

# Appendix N

## Due Diligence & Closing Procedures

Once a project proposal is selected by the Land for Maine's Future Board as a Finalist, a series of due diligence steps must be completed to the satisfaction of the LMF Board and to comply with legal requirements. The completed reports, maps and various legal documents are submitted for LMF's review and acceptance. Unless otherwise noted below, all due diligence is completed by the applicant and coordinated with LMF staff for review and acceptance by LMF prior to disbursement of funds.

**Table 1: LMF Due Diligence Procedures**

- NGO/Applicant: submit CE document to LMF for preliminary review prior to completing appraisal.<sup>6</sup>
- NGO/Applicant Submit copy of recorded deed of project property;
- NGO/Applicant Submit Appraisal Report for LMF review, acceptance and Board approval; (see Appendix F for appraisal specifications)
- LMF issues Public Notice prior to Board meeting to approve funds;
- NGO/Applicant Submit Purchase & Sale Agreement; (LMF should be contacted in advance to review);
- NGO/Applicant Submit Title Report, Title documents for LMF legal review and acceptance;
- NGO/Applicant Submit Boundary Survey map with updated Legal Description for LMF review and acceptance; GIS-shape file provided to LMF of final accepted boundary survey map;
- NGO/Applicant Submit Phase I Environmental Site Assessment report to LMF;
- NGO/Applicant Submit Evidence of Title Insurance Commitment with state agency named as an additional insured (Conservation Easement projects included);
- NGO/Applicant Obtain subordination agreement, e.g. mortgage (if applicable);
- NGO/Applicant/Designated State Agency (DSA) submit CE for LMF review, approval and finalizing by LMF attorney;
- NGO/Applicant coordinates with LMF and submits completed State of Maine Vendor Form to authorize State payment of funds, (to sellers, escrow agent, etc.)
- NGO/Applicant For CE projects, complete Baseline Document with land owner and State Agency, reviewed and accepted by all parties prior to scheduled Closing;
- LMF attorney confirms status of Certificate of Corporate Good Standing;
- NGO/Applicant Submit executed Certificate of Corporate Authority; (Sample format available from LMF);
- LMF confirms Project Agreement approved by LMF, DSA, and NGO/Cooperating Entity;
- NGO/Applicant confirms with LMF status of project Match;
- NGO/Applicant provides LMF with written confirmation of Monitoring and Management Cost Estimate(s);
- Landowner confirmation to NGO/Applicant attorney and LMF attorney real estate taxes are paid in full;
- NGO/Applicant with input from LMF and DSA: Closing Statement drafted, reviewed and finalized;
- LMF funds ordered for a scheduled Closing.

*See next page for supplemental Post-Closing information →*

<sup>6</sup> "CE" means conservation easement. "NGO" means non-governmental organization.

**Table 2: Completion of the following tasks required prior to disbursement of LMF funds**

- **NGO/Applicant** obtains Title Insurance confirms with a copy of Title Commitment;
- **LMF Attorney / Closing attorney** updates Title to the time of recording Warranty Deed or CE;
- **LMF attorney / Closing attorney** record at applicable County Registry of Deeds:
  - Warranty Deed - or- Deed of Conservation Easement legal description;
  - executed LMF Project Agreement;
  - surveyor certified and dated Boundary Survey map;
  - Subordination Agreement(s)

**Table 3: Post- Closing activities**

- **Project Closing Packages** provided to LMF and project principals (preference is for this documentation to be provided to principals within 6-8 weeks after closing);
  - **LMF** provides Project Closing Packages for acquisitions held by a State agency;
  - **Cooperating Entity** of a locally-held acquisition provides Project Closing Packages, with input from LMF attorney and Closing attorney.
- **LMF** provides a “LMF sign” to the NGO/ Landowner for installation at main entry of public access to the LMF project property or other prominent location;
- **LMF** contracts with ME Historic Preservation Commission or ME Natural Areas Program to conduct, if applicable to the property, an Archaeological survey or Natural Resource Inventory survey (subject to availability of funds);
- **Cooperating Entity** for a locally-held acquisition, completes and submits ANNUAL PROJECT AGREEMENT MONITORING REPORT to LMF and Designated State Agency;
- **NGO /LMF** Press Release prepared in coordination and approved by LMF;
- **NGO** issued maps, brochures, webpages provide information about LMF and LMF funded project property, including acknowledgement of LMF funding;
- **DSA** - held or **Cooperating Entity** - held conservation easement: an easement record is added to the entity's account with the ME Easement Registry; this record is annually updated and easement monitoring is completed at least once every 3 years.