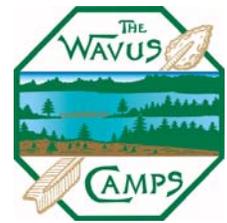


KieveWavus



Kieve Camp for Boys • The Leadership School • Wavus Camp for Girls
Family & Alumni Camp • Kennedy Learning Center • KW West
9/11 Family Camp • Veterans Camp



Kieve-Wavus Education, Inc. Gift Acceptance Policy

It is the mission of Kieve Wavus Education, Inc., (“Kieve-Wavus”) to empower people to contribute positively to society by promoting the values of kindness, respect for others, and environmental stewardship through year-round experiential programs, camps for youth and adults, and guidance from inspirational role models.

Kieve-Wavus’ Board of Directors is charged with maximizing Kieve-Wavus’ ability to perform its mission. Toward that end, Kieve-Wavus’ Directors have a fiduciary duty to the people served by Kieve-Wavus’ programs and the many generous donors who have supported Kieve-Wavus in the past to assure that Kieve-Wavus’ assets are employed efficiently and protected from potential liabilities and diversion to purposes other than those that will further Kieve-Wavus’ goals. In an effort to discharge that fiduciary duty, Kieve-Wavus’ Board of Directors has approved this Policy on the Acceptance of Gifts (the “Policy”), which is intended both to keep Kieve-Wavus financially secure and to assure donors that their contributions to Kieve-Wavus are used in accordance with their wishes and Kieve-Wavus’ fundamental mission. We hope this explicit statement of the Policy can serve as a guide to the responsibilities of both donors and Kieve-Wavus in planning and completing charitable gifts.

This Policy describes the circumstances under which Kieve-Wavus can accept present and future interest gifts of different kinds. General considerations affecting gifts of all kinds are described in Part One of the Policy. The different sorts of property Kieve-Wavus can accept are described in Part Two of the Policy. The various means in which gifts may be made are described in Part Three. In all cases, Kieve-Wavus shall abide by the Standard of Practice for the Charitable Gift Planner as promulgated by the Partnership for Philanthropic Planning, f/k/a National Committee on Planned Giving. The text of the Standards is available at www.pppnet.org.

We appreciate donors’ consideration of any gift to Kieve-Wavus. We would be happy to provide a copy of this Policy to anyone with whom a donor consults in the course of considering a gift and to answer any questions this Policy may raise for any potential donor or those with whom a donor is consulting. Please call Kieve-Wavus’ Development Director at (207) 563-5172 if you have any questions or if you wish to discuss any aspect of this Policy.

PART ONE: GENERAL POLICIES RELEVANT TO ALL GIFTS

1. *Employment of Counsel.* In some circumstances, it is prudent for Kieve-Wavus to work with legal counsel in structuring significant gifts. When those circumstances arise, Kieve-Wavus employs, at its own expense, counsel who are independent of both Kieve-Wavus and the person making the gift. The instances in which Kieve-Wavus expects to work with counsel are identified below. We encourage donors to consult their own legal and tax counsel as their needs may require, and we ask that all potential contributors to Kieve-Wavus understand that counsel working with Kieve-Wavus to structure a gift cannot also work with or represent the person making the gift. Kieve-Wavus and its employees and agents are prohibited from advising donors about

the tax consequences of their donations, so donors should seek advice on the tax ramifications of any gift to Kieve-Wavus from independent legal or tax advisors.

2. Acceptance Process. Some gifts to Kieve-Wavus are more complex than others. In the cases of certain kinds of gifts, Kieve-Wavus requires that Kieve-Wavus' acceptance of the gift be approved by the Executive Committee of Kieve-Wavus' Board of Directors (the "Committee"). The sorts of gifts that can only be accepted with the approval of the Committee are identified below. In any case where acceptance by the Committee is required, if the Committee is in doubt about whether the particular gift should be accepted, the matter may be referred to the full Board for its consideration. Gifts that do not need to be accepted by the Committee may be accepted by the Executive Director of Kieve-Wavus on Kieve-Wavus' behalf.

3. Restricted Gifts. Like all charitable organizations, Kieve-Wavus prefers gifts in general support of our goals to gifts for more limited purposes. Unrestricted support helps assure that Kieve-Wavus will be able to respond to the needs and desires of the people it serves as those needs and desires change over time, in ways we cannot now foresee. If a supporter of Kieve-Wavus desires to devote a gift to a particular purpose, the size of the gift should warrant the effort necessary to see that the donor's wishes are fulfilled. Kieve-Wavus is therefore pleased to accept gifts restricted to a current particular use if they are in excess of \$5,000 or such lesser amount as the Executive Director may approve. Gifts to endow a particular program or function can be accepted and held as separate, identified funds in Kieve-Wavus' endowment if they exceed \$50,000 or may reasonably be expected to exceed that amount when Kieve-Wavus comes into possession of them in the future. Gifts for purposes that are not consistent with Kieve-Wavus' mission or consonant with its current or anticipated future programs cannot be accepted. Gifts made for current use for a restricted purpose may be accepted by the Executive Director. Gifts to create endowment funds for particular purposes are subject to review and approval by the Committee.

4. Fees and Commissions. We do not pay "finder's fees" or commissions to third parties in connection with any kind of gift to Kieve-Wavus. No officer, employee or agent of Kieve-Wavus is or will be compensated in a manner that is dependent on the size or nature of gifts made to Kieve-Wavus by any person. When Kieve-Wavus engages legal counsel, accounting professionals, appraisers or environmental consultants, their fees and expenses will be determined by the time they spend engaged in Kieve-Wavus' work and not by reference to any particular gift in connection with which they are retained. Their fees will be paid by Kieve-Wavus. Any such professional engaged by Kieve-Wavus will be clearly identified to the donor or potential donor as working on behalf of Kieve-Wavus and not on behalf of the donor. The fees and expenses of legal counsel, accountants or appraisers engaged by donors may be wholly or partly paid by Kieve-Wavus, at the request and with the consent of the donor, with the approval of the Committee. In any case in which a donor's professional fees are paid in whole or in part by Kieve-Wavus, representatives of Kieve-Wavus will inform the donor that the payment constitutes taxable income to the donor.

5. Establishing the Value of Donated Property. It is the policy of Kieve-Wavus to comply fully with the valuation rules set out in Publication 561 of the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Copies of Publication 561 are available at www.irs.gov or at Kieve-Wavus' office. Property contributed to Kieve-Wavus that has a value in excess of \$5,000 must be accompanied by an appraisal unless it consists of (i) cash, (ii) marketable securities, (iii) closely held securities with a value of \$10,000 or less, (iv) a vehicle, the value of which will be determined by its sale, (v) intellectual property such as a copyright or patent, (vi) stock-in-trade, inventory or other property that would otherwise be held by the donor for sale to customers in the ordinary course of the donor's business or (vii) property contributed by a corporation that constitutes a "qualified contribution," as described in Section 170(e)(3)(A) of the Internal Revenue Code of 1986, that will be used to improve the lives of youth, adults and families.

The fee for the appraisal may not be based on the value of the appraised property, and the appraiser must be "qualified," as that term is used in IRS Publication 561. A "qualified appraiser" is one who is ordinarily in

the business of appraising similar property, has appropriate educational and experiential background, who performs appraisals for many different people and purposes (and not primarily either for Kieve-Wavus or for the donor) and who is not employed by Kieve-Wavus, the donor, any relative of the donor or any entity controlled by the donor or members of the donor's family. Duplicate originals of each appraisal should be prepared, one for Kieve-Wavus and one for the donor.

Kieve-Wavus reserves the right to alter the value of property contributed to it on the books and records of Kieve-Wavus for accounting, tax-reporting, annual fund record-keeping or any other purpose if developments after the completion of the gift or information that comes to the attention of Kieve-Wavus after the gift is completed are determined, in the discretion of the Committee or Kieve-Wavus' auditors, to merit such an alteration.

6. ***Tax Compliance.*** Donors of property other than cash and marketable securities which has a value of \$500 or more are required to file IRS Form 8283 with their individual tax returns for the year in which such a gift is made, if they intend to take an income-tax deduction for the gift. In each instance of Kieve-Wavus' receiving a gift to which this rule is applicable, Kieve-Wavus will use its best efforts to call the attention of the donor to the applicability of this rule. The Internal Revenue Code also requires that if Kieve-Wavus sells property that it has received by gift within three years after the property is received, Kieve-Wavus report the fact of the sale and the amount of the proceeds to the Internal Revenue Service on Form 8282. It is the policy of Kieve-Wavus to comply fully with this reporting requirement and all other applicable aspects of state and federal tax law.

PART TWO: PROPERTY THAT MAY BE DONATED TO KIEVE-WAVUS

1. ***Gifts of Cash.*** The most frequent, and also the simplest, means of supporting the work of Kieve-Wavus is by cash or check. Checks should be made payable to the "Kieve-Wavus," and checks payable to any employee, officer or agent of Kieve-Wavus cannot be accepted. Funds may also be wired to Kieve-Wavus' bank account, if a donor desires to do so, and wiring arrangements can be made through Kieve-Wavus' Development Director. Funds will be treated as having been received by Kieve-Wavus when a check arrives at Kieve-Wavus' office or funds wired to an account maintained by Kieve-Wavus are credited to that account.
 - a. **Matching Gifts.** Corporations and other philanthropy donors support matching gift programs through which an employer or other sponsor will match a donor's charitable gift. Donors are urged to avail themselves of matching gift programs in order to leverage their own gifts. Matching gifts will be credited to the donor and the employer or other matching gift program sponsor.
2. ***Publicly Traded Securities.*** Any unrestricted stocks or American Depositary Receipts that are traded on the New York or American Stock Exchange or through the NASDAQ system or any other recognized domestic stock exchange and corporate and government bonds and for which there is an established market ("marketable securities") are welcome as contributions to Kieve-Wavus and may be accepted by the Development Director. Securities accompanied by appropriate transfer instructions may be delivered to Kieve-Wavus' office or wired to an investment account maintained by Kieve-Wavus, and will be treated as having been delivered when Kieve-Wavus or its investment agent has received all the documentation necessary to complete the transfer of ownership without any further involvement on the part of the donor. Securities traded exclusively in markets outside the United States can only be accepted with the approval of the Committee. Marketable securities may be sold by Kieve-Wavus promptly upon receipt so that their proceeds may be invested in a manner consistent with Kieve-Wavus' overall investment policies.

3. *Closely Held and Restricted Securities.* Corporate stock for which there is no established market that is readily accessible to Kieve-Wavus, including the stock of “Subchapter S Corporations,” stock which is subject to trading restrictions, partnership interests in general or limited partnerships or in limited liability partnerships and memberships in limited liability companies that are not traded on an established domestic securities exchange (“closely held securities”) can be accepted by Kieve-Wavus only with the approval of the Committee. Kieve-Wavus is willing to consider any proposed gift of closely held securities, but gifts of closely held securities frequently cause tax and other problems for both the donor and Kieve-Wavus, so each such gift must be carefully examined on a case-by-case basis. Kieve-Wavus will ordinarily expect to retain legal counsel to advise it in connection with any proposed gift of closely held securities. Because of the complexity involved in Kieve-Wavus’ accepting gifts of closely held securities, a prospective donor should allow ample time between the proposal of the gift and its completion. At least three months are necessary to assure that all the ramifications of such a gift for both the donor and Kieve-Wavus are identified.

4. *Real Estate.* Gifts of real estate to Kieve-Wavus can only be accepted with the approval of the Committee. Such gifts may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Kieve-Wavus shall require an initial environmental review of the property to ensure that the property has no environmental damage or liability associated with it. An Environmental inspection forms is attached as an appendix hereto. In the event that the initial environmental inspection reveals a potential problem, Kieve-Wavus shall retain a qualified inspection firm to conduct an environmental audit, and if necessary, Phase I review, if it intends to continue the process of considering the real estate gift. All necessary environmental testing is conducted at Kieve-Wavus’ expense.

The donor shall be required to complete and sign a multi-page questionnaire provided by Kieve-Wavus describing the history, condition and use of the property. The donor may also be requested to provide a copy of the deed evidencing their ownership, the most recent tax bill, any survey or other documentation evidencing the value, condition or use of the property.

Kieve-Wavus ordinarily engages legal counsel when considering a gift of real estate and will require a legal opinion as to the state of the donor’s title before such a gift can be accepted. Because of the time necessary to perform the requisite environmental tests and title work, a donor should allow at least three months for a gift of real estate to Kieve-Wavus to be completed.

Except if real estate donated to Kieve-Wavus is proximate to an existing facility operated by Kieve-Wavus and appropriate for Kieve-Wavus’ use in the operation of that facility, donors should anticipate that contributed real estate will be sold by Kieve-Wavus as promptly as market conditions permit after Kieve-Wavus takes actual possession of the property.

Kieve-Wavus is unable to accept gifts of real estate for which there is not likely to be a market. During any period in which donated real estate is retained by Kieve-Wavus prior to sale, it will be subject to real estate taxes and, depending on the nature of the real estate, other maintenance expenses. Because Kieve-Wavus does not divert its financial resources to support maintenance of real estate held for sale by Kieve-Wavus, donors of real estate should also donate sufficient cash to pay the taxes and other expenses associated with the donated property for the period between its donation and its sale. In the absence of sufficient cash to permit the satisfaction of these expenses, Kieve-Wavus may need to decline the gift.

Kieve-Wavus ordinarily does not accept real estate that is encumbered by mortgages or other liens. Criteria for the Committee to consider in deciding whether to accept the gift shall include:

- Whether the property is useful for the purposes of Kieve-Wavus
- Whether the property is marketable

- Whether there are any restrictions, reservations, easements, or other limitations associated with the property
- Whether there are carrying costs which may include insurance, property taxes or other liabilities associated with the property
- Whether the environmental inspection or any audit or other report reflects damage to or contamination of the property.

5. Tangible Personal Property. The term “tangible personal property” applies to any property that is not real estate, cash or securities and has an intrinsic utility. Examples include, but are not limited to, artwork, automobiles, boats, farm equipment, stamp and coin collections, furniture and jewelry.

Kieve-Wavus gladly accepts contributions of tangible personal property that can be used in the performance of its work. Such property might include audio testing equipment, furniture, canoes or other outdoor equipment usable at the camps or office or laptop computers. Gifts of tangibles that will clearly be usable immediately in Kieve-Wavus’ operations may be accepted by the Development Director or Executive Director. When such gifts are accepted, the Development Director will provide the donor with an appropriate acknowledgment of the gift in which the intention of Kieve-Wavus to retain the donated property for use in the performance of its charitable functions will be clearly stated.

Except in extraordinary circumstances, Kieve-Wavus does not accept boats or aircraft that will not be used in its programs and will need to be sold.

Gifts of other kinds of tangible personal property that will not be put to use in Kieve-Wavus’ programs must be accepted by the Committee, and it is to be expected that Kieve-Wavus will sell any such property as promptly as market conditions permit. In the absence of a letter to the donor from the Committee or the Development Director stating that contributed tangible personal property will be retained by Kieve-Wavus, a donor must assume that the property will be offered for sale. Kieve-Wavus cannot accept gifts of tangible personal property that are subject to restrictions related to the timing of their sale or for which there is no market to which Kieve-Wavus has relatively convenient access. If there will be costs associated with the maintenance of a donated item of personal property between the time of its contribution to Kieve-Wavus and the time when it is likely to be sold, such as docking fees for a boat, hangar charges for an aircraft or rental payments for the plot on which a mobile home is located, Kieve-Wavus may need to decline the gift unless the donor provides Kieve-Wavus with sufficient funds to maintain the property pending sale.

6. Gifts of Life Insurance. Gifts to Kieve-Wavus of fully paid whole life, ordinary life or endowment policies on which no future premium payments are due may be accepted by the Development Director. Gifts of policies having a current cash value but with respect to which future premium payments are possible or are known to be due can only be accepted by the Committee. Whether any such policy is accepted will depend on the economics of the transfer; if the policy can be converted to a paid up policy of lesser value or if the donor agrees to make future premium payments or if the policy has sufficient value to permit the payment of future premiums out of that value for as long as necessary, the policies will be accepted by Kieve-Wavus. In any case in which a policy is accepted, Kieve-Wavus will work with the insuring company to transfer ownership of the policy from the donor to Kieve-Wavus and will change the beneficiary designation to permit Kieve-Wavus to collect the insurance proceeds when the policy matures.

Kieve-Wavus cannot accept a gift of a term life insurance policy without cash value unless the donor of the policy agrees to maintain the policy in force by remaining responsible for payment of future premiums. Any gift of a term policy to Kieve-Wavus must be accepted by the Committee and, following acceptance, Kieve-Wavus will take steps to change the ownership of the policy from the donor to Kieve-Wavus and to assure that Kieve-Wavus is notified if any future premiums are not timely paid. The beneficiary designation will also be changed to name Kieve-Wavus as beneficiary.

Gifts of life insurance policies naming multiple beneficiaries will be referred to the Committee for its consideration before acceptance. Kieve-Wavus will not accept gifts of cash or property from a donor if the use of the gift is restricted to the purchase of a life insurance policy on the donor or any other person.

7. *Beneficiary Designation of Retirement Plan Assets.* Kieve-Wavus will accept funds it receives as the designated beneficiary of a retirement plan (for example, an IRA, a 401(k) plan or a defined contribution plan). Kieve-Wavus should obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator to name Kieve-Wavus as a beneficiary.

8. *Miscellaneous Property Interests.* Contributions of unusual property rights, such as mortgages, non-marketable notes, assignments of rent due under leases, oil and gas interests, patents, copyrights, royalties, frequent flyer miles and easements can only be accepted by Kieve-Wavus with the approval of the Committee.

PART THREE: GIVING TECHNIQUES

1. *Outright Gifts and Bequests.* Outright gifts are transfers directly to Kieve-Wavus for its immediate use. Such gifts maximize the value of the donation to Kieve-Wavus and are generally similar and quicker to conclude than other kinds of donations. Whether an outright gift is to be accepted on Kieve-Wavus' behalf by the Executive Director or by the Committee depends on the nature of the property being donated.

Over the many years of its existence, Kieve-Wavus and those it serves have benefited from the generosity of many people who have written checks to Kieve-Wavus during their lives or left outright gifts to Kieve-Wavus in their wills or trust documents. Without this support, Kieve-Wavus would be much less able than it is today to operate its wide-ranging programs to improve the lives of youth, adults and families. Donors who wish to participate in this long tradition of direct support may write checks to "Kieve-Wavus" or make transfers to take effect at death.

In a will or a trust, a cash amount may be left to Kieve-Wavus using the following language: "I give and devise to Kieve-Wavus Education, Inc., of Nobleboro, Maine, the sum of \$_____ to be used for its general charitable purposes." Alternatively, a gift of a fraction of an estate's or trust's value may be made using language such as "I give and devise to Kieve-Wavus Education, Inc., of Nobleboro, Maine, _____ percent of the value of my residuary estate" (or "of my trust").

If a donor or a professional advising a donor would like assistance in wording a bequest to Kieve-Wavus or in properly identifying and describing a restricted purpose for which any such gift is to be used, the Development Director can put him or her in touch with representatives of Kieve-Wavus who can provide that assistance. Because restricted gifts must be approved by the Committee, discussion of the restricted purpose at the time the relevant document is drafted can avoid misunderstandings that can arise if Kieve-Wavus first finds out about the gift after the donor has died. Gifts made to Kieve-Wavus under a will or trust are subject to the same acceptance procedures, described in Part Two of this Policy, as gifts made during a donor's lifetime, and it benefits both the donor and Kieve-Wavus to know in advance if the subject of the gift and the terms on which it is made are agreeable to both parties. Discussion of the gift at the time the operative language is drafted assures that Kieve-Wavus will be able to accept the gift on terms that meet the donor's expectations.

In the event that Kieve-Wavus must decline a gift made in a donor's will or trust after the donor's death, the decision to renounce the gift, and a renunciation document that is in a form acceptable to both Kieve-Wavus and the representative of the estate or trust from which the transfer was to be made, will be delivered to the representative within three months after Kieve-Wavus is informed of the gift, and every effort will be made to assure that the renunciation document is delivered to the estate or trust representative within nine months after

the decedent's death. In any case in which renunciation of a gift under a will or trust is contemplated, Kieve-Wavus will consult legal counsel.

Kieve-Wavus appreciates being advised by supporters that they have remembered Kieve-Wavus in their estate plans, whether the remembrance is in the form of a restricted gift or an unrestricted one.

2. *Charitable Remainder Trusts.* It is the policy of Kieve-Wavus not to serve as trustee of charitable remainder annuity trusts or charitable remainder unitrusts of which it is a beneficiary. This policy is intended to assure that such trusts receive the full-time investment management that they deserve and to eliminate any possibility of a conflict of interest in investment choices or any other subject between the current annuity or unitrust beneficiaries of such trusts and Kieve-Wavus as remainder beneficiary. Representatives of Kieve-Wavus are, however, available to cooperate with any potential donor to a charitable remainder trust in tailoring the provisions of those trusts to the donor's particular situation.

Kieve-Wavus reserves the right to decline remainders under trust instruments created without its knowledge if the nature of the property or the conditions on its use are not consistent with the best interests and other activities of Kieve-Wavus. Decisions on whether to accept trust remainders that consist of property other than cash or marketable securities or which are subject to use restrictions are made by the Committee. Unrestricted remainders consisting of cash or marketable securities may be accepted by the Executive Director.

3. *Charitable Lead Trusts.* It is the policy of Kieve-Wavus not to serve as trustee of charitable lead trusts of which Kieve-Wavus is a beneficiary, for reasons similar to those outlined above in the discussion of charitable remainder trusts. As with remainder trusts, however, representatives of Kieve-Wavus are available cooperate in the establishment of such trusts to assure that payments to Kieve-Wavus from any such trust can be used by Kieve-Wavus in accordance with the donor's wishes and expectations.

Kieve-Wavus reserves the right to decline to accept distributions from charitable lead trusts in the drafting of which Kieve-Wavus has not been consulted if the distributions consist of property other than cash or marketable securities or if the uses to which the distributions are to be put are restricted under the terms of the trust instrument to purposes not consistent with the mission and programs of Kieve-Wavus.

3. *Pooled Income Fund.* Kieve-Wavus does not maintain a pooled income fund. Donors who are interested in using a pooled fund as a planned giving vehicle may discuss contributions to the pooled income fund maintained by the Maine Community Foundation (the "Foundation") by calling (207) 667-9735 or (800) 877-6800. The Foundation's pooled income fund can accept contributions of cash or marketable securities, with a minimum initial contribution of \$10,000, which will be invested for the life of the donor or any other person or persons. During the investment period, income earned by the donor's contribution will be paid to the donor or the donor's designees. When all the designated income beneficiaries have died or when the term of years for which the income interest has been reserved has expired, the Foundation will sever from the pooled fund the donor's pro rata share of the fund's invested assets and transfer those assets to Kieve-Wavus.

By not operating its own pooled income fund, Kieve-Wavus saves the considerable expenses entailed in establishing and operating this complex planned giving vehicle. The pooled fund operated by the Foundation was established to enable Maine charities to avoid these expenses, and the effect of a gift to the Foundation's pooled fund is the same as the effect would be of a contribution made to a pooled fund operated by Kieve-Wavus, if it had one. Representatives of Kieve-Wavus can be made available to assist donors in their consideration of a contribution to the Foundation's fund and to assure that any restrictions placed on Kieve-Wavus' use of the contribution after the expiration of the income interests established by the donor are satisfactory to both Kieve-Wavus and the donor.

4. Charitable Gift Annuities.

Kieve-Wavus does not currently administer Gift Annuities. Donors who are interested in Charitable Gift Annuities as a planned giving vehicle may discuss them with the Maine Community Foundation (the “Foundation”) by calling (207) 667-9735 or (800) 877-6800. The Foundation can accept contributions of cash or marketable securities to establish a gift annuity, with a minimum initial contribution of \$25,000 and annuitants at least 60 years of age.

By not operating its own Charitable Gift Annuity program, Kieve-Wavus saves the considerable expenses entailed in establishing and operating this complex planned giving vehicle. The program operated by the Foundation was established to enable Maine charities to avoid these expenses. At the end of the annuity, the remaining assets from the original gift create a designated agency fund for the benefit of Kieve-Wavus, subject to the control of the board of directors of the Maine Community Foundation. Representatives of Kieve-Wavus can be made available to assist donors in their consideration of a gift annuity contribution to the Foundation to assure that any restrictions placed on Kieve-Wavus’ use of the contribution after the expiration of the annuity interests established by the donor are satisfactory to both Kieve-Wavus and the donor.

5. Gifts of Remainders in Residences or Farms. Gifts of remainder interests in personal residences or farms can be accepted only with the approval of the Committee. In the case of any such gift, as with any other gift of real estate, Kieve-Wavus retains legal counsel to examine the title to the donated property and will follow the same process for considering outright gifts of real estate. These basic steps are necessary to protect Kieve-Wavus against potential liabilities arising out of environmental contamination and a lack of salability owing to title defects. In light of these requirements, it is the strong preference of Kieve-Wavus to know about gifts of remainder interests at the time they are established rather than only when Kieve-Wavus’ interest comes to fruition. This is particularly important if the use of the proceeds of sale of the residence or farm, or the use of the real estate itself, after Kieve-Wavus takes possession of it, is to be restricted by the donor under the terms of the gift. It is important that the donor and Kieve-Wavus work together to assure that the donor’s desires for the use of the property or its proceeds can be satisfied by Kieve-Wavus when the time comes.

Ordinarily, Kieve-Wavus will expect to remain in close contact with the owners of the life interest or interests in a residence or farm throughout the period of his, her or their occupancy so that it can remain confident of the absence of environmental liabilities and work with the owner or owners of the life interest to maintain the value of the property. Obviously, this important on-going acquaintance with the real estate and its uses is impossible if Kieve-Wavus is not informed of the gift at the time the remainder interest is established.

In light of the importance of protecting Kieve-Wavus’ other assets from exposure to liabilities arising out of the ownership of donated real estate, Kieve-Wavus reserves the right to decline any gift of a remainder interest in a residence or farm even after the life interest or interests in the real estate expire, when the property would otherwise pass to Kieve-Wavus.

6. Bargain Sales. Bargain sales to Kieve-Wavus are possible only with the approval of the Committee. Kieve-Wavus will retain legal counsel to consider any such sale. Whether other steps are necessary before the consummation of any such sale will depend on the nature of the property to be sold, as described in Part Two of this Policy.

Kieve-Wavus cannot enter into agreements for the bargain sale of real estate subject to a mortgage or other lien or any other arrangement that would give rise to unrelated business taxable income (“UBTI”). Whether there are UBTI issues involved in any proposed bargain sale will be examined closely by counsel to Kieve-Wavus.

Adopted by vote of the Board of Trustees May 5, 2012