position Description is posted here along with a comprehensive list of board committees
- *Media.* As stand alone or in conjunction with other Public Service Announcements (PSAs) submitted to local radio and newsprint media, the BDC may advertise for directors.
- *Member Solicitation.* Notice is regularly made through print and electronic newsletters of vacancies on the BoD. OLT members have a love for and dedication to the land which means committed directors. Members come from broad geographic areas and diverse backgrounds.

- *Committee.* All the above means are also utilized to recruit volunteers to serve on committees. Committee volunteers become involved with and learn about the functions of the BoD and, where appropriate, are then encouraged to apply to the BoD.

Interested persons are encouraged to contact the BDC Chair for further information. As spelled out in the Position Description, once an individual determines that s/he wants to apply for nomination, they attend a minimum of one BoD meeting. If s/he is not already serving the organization in an advisory capacity or through committee participation it is suggested s/he join a committee in order to better understand the working structure of the organization.

When ready, applicants submit a letter of intent and a resume to the BDC chair as an official application to become a director. The BDC chair shares this application with the committee which in turn screens and discusses it in committee. A decision is made about whom to ask for an interview and interviews are then conducted, by the full committee, with each applicant. Interview Questions (see attached) which are periodically updated by the BDC are the primary questions asked during this interview. The 20-30 minute interview is concluded by asking the candidate if s/he has questions. Finally, the committee discusses and votes on whether to recommend the candidate to the full BoD for election to the board.

4. *Training of Newly-Elected Directors*

After the BDC determines it will recommend an individual for election by the full BoD, the BDC Chair contacts the applicant and informs him/her of the BDC decision. Questions are answered for the applicant and s/he reviews the upcoming meeting calendar. The applicant is supplied, by the Board Secretary with the following three documents to read.

- *Board and Officers Acknowledgment* (to be signed at least annually) – pledge to conduct organizational and land protection activities under the highest professional standards and according to LTA Standards and Practices
- *Acknowledgment Concerning Policies Governing Conflict of Interest and Confidentiality and Conflict of Interest Disclosure* (to be signed at least annually)
- *Acknowledgment Concerning Statement of Values and Code of Ethics* (signed once)

Once the prospective board member has indicated his/her intention to sign these documents if s/he is elected to the BoD, the Board Secretary provides the applicant with a New Board Member packet. This packet contains comprehensive materials relating to the organization and the director-elect is encouraged to study the material prior to his/her election. There is no confidential or Executive Session material contained in the packet. The candidate also receives the public meeting packet when it is distributed prior to the meeting. A full meeting packet is prepared to give the director once s/he has been elected.

Director elections are placed at the beginning of the agenda for the next regularly-scheduled quarterly meeting so that the director can participate in that meeting. During breaks and following this meeting the Board Chair and all directors make a concerted effort to reach out to the new director in order to make him/her feel welcome and part of the board. Where there are gaps in the knowledge of history of actions being considered, the new director is

given complete details and perspective. Newly elected directors are encouraged to solicit such information from multiple directors in order to gain a broader perspective.

At the new director's first meeting, a director from the BDC will volunteer to be a mentor and should no one step forward, the BDC Chair will serve as mentor. The mentor will, at minimum, reach out by phone to the new director at least once in the month following this meeting to answer questions and provide additional historic information. Throughout the process the new director is encouraged to ask questions.

In most cases, a new director will already be serving on a committee. If for any reason s/he is not, a committee role will be encouraged after his/her election.

Orient Land Trust

Self-Evaluation for Existing Directors

The Board of Directors has asked the Board Development Committee of Orient Land Trust to ask all existing Board members to execute a self-evaluation, which is provided to the Chairperson of the Board Development Committee by filling out this form. This process is intended to provide OLT information regarding how to improve its practices. In keeping with these goals, the Board Development Committee asks you to please take the time to review the following areas of information and let us know whatever you think will be helpful for us to achieve our exit interview goals.

Please note that once you have provided this form to the Chair of the Board Development Committee, this document will be summarized by the Chair and presented, along with results of the same inquiry of other Board members, to the Board of Directors for consideration under executive session procedures, which will maintain the confidentiality of your responses so that you may write and speak freely about your experience as an OLT Board Member.

Your Name:

Term served (beginning mo/yr):

- I. Why did apply to serve on the Board of Directors? What were your expectations?

- II. On a scale of one to ten with ten being very high, what is your level of stress/burnout from Board responsibilities? Do you feel assigned too many or too few tasks?

- III. What do you think have been OLT's greatest accomplishments during your tenure on the Board?

- IV. What do you think have been your own greatest accomplishments during your tenure on the Board?

- V. What do you think are the OLT Board's most urgent areas for improvement?

- VI. Please name two action items that you feel should be accomplished by the Board in the next year (i.e., shorter-term action items).

- VII. Please name two action items that you feel should be accomplished by the Board over the next two to three years (i.e., longer-term action items).

- VIII. What have been the most satisfying aspects of your experience on the Board?
- IX. What have been the least satisfying aspects of your experience on the Board?
- X. What, if anything, would you change about your experience on the Board?
- XI. Do you feel you have received and/or are receiving enough training and support to be an effective Board member?
- XII. Do you feel welcome and appreciated?
- XIII. Do you have any concerns with any of the logistics of serving on the Board – travel time, or travel, lodging, and other expenses?
- XIV. Has your time on the Board failed, met, or exceeded your expectations of being an OLT Board member?
- XV. Do you have adequate time to be an effective Board member?
- XVI. Please share anything else you think is important for us to know. Please also let us know if there is someone you recommend who would be a good addition to the Board, either now or in the future.

Signature: _____

Date: _____

Board Development Checklist

Instructions: Evaluate board and set forth performance goals. Board and staff should discuss and rate the following checklist. Objectivity and open communication will yield better results.

Need	Have	Improve	Checklist Questions
			Do you have an established method for selecting new board members?
			Is the recruiting process active and on-going?
			Are prospects invited to a board meeting to observe?
			Is there a process for welcoming guests?
			Do you have an orientation process?
			Are prospects informed of the duties of the board?
			Do present board members understand their duties?
			Does your board know they are legally responsible for the organization?
			Is board familiar with the structure of the organization?
			Is board familiar with the functions and services of the organization?
			Do board members gain firsthand experience of the organization's operations/services at least once per year?
			Does the board have an annual planning process?
			Is the number of board members established in your bylaws?
			Does the board membership properly represent diversity?
			Do board members serve for a specific period of time?
			Are they recognized when they have finished their service?
			Are the meetings well managed?
			Are the attendance rates high?
			Is there a structure in place to support good attendance?
			Does the board have a procedure to call upon absent members?
			Do board members receive an agenda and materials at least ten days in advance of the meeting?
			Are the board members prepared?
			Are financial and organizational reports presented at board meetings?
			Does the board have a system for minute taking and record keeping?
			How does the board evaluate organizational and board performance?
			Does the board follow-up on "old" business?

Need	Have	Improve	Checklist Questions
			Does the board have a set of job descriptions for members and officers?
			Is the board's working relationship with staff clearly defined?
			Does the board understand its role and the role of staff and management?
			Do board members understand the full expectations for quality service?
			Is the board able to manage conflict and differences of opinion?
			Does the board evaluate the organization's policies, streamlining and securing the organization so that it remains vibrant, not bureaucratic?
			Do board members contribute to the effort of the organization?
			Do board members participate in promoting the organization in the community?
			Do board members value their role in establishing the organizational "culture"?
			Can the board effectively deal with poor organization performance?
			Does it recognize good performance?
			Does the board review the organization's mission each year?
			Does the board encourage leadership development?
			Does the board contribute value/skills to the mission?
			Does the board celebrate accomplishments/milestones?
			Does the board have fun?

Orient Land Trust
Self-Evaluation for Exiting Member of the Board of Directors

The Board Development Committee of Orient Land Trust conducts a two-part exit procedure for all outgoing Board members. The first part is a review of the outgoing Board member's self-evaluation, which is provided to the Board Development Committee by filling out this form. The second is an exit interview, if desired by the outgoing Board member (see below). With an effective exit program, OLT will be able to learn from the experiences of departing Board members and gain an opportunity to improve its practices accordingly. In keeping with those goals, we would like to capture your ideas for improvement, pinpoint potential action opportunities for the Board, and take the time to thank you for involvement on the OLT Board. To that end, please take the time to review the following areas of information and let us know whatever you think will be helpful for us to achieve our exit interview goals.

Please note that once you have provided this form to the Chair of the Board Development Committee, he or she will contact you to schedule an interview, either in person or on the telephone, to follow up with you regarding your responses to these inquiries. This interview will be summarized by the Chair and presented, along with this form, to the Board of Directors for consideration under executive session procedures, which will maintain the confidentiality of your responses so that you may write and speak freely about your experience as an OLT Board Member. Thank you again for your service.

Outgoing Board Member:

Term served (mo/yr to mo/yr):

- I. Why did you leave the Board of Directors?

- II. On a scale of one to ten with ten being very high, what was your level of burnout from Board responsibilities? Did you feel assigned too many or too few tasks?

- III. What do you think were OLT's greatest accomplishments during your tenure on the Board?

- IV. What do you think were your own greatest accomplishments during your tenure on the Board?

- V. What do you think are the OLT Board's most urgent areas for improvement?

- VI. Please name two action items that you feel should be accomplished by the Board in the next year (i.e., shorter-term action items).

- VII. Please name two action items that you feel should be accomplished by the Board over the next two to three years (i.e., longer-term action items).

- VIII. What were the most satisfying aspects of your experience on the Board?
- IX. What were the least satisfying aspects of your experience on the Board?
- X. What, if anything, would you change about your experience on the Board?
- XI. Do you feel you received enough training and support to be an effective Board member?
- XII. Would you consider serving on the Board again? If so, when?
- XIII. Did you feel welcome and appreciated?
- XIV. Did any of the logistics cause you to depart the Board – travel time, or travel, lodging, and other expenses?
- XV. Did you have adequate time to be an effective Board member?
- XVI. Please share anything else you think is important for us to know. Please also let us know if there is someone you recommend who would be a good addition to the Board, either now or in the future.

Signature: _____

Date: _____

Board of Directors Position Description

Every July, at least three seats open on the Orient Land Trust (OLT) Board of Directors. We solicit applicants with interest and time to fill these positions. Any individual who is interested in serving on the Board of Directors is strongly encouraged to attend at least one board meeting in advance and applicants are usually asked to serve on a committee prior to joining the full board of directors. The Board is legally and fiscally responsible for the organization. It sets policy, establishes goals and budgets, and hires and monitors the performance of the Executive Director. Board member responsibilities include:

- Linking OLT and its membership
- Policy and decision-making at the board and committee levels. Members are required to participate in a minimum of one committee which conducts one hour phone conferences 4-8 times per year as well as email discussions.
- Assuring Executive Director performance
- Attending day-long quarterly board meetings on the third Saturday of January, April, July, and October. Meetings are currently held at or near OLT. The July meeting is the annual meeting at which the election of officers takes place. Occasional phone conversations and special session meetings may be held by phone or on the Sunday following a regularly-scheduled board meeting.
- Representing OLT knowledgeably in the community
- Assisting OLT in gaining community support by exercising personal and professional contacts whenever possible and appropriate
- Accepting leadership position(s) on the Board and committees as experience and time allow
- Contributing financially according to ability to give
- Participating in fundraising efforts
- Timely communication of board issues via email

Board members sign the following acknowledgments when elected:

- Board and Officers Acknowledgment (to be signed at least annually) – pledge to conduct organizational and land protection activities under the highest professional standards and according to LTA Standards and Practices
- Acknowledgment Concerning Policies Governing Conflict of Interest and Confidentiality and Conflict of Interest Disclosure (to be signed at least annually)
- Acknowledgment Concerning Statement of Values and Code of Ethics (signed once)

One-third of the directors are elected for terms of three years at the annual meeting each July. Board members are volunteers. Qualifications of competitive directors may include, but are not limited to:

- Commitment to conservation, land protection
- Support and promote the mission of OLT
- Familiarity with Orient Land Trust property and naturism
- Experience with nonprofit organizations, particularly land trusts or conservation-related organizations
- Successful fundraising experience
- Public and community relations experience
- Reliable access to email and the Internet
- Legal expertise
- Experience or strong interest in biology, ecology, ranching, geology, hydrology
- Financial management expertise
- Real estate expertise

OLT Directors serve on a volunteer basis and receive the following benefits as part of their service to the organization:

- Mileage reimbursement when traveling to quarterly board meetings (many board members choose not to exercise this option).
- No overnight fee at OLT is charged when staying on the Friday and Saturday of board meeting weekends. You are charged the accommodation fee only.
- Lunch is provided during board meetings.
- Travel expenses and registration to relevant educational seminars pre-approved by the Board Chair and Executive Director and within the organization's budget are paid by OLT.

If you're interested, please submit a letter of interest and resume to the Board Development Committee, Orient Land Trust, PO Box 65, Villa Grove, CO 81155 or email to Board Development Committee in care of info@olt.org. Please highlight your experience with nonprofits (including volunteer boards), fundraising, finance, committee work, volunteerism, familiarity with OLT, your interests and expertise, and why the board would want you as its newest member.

Board Development Committee Interview Questions

Interview questions to be used with applicants to the Board of Directors

1. What is your understanding of our Mission Statement?
2. What is your understanding of the relationship between a working board of directors and the executive director?
3. What do you see as the biggest strength you would offer to the board?
4. Will you have the time and means to attend four day-long board meetings per year?
5. Will you be able to commit to committee involvement? Which committees interest you?
6. What is your perspective on the relationship between Valley View Hot Springs and Orient Land Trust?
7. What passions do you have that will tie in with OLT?
8. Do you serve on other boards? Volunteer? Non profit?
9. What is your time availability for serving OLT?
10. What is your previous attendance at Valley View – for how many years have you been coming and how frequently do you visit?
11. What is your personal level of comfort with nudism? With a clothing optional resort?