

REQUEST FOR LETTERS OF INTENT

Maine Natural Resource Conservation Program

Letter of Intent Package

May 26, 2022

Maine Department of Environmental Protection



The Nature Conservancy in Maine



US Army Corps of Engineers
New England District



**US Army Corps
of Engineers®**

Contact:
Bryan Emerson
Mitigation Program Manager
The Nature Conservancy
bryan.emerson@tnc.org

<http://mnrcp.org/>

Maine Natural Resource Conservation Program

Background

The Maine Natural Resource Conservation Program (MNRCP) was created to help compensate for unavoidable impacts to protected aquatic resources in the State of Maine by funding the restoration, enhancement, preservation, and creation of similar resources to maintain ecological benefits. The program manages the allocation of funds collected through the State's In-Lieu Fee Compensation Program, a voluntary program that allows entities impacting natural resources, primarily wetlands, to make a payment directly to the Maine Department of Environmental Protection (DEP) as an alternative to the traditional mitigation process. Fees collected by DEP are deposited into funds based on the biophysical regions in which the impacts occurred (see Appendix A for a map of regions and Appendix B for a listing of funds available in each region). These funds are administered by The Nature Conservancy in Maine (TNC). Public agencies, tribes, non-profit conservation organizations, and municipalities in Maine can then apply for funding, through a competitive process, to complete appropriate projects in these biophysical regions. Preference is given to projects that restore, enhance, preserve, or create resources that best match the natural resources and wetland functions and values that were impacted in that region. The focus of the program is to maximize the ecological benefits of compensatory mitigation. Projects benefiting habitat areas of statewide conservation significance, or other natural resource priority areas, are preferred.

Application Process

To be eligible to receive MNRCP funding, a project applicant must first submit a Letter of Intent. **All Letters of Intent must be submitted online at <http://mnrcp.org/> and all submissions must be received by 5:00 pm on Wednesday, June 29, 2022.** Detailed instructions are available online.

The Letter of Intent is comprised of:

1. An online Summary Form to outline the proposed project, including the location, budget, and a description of the proposed project; and
2. A map of the project location.

Letters of Intent are screened by staff from DEP, TNC, and the U.S. Army Corps of Engineers (Corps) to determine if the project meets MNRCP's core requirements to be eligible for MNRCP funds. If so, applicants will be invited to submit full proposals and will be notified by mid- to late-July, 2022. Full proposals will require more detailed information including preliminary designs, where applicable. For the complete timeline for the upcoming grant cycle, see Appendix D. A list of frequently asked questions is provided in Appendix E.

NOTE: MNRCP is in need of projects that address specific resources in certain regions, as shown below, in order to compensate for corresponding resource-specific impacts. Projects that address these resources may score and rank higher than other projects:

- In the Southern Maine, Central Interior & Midcoast, and Downeast Maine regions, projects with a coastal wetland component are strongly encouraged. Projects may include those that restore, enhance, or preserve coastal wetland resources such as salt marshes, mud flats, eelgrass, or sub-tidal habitats. MNRCP is particularly interested in projects proposing eelgrass restoration or other sub-tidal habitat restoration.

- In the Central Interior & Midcoast and Central & Western Mountains regions, projects with known vernal pools and surrounding critical terrestrial habitat are encouraged.

Full Proposal Review Process

If a project meets the criteria to be eligible for MNRCP funds, the applicants are invited to submit full proposals. Full proposals will be due September 8, 2022. Full proposals are evaluated by a multi-agency Review Committee, chaired by DEP, that includes representatives from the Corps, Maine Department of Inland Fisheries and Wildlife (MDIFW), Maine Department of Marine Resources (MDMR), Maine Department of Transportation (MDOT), Maine Natural Areas Program (MNAP), U.S. Fish and Wildlife Service (USFWS), U.S. Environmental Protection Agency (USEPA), and Maine Audubon.

Full proposals that score well based on the MNRCP Review Criteria may be recommended for funding by the Review Committee to the Approval Committee, or Interagency Review Team, which makes final allocation decisions. The Approval Committee, co-chaired by DEP and the Corps, includes representatives from the Maine Department of Agriculture, Conservation and Forestry, MDIFW, MDMR, USFWS, USEPA, and the National Marine Fisheries Service (NMFS). TNC administers the review process and is responsible for ensuring that approved funds are awarded and that projects are executed after award. TNC does not vote as part of either committee on which proposals are considered or approved for funding. For more information, please visit <http://mnrpc.org/about/> or contact bryan.emerson@tnc.org.

Special Considerations

While MNRCP is designed to review and approve prospective projects through a process similar to other state and federal grant programs, *it remains a compensatory mitigation program that must comply with relevant state and federal regulations*. As such, there are several aspects of this program that should be considered fully before a potential applicant submits a Letter of Intent:

- **Restoration and enhancement projects are strongly encouraged** and will likely score and rank higher than preservation projects. MNRCP adheres to the mitigation hierarchy utilized by DEP and the Corps under their regulatory programs, in which mitigation projects are prioritized in the following order: restoration, enhancement, preservation, and creation. Preservation-only projects are eligible for MNRCP funding but must preserve aquatic resources that contribute significantly to the ecological sustainability of the watershed and must clearly show the potential threat of degradation to these resources without conservation. Sites that are mostly or all wetland need to pay especially close attention to these requirements as those sites are usually protected by current laws, and not considered under threat.
- **For restoration and enhancement projects, consultation with qualified professionals is recommended.** MNRCP recommends consultation with wetland consultants, engineers, or other qualified restoration practitioners to appropriately scope the feasibility of a project, to accurately estimate projects costs, and to design a successful restoration project. Note that the costs for professionals to assist with the project can be included in the MNRCP budget.
- **Invasive species management** to protect aquatic resources is eligible for MNRCP funding as part of a project's long-term management and stewardship costs. Projects requesting MNRCP funds for invasive species management as part of long-term

management will be required to complete an invasive species control plan as part of their long-term management plan. However, please note that invasive species management is not considered as restoration or enhancement for MNRCP, and projects proposing no conservation activities other than invasive species management are not likely to be invited to submit a full proposal.

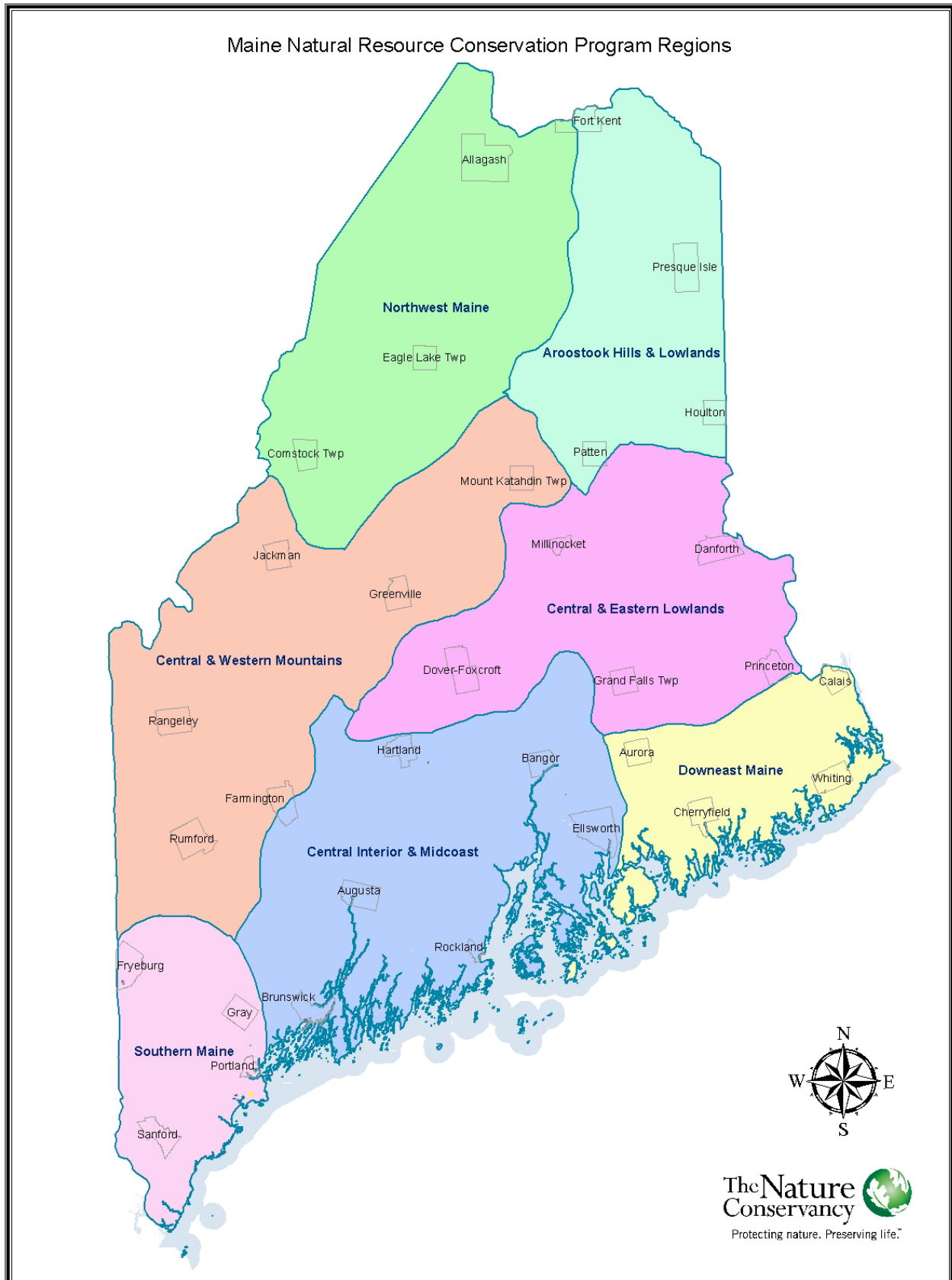
- **MNRCP-funded projects must be conserved in perpetuity.** Applicants awarded funds from MNRCP are required to sign a Project Agreement and to record a Notice of that agreement with the local land records office where the funded project takes place. For samples of these documents, see Appendix F. Note, for projects in marine or subtidal environments, long-term legal protection may not be possible. These projects are still encouraged to apply, but applicants are encouraged to contact MNRCP prior to submitting a Letter of Intent.
- **Timber harvesting is not prohibited on parcels funded by MNRCP; however, the inclusion of timber harvesting in a project proposal may affect the scoring and ranking of the proposal.** Federal mitigation policy prohibits MNRCP from generating mitigation credit for areas that may be subject to timber harvest. Therefore, the inclusion of timber harvesting in a proposal will reduce the potential credits that a proposed project may generate. For a project to be approved and funded by MNRCP with portions of the property available for timber harvest, several conditions must be met to provide protection of aquatic resources and their buffers. Refer to the MNRCP Property Use Guidelines document available at <http://mnrpc.org/about>.
- **Active property uses, including habitat management or recreational activities,** must not compromise the health or function of the natural resources that MNRCP is charged to protect. Projects that contemplate active habitat management, recreational activities, or other active property uses must comply with MNRCP requirements for protecting aquatic resources and riparian buffers. Applicants will be asked to describe any proposed activities as part of a full proposal, and indicate where they will occur on a map, so their compatibility can be evaluated as part of the review process. Active management generally is not allowed in aquatic resource areas and associated riparian buffers. Projects proposing less active management, or no active management, will generally be more competitive. Refer to the MNRCP Property Use Guidelines document available at <http://mnrpc.org/about>.
- **Conservation easements can be funded by MNRCP** but must prohibit any activities that would adversely affect the protected natural resources, and must provide third party enforcement rights for DEP and the right of entry for DEP and the Corps. The specific provisions required for inclusion in conservation easements are described in Appendix F.
- **MNRCP funds may not be eligible to match some federal funding sources.** According to the federal Mitigation Rule, federally funded aquatic resource restoration or conservation projects undertaken for purposes other than compensatory mitigation cannot be used for the purpose of generating compensatory mitigation credits. Additionally, some federal funding programs do not allow the use of mitigation funds as match (MNRCP funds are considered mitigation funds). Please consult with MNRCP and/or the other funding sources if you are uncertain about the matching requirements for a particular grant program.
- **Projects involving multiple parcels with different owners must submit multiple Letters of Intent.** MNRCP does not accept single proposals for multiple parcels under different ownership unless a clear and convincing case can be made for why the different

transactions are linked (e.g., one landowner formally negotiating on behalf of two separate owners).

Please review the Frequently Asked Questions provided in Appendix E for additional guidelines and considerations for MNRCP projects.

Appendix A

Map of Biophysical Regions



Appendix B

Funds Available by Biophysical Region

The funds listed below are those currently available in each biophysical region at the time of this notice. For a current listing of funds available, please visit: <http://mnrcp.org>. Also included are the Priority Resource Type(s) in each region, which are the resources that have been prioritized for restoration, enhancement, and preservation within each region.

| MNRCP Region | Amount | Priority Resource Type |
|-------------------------------|---------------------|---|
| Aroostook Hills and Lowlands | \$298,546* | Freshwater wetland Emergent; Freshwater wetland Forested; Freshwater wetland scrub-shrub; Vernal pool critical terrestrial habitat |
| Central and Eastern Lowlands | \$204,587* | Freshwater wetland Emergent; Vernal pool critical terrestrial habitat |
| Central and Western Mountains | \$919,097* | Freshwater wetland Emergent; Freshwater wetland Forested; Freshwater wetland Scrub-Shrub; Inland waterfowl & wading bird habitat; Vernal pool; Vernal pool critical terrestrial habitat |
| Central Interior and Midcoast | \$351,295* | Coastal wetland Estuarine subtidal; Coastal wetland Marine subtidal; Freshwater wetland Emergent; Inland waterfowl & wading bird habitat; Vernal pool; Vernal pool critical terrestrial habitat |
| Downeast Maine | \$62,357* | Coastal wetland Marine intertidal; Coastal wetland Marine subtidal; Vernal pool critical terrestrial habitat |
| Northwest Maine | \$34,256* | Freshwater wetland Scrub-shrub |
| Southern Maine | \$1,022,469* | Coastal wetland Marine intertidal; Coastal wetland Marine subtidal; Freshwater wetland Emergent; Freshwater wetland Unconsolidated Bottom |
| TOTAL: | \$2,892,606* | |

*** At least \$1,000,000 in additional funds are expected to be added to the program before award decisions are made for this funding round. Contact Bryan Emerson (bryan.emerson@tnc.org) for more information regarding these additional funds.**

Appendix C

MNRCP Review Criteria

1. Potential to Meet MNRCP Goals (35%)

Assesses the extent to which the proposal meets the core program requirement that a project sustainably restores, enhances, preserves, or creates wetlands or other resources determined by the Maine Natural Resource Conservation Program to be Priority Resource Types.

Considerations include:

- The sustainability of the proposed conservation action (restoration, enhancement, preservation, creation) and the acreage affected. Projects focused on restoration or enhancement in priority resource areas will be strongly preferred, assuming they have adequate funds in their budget to ensure successful attainment of project goals. Project budgets may include fees for restoration design by qualified professionals (i.e., consultant fees), provided the application includes funding for both project design and implementation.
- The resource types restored, enhanced, preserved or created and the degree to which the proposed project replaces the functional benefits of impacted resources in the Biophysical Region based on a functional assessment of the project.
- The proximity of the proposed project to impacted resources in the Biophysical Region. To fully meet this criterion, projects must occur within the same ecoregional sub-section as a permitted impact. Please contact us for maps to help assess proximity to permitted impacts.
- For preservation projects, the threat of destruction or adverse modification to the aquatic resources and their associated buffers on the site over the next 20 years, if the property is not protected.
- The inclusion of upland areas sufficient to protect, buffer, or support identified resource functions on the property as well as on adjacent conservation areas or undeveloped large blocks of habitat.
- The current and proposed condition of the property, and the “functional lift” provided by the project (e.g., the proposed change in habitat quality, the contribution to functioning biological systems, water quality and the level of degradation).

2. Landscape Context (20%)

Assesses the extent to which the proposal meets the core program requirement to consider the location of a potential project relative to statewide focus areas for land conservation or habitat preservation identified by a state or federal agency, or other regional or municipal plans.

Considerations include:

- Presence within or adjacent to habitat areas of statewide conservation significance or other natural resource priority areas.
- Presence within or adjacent to public or private conservation lands to preserve habitat connectivity, and/or presence within a watershed-based conservation plan.
- Presence of natural resources of significant value and/or rarity within the project site boundaries.

3. Project Readiness/Feasibility (30%)

Assesses the extent to which the proposal meets the core program requirement to demonstrate project readiness and likelihood of success, where success is defined by the ability of the project to meet MNRCP goals as stated in the proposal. Assesses the extent to which the proposal meets

the core program requirement to provide for long-term management and/or stewardship by a responsible state or federal resource agency, or conservation organization. Considerations include:

- Documentation of the willingness of the landowner and a qualified, long-term management entity to participate in proposed project, including conveying the property or a conservation easement with respect to the property (for projects not on public/private conservation lands).
- Level of project urgency (e.g., area of rapid development or on-going site degradation, other available funding with limited timing, option to purchase set to expire, etc.)
- Degree to which the proposal demonstrates an understanding of resource conservation issues and needs.
- Soundness of the technical approach of the conceptual plan presented in the application.
- Initial progress (e.g., planning, fundraising, contracting, site design, etc.).
- Likelihood that the project will meet proposed schedule and/or required deadlines.
- Likelihood that the proposed actions will achieve the anticipated ecological benefits and results.
- Completeness and feasibility of the plan for long-term stewardship and monitoring, including endowment funding. Please refer to the Long-term Management Plan template available at mnrp.org to accurately estimate the level of effort to complete this task.
- Potential for adverse impacts (such as flooding or habitat loss) associated with the project.
- Conformance with any applicable Army Corps of Engineers and state mitigation policy, guidance and permitting requirements, including appropriate financial assurances for any construction activity.
- Presence of a qualified, capable conservation entity willing to sponsor and/or maintain the project.
- For restoration projects, inclusion of a qualified professional capable and experienced completing the technical aspects of the project. Please refer to the Restoration Guidance template available at mnrp.org to accurately estimate the level of effort to complete the required restoration work plan.
- Level of support and involvement of other relevant agencies, organizations, and local community.
- Degree to which the project sponsor, and any associated partners, demonstrate the financial, administrative, and technical capacity to undertake and successfully complete the project.
- Adequacy of long-term stewardship to ensure that the project is sustainable over time and presence of a funding mechanism for the associated costs (e.g., endowment or trust).
- Legal and financial standing of the project sponsor.
- Quality and completeness of proposal materials.

4. Cost Effectiveness (10%)

Assesses the extent to which the proposal meets the program requirement that a project represent an efficient use of funds expended given the condition, location and relative appraised values of the property. Considerations include:

- Clarity and detail of the budget submitted, and estimated costs deemed to be reasonable.
- Sufficiency of funds available in the applicable biophysical region.
- Availability and source of matching funds necessary to complete the project. (Note that while matching funds are not required, they generally increase the competitiveness of a proposal.)
- Land acquisition or conservation easement costs must be based on an appraisal completed within one year of the expected closing date in accordance with the Uniform Standards of

Professional Appraisal Practice (USPAP) and meeting the requirements of the Uniform Relocation and Real Property Acquisition Policy Act (Public Law 91-646). A copy of the final appraisal must be provided prior to closing. MNRCP cannot pay more than fair market value for a property. Note that an appraisal is not required for the proposal process, but it may be helpful for the Review Committee to assess Cost Effectiveness and Project Readiness.

5. Other Benefits (5%)

Assesses the potential for this project to support economic activity, job creation, recreational access, scenic enhancements, climate change resiliency, educational opportunities, or other contributions to “Quality of Place” in the town or region where the project is located.

Appendix D 2022 MNRCP Proposal & Award Timeline

| Stage | Deadline |
|--|----------------------------------|
| Request for Letters of Intent released | May 26, 2022 |
| Letter of Intent deadline | June 29, 2022 |
| Letter of Intent review | July 2022 |
| Full Proposals invited | Mid-July, 2022 |
| Project site visits | July-August, 2022 |
| Full Proposal deadline | September 8, 2022 |
| Review Committee evaluates proposals | September-October, 2022 |
| Review Committee meeting (<i>internal calibration</i>) | October 4, 5, or 6, 2022 |
| Review Committee meeting (<i>public invited</i>) | November 1, 2, or 3, 2022 |
| Review Committee finalizes recommendations | Mid November, 2022 |
| Approval Committee meeting (<i>public invited</i>) | November 15 or 16, 2022 |
| Awards announced and grant process begins | Late-November 2022 |

Appendix E

Frequently Asked Questions

Q. Does MNRCP require matching funds?

A. No, matching funds are not required. Applicants can apply for up to 100% of project funding from MNRCP. However, additional funds from applicants and other partners are viewed favorably and may help projects score better in the review process.

Q. Can MNRCP funds be used as non-federal match?

A. It depends on the federal program. Some federal funding programs (such as North American Wetlands Conservation Act [NAWCA], Community Forest Program, and National Coastal Wetland Conservation Grants) do not allow the use of mitigation funds as non-federal match. MNRCP funds are considered mitigation funds and are therefore not allowed to be used as non-federal match for some programs. MNRCP funds may also be considered federal funds, depending on the source of the funds paid into the program. We recommend you contact the federal grant program you are considering for more information.

Q. Can MNRCP funds be combined with Land for Maine's Future (LMF) funds?

A. It is possible to combine MNRCP funds with LMF funds, but the ability to do this will be project-specific. Both programs have different goals and requirements and some projects may not be compatible with both funding sources. If a project sponsor is contemplating requesting funding from both programs, we recommend talking with representatives from each program before the funding rounds begin to identify potential incompatibilities early on.

Q. Can MNRCP funds be used for culvert replacements or fishways to improve fish passage?

A. Projects that are solely focused on fish passage (e.g., fish ladders, nature-like fishways, etc.) are generally not supported by MNRCP. While MNRCP has provided funding in the past for a limited number of fish passage projects, the Corps and DEP have determined that, moving forward, all such projects must restore broader ecological benefits to river and stream systems (beyond passing fish), and provide some measures to ensure the permanence of the work (not necessarily requiring preservation). As a compensatory mitigation program, MNRCP must award funds to projects that result in conservation outcomes for aquatic resources that have been impacted by permitted development activities. Currently, MNRCP is not accepting payments into the program for stream impacts. However, recent legislation will allow for stream impact projects to pay into the program, which may result in more funding being available for more stream focused projects in the future. Culvert replacement projects are generally uncommon but may be funded if the project demonstrates restoration or enhancement of wetland functions and values beyond just passing fish. Dam removal and culvert removal projects are eligible for funding and are encouraged.

Q. Can MNRCP funds be used to reimburse the costs of a prior land acquisition?

A. No, MNRCP funds cannot be used for reimbursement of costs for land that is currently owned by a conservation entity.

Q. Can MNRCP funding be used to cover stewardship and long-term monitoring costs?

A. Yes, but the funds need to be restricted to the parcel/project relevant to the MNRCP application and award and must be deemed reasonable by MNRCP reviewers.

Q. Can costs to obtain state and federal permits for restoration work be included in the budget?

A. Yes. Federal, state, and/or local permits may be required for certain restoration and enhancement projects and costs to prepare permit applications can be included in the MNRCP project budget. Please note, however, that MNRCP restrictions may be different than what is allowed by permit; therefore, consultation with MNRCP is recommended prior to seeking permits from regulatory agencies.

Q. Can fees for consultants to prepare project plans/designs be included in the budget?

A. Yes, however, the design fees must be for a project for which you are currently seeking funding to implement. You cannot apply for MNRCP funding for the design phase of a project only. The design and implementation costs must be included in the same application.

Q. Are complete design/engineering plans required for the proposal phase for restoration projects?

A. No, but proposals should include at least a conceptual or preliminary plan to describe the proposed work.

Q. Can MNRCP provide a list of qualified consultants for wetland restoration work?

A. MNRCP cannot specifically recommend a consultant or contractor. You can find a Directory of Environmental Consultants on the Maine Association of Wetland Scientists website (www.mainewetlands.org). A link to the directory is provided in the “Quick Links” section of the home page. A list of consultants is also available on the Maine Land Trust Network website (<https://www.mltm.org/resources/consultants/>).

Q. How much wetland and/or upland is required on a preservation project? All wetland? All upland? A combination?

A. There is no set rule, but successful projects generally protect both wetlands and an upland buffer. Projects that protect areas under demonstrable threat (i.e., accessible from roads, within potential development areas, under threat from some activity other than development, etc.) will score higher. A parcel that is almost all wetland may not be scored as well by MNRCP reviewers since wetlands have a level of protection under state and federal law and the threat of direct impact to them is less. Additionally, upland buffers are important to maintain the integrity of aquatic resources by providing protection from secondary and indirect impacts and are considered an important part of preserving these resources.

Q. Is timber harvesting allowed on parcels protected with MNRCP funds?

A. Timber harvesting may be allowed in uplands on parcels acquired with MNRCP funds; however, due to federal mitigation policy, MNRCP cannot take mitigation credit for any areas where timber harvesting is proposed to be conducted on the property. Therefore, the inclusion of timber harvesting in a project proposal will affect the scoring and ranking of the project during

review. For a project to be approved and funded by MNRCP with portions of the property available for future timber harvest, the following conditions are required.

- Timber harvesting must not occur in the following locations: in forested wetlands or mapped Inland Waterfowl and Wading Bird Habitat; within at least 100' of any mapped wetland, stream, open water body; or within at least 250' of mapped vernal pools.
- Outside of the no-cut areas described above, timber harvesting within larger riparian buffers should conform to the MNRCP Riparian Habitat Management Guidelines available at <http://mnrpc.org/about>.
- Timber harvesting may only occur within areas of upland forest that are accessible from existing roads that do not impact protected natural resources.
- Timber harvesting may not occur within rare or exemplary natural communities and ecosystems or within rare plant populations or their specified buffers as identified by the Maine Natural Areas Program (MNAP). Buffer sizes may be determined in consultation with MNAP.
- The project site must contain both wetland resources and no-cut upland areas sufficient to generate mitigation credits as compared to the cost of the project.
- Timber harvesting in approved upland areas will be performed with the overall goals of sustainable harvesting, mimicking natural disturbance patterns, and enhancing fish and wildlife habitat and climate resiliency. A forest management plan is required and will be reviewed by MNRCP reviewers.

MNRCP reviewers will review each project individually to determine if timber harvesting is appropriate based on the existing site conditions. Even if a project meets the conditions outlined above, MNRCP reviewers may still determine that timber harvesting is not suitable on a particular parcel and may prohibit it as a condition of the MNRCP award.

Note that specific management activities to address invasive species, pest/disease outbreak, or safety concerns are not considered “timber management” for the purposes of MNRCP and are generally allowed, provided they are reviewed and approved in the project’s long-term management plan.

Q. Is public access/recreation allowed on parcels obtained with MNRCP funds?

A. Yes, access for low-impact recreational uses such as hiking, hunting, and fishing is allowed (but not required), as long as the recreational uses, trails and any other infrastructure do not negatively impact natural resources or significantly disturb associated upland buffers being protected with MNRCP funds. Overnight camping and fires, however, are generally not allowed.

Q. Is vehicle access allowed on MNRCP parcels?

A. Vehicle access for maintenance or other uses is generally allowed, as long as it is on existing roads and no new roads are proposed. Access for snowmobile use may be allowed depending on the location of designated trails. Access for ATVs is generally not allowed.

Q. Are appraisals, surveys, environmental assessments, and other due diligence required to be completed prior to submitting an MNRCP application?

A. No, a complete appraisal, survey, purchase and sale agreement, or environmental assessment is not required to be completed for the application process. However, if these items are complete and included in the application, it may increase the “Project Readiness” score for the project. If funds are awarded for a preservation project, appraisals and environmental assessments must have been completed within one year of closing. A formal land survey is required, but older surveys may be permitted if they have been confirmed recently by a licensed surveyor.

Appendix F
Sample MNRCP Project Agreement

Example for a Maine-based non-profit completing a project that includes fee acquisition of a property and subsequent restoration work.

Regulatory Entities: Maine Department of Environmental Protection (DEP) and U.S. Army Corps of Engineers, New England District (Corps).

Fund Administrator: The Nature Conservancy, a District of Columbia nonprofit corporation with a local office in Brunswick, Maine (TNC).

Cooperating Entity: _____, a non-profit corporation organized and existing under the laws of the State of Maine (Cooperating Entity).

Project Name and Location: _____ in the Town of _____, _____ County, Maine (Project).

Premises Covered by this Agreement: Certain property located at _____ in _____, Maine, containing _____ acres, more or less, and shown on the map attached as Exhibit B (Premises).

Description of Project: _____

Project Cost:

Maine Natural Resource Conservation Program (MNRCP) Contribution: \$ _____
Other Project Cost: \$ _____

Management and Use of Premises: No later than _____, the Cooperating Entity shall submit to TNC, for review and approval by TNC, DEP and the Corps, a long-term Management Plan for the Premises that includes a detailed description of long-term management needs, the annual cost estimates to address them, and a funding mechanism to meet those needs. The approved long-term Management Plan, as it may be amended from time to time by Agreement of the Cooperating Entity, TNC, DEP and the Corps, shall be kept on file in the offices of TNC. All use of the Premises shall be in accordance with the long-term Management Plan. Without limiting the generality of the foregoing, the Cooperating Entity agrees that [*proposed active property uses*] shall be conducted in such a manner as to avoid and/or minimize any disturbance to wetland habitat and buffers or habitat for sensitive species.

Work Plan (for projects with restoration or enhancement activities): No later than _____, the Cooperating Entity shall submit to TNC, for review and approval by TNC, DEP and the Corps, a detailed restoration and enhancement Work Plan, which includes a monitoring plan, following guidelines to be provided by TNC (based on the Corps' Mitigation Guidance document). Upon such approval, the Cooperating Entity shall fully implement such plan.

Term of Monitoring Obligations (for projects with restoration or enhancement activities): The term of the Cooperating Entity's monitoring obligations, as more particularly described in General Provisions Section H, shall commence on the effective date of this Agreement and terminate, upon approval from DEP and the Corps, five years following the completion of all restoration or enhancement activities set forth in the Work Plan, described below (the "Monitoring Term").

Expiration of Funding Commitment: TNC’s obligation to pay the MNRCP Contribution to the Cooperating Entity shall expire, at TNC’s option, on _____.

Payment: TNC shall pay the MNRCP Contribution as follows:

- a. \$ _____ will be paid to the Cooperating Entity following TNC’s receipt and approval of the documents listed in General Provisions Section D and closing on the acquisition of the Premises and
- b. \$ _____ will be paid to the Cooperating Entity following completion of the restoration work [for restoration projects] and following TNC, DEP, and the Corps’ receipt and approval of the Work Completion Report and/or Management Plan.

Any additional project costs above the MNRCP award are the sole responsibility of the Cooperating Entity.

TNC, DEP, and the Cooperating Entity, mutually agree to perform this Agreement in accordance with Title 38, Maine Revised Statutes, Section 480-Z, as amended, and with the terms, conditions, plans, and specifications of the Project, incorporated herein by reference.

Subject to the availability of funds for this purpose, TNC hereby agrees, in consideration of the agreements made by the Cooperating Entity herein, to pay to the Cooperating Entity the MNRCP Contribution amount set forth above. The Cooperating Entity hereby agrees, in consideration of the agreements made by TNC herein, to implement the Project in accordance with this Agreement.

Exhibits: The following exhibits are hereby incorporated into this Agreement:

- Exhibit A General Provisions
- Exhibit B Project Boundary Map
- Exhibit C Form of Notice of Project Agreement

In witness whereof, the parties hereto have executed this Agreement as of the _____ day of _____, 2022 by their duly authorized representatives.

THE NATURE CONSERVANCY

COOPERATING ENTITY

By: _____
 Print Name: _____
 Title: _____

By: _____
 Print Name: _____
 Title: _____

STATE OF MAINE
Department of Environmental Protection

By: _____
 Print Name: _____
 Commissioner

Sample MNRCP Project Agreement
EXHIBIT A
GENERAL PROVISIONS

The Cooperating Entity specifically recognizes that the Project creates an obligation to acquire, restore, use, and/or maintain the Premises consistent with Title 38 M.R.S. Section 480-Z, and the following requirements:

A. AUTHORITY: The Cooperating Entity warrants and represents that: it possesses the legal authority to apply for the MNRCP Contribution and to otherwise carry out the Project in accordance with the terms of this Agreement; and that a resolution or similar action has been duly adopted by the governing body of the Cooperating Entity authorizing the filing of the application and implementation of the Project, including all understandings and assurances contained herein, and directing and authorizing the person identified as the official representative of the Cooperating Entity to act in connection with the application and to provide such additional information as may be required by TNC or the DEP and to enter into this Agreement. If the Cooperating Entity is a non-governmental organization, it shall provide TNC with a current certificate of good standing and a copy of its bylaws and articles of incorporation. In addition, the Cooperating Entity shall notify TNC immediately of any change in its corporate or tax status or operations, or if any official judicial, legislative, or administrative proceeding is instituted against the Cooperating Entity that may affect the commitments and obligations agreed herein.

B. COMPLIANCE WITH LAWS: The Cooperating Entity represents, warrants, and agrees that it; (a) has or will obtain at Cooperating Entity's expense (except to the extent otherwise explicitly stated in this Agreement) any permits, licenses, or authorizations, including without limitation, a property owner's prior permission before entering upon any private property, that are required under this Agreement, and; (b) will comply with all statutes, laws, ordinances, executive orders, rules, regulations, court orders, and other governmental requirements for the State of Maine (collectively, "Applicable Laws"). Cooperating Entity must not take any actions that might cause TNC, DEP, or the Corps to be in violation of any Applicable Laws.

C. USE OF FUNDS: The Cooperating Entity shall use moneys received under this Agreement only for the purposes of accomplishing the Project.

D. CLOSING PROCEDURES FOR PROJECT FUNDING AND ACQUISITION: No funds shall be disbursed under this Agreement prior to TNC receipt and approval of photocopies of the following:

1. The fully executed purchase and sale agreement for the Premises or conservation easement therein;
2. Current appraisal (completed within one year of closing) of the Premises or conservation easement that supports the purchase price;
3. Current environmental assessment of the Premises (completed within one year of closing), evidencing no environmental factors which negatively affect the conservation or fair market value of the Premises;
4. Property survey with geographic coordinates showing that a) the boundaries of the Premises are not in dispute, and b) there are no encroachments that would interfere with the use of the Premises for their intended purposes under this Agreement;
5. Current title insurance commitment;

6. For fee acquisition, the final deed draft; and for conservation easements, the final easement draft, together with a copy of the current owner's deed;
7. Executed Notice of Project Agreement, in the form attached hereto as Exhibit C;
8. An original counterpart of an escrow letter provided by TNC for receipt and disbursement of funds at closing, which has been countersigned by the Cooperating Entity's approved closing agent;
9. Draft settlement statement indicating proposed disbursement of funds.

Closing funds shall be delivered to an escrow agent approved by TNC prior to Closing to be disbursed in accordance with the settlement statement upon recording of the deed or conservation easement.

In addition, within 45 days following the recording of documents, the Cooperating Entity shall provide TNC and DEP with copies of the recorded deed or conservation easement, the recorded Notice of Project Agreement, the signed settlement statement, and the title insurance policy.

E. REQUIRED CONSERVATION EASEMENT LANGUAGE: If the Project includes a conservation easement, such easement shall contain substantially the following provision:

“The Grantors hereby grant to the State of Maine, Department of Environmental Protection (“DEP”) the same inspection and enforcement rights as are granted to the Holder under this conservation easement. However, the Holder acknowledges that the Holder shall be primarily responsible for the enforcement of this easement, and understands that DEP does not, by this provision, take on any obligation to enforce this easement. The Holder agrees that, if DEP shall determine that the Holder is failing in such enforcement, DEP may, in its discretion, give notice of such failure to the Holder and the Grantors, and if such failure to enforce is not corrected by the Holder within 30 days thereafter, DEP may exercise, in its own name and for its own account, all the rights of enforcement granted to the Holder under this Easement.”

F. USE AND MAINTENANCE OF PREMISES: The Cooperating Entity agrees that the Premises shall be forever used, operated and maintained in its current undeveloped and open space condition, for the long-term protection of wetlands, conservation of wildlife and other natural resources, in accordance with all applicable laws, including without limitation Title 38 M.R.S. § 480-Z, and in accordance with the Management Plan for the Premises.

G. RETENTION AND CUSTODIAL REQUIREMENTS FOR RECORDS: The Cooperating Entity agrees to maintain records, documents and other evidence pertaining to all costs and expenses incurred in sufficient detail to reflect all costs and expenses for which payment or reimbursement is claimed. These records shall be maintained for a period of three years after the end of the Monitoring Term, or if there is no Monitoring Term, for a period of three years after closing on the purchase of the Premises. The records of the Cooperating Entity pertaining to the Project shall at all times within such three year period be available for inspection, review and audit by DEP and TNC. Any expenditure of the MNRCP Contribution by the Cooperating Entity that TNC determines, in its sole reasonable discretion, are not permitted hereunder shall be promptly repaid by the Cooperating Entity (or deducted from any subsequent payments hereunder by TNC).

H. PROCUREMENT: The Cooperating Entity shall follow its own policies with regard to documentation of procurements and maintain documentation of such policies. If the Cooperating

Entity does not have written procurement policies, it shall retain documentation for procurements (over US \$5,000 outside the U.S. or over \$10,000 in the U.S.). Such documentation shall include sole source justification, if appropriate, or documentation of a competitive process or comparison shopping.

I. REPORTING AND ANNUAL MONITORING REQUIREMENTS:

1. For fee acquisition, no reports by the Cooperating Entity are required, other than the forwarding of a complete copy of the closing package within 45 days of closing.
2. For conservation easement projects, the Cooperating Entity shall submit a report detailing the status of the Premises, on or before one year from the date of the recording of the conservation easement.
3. For projects that require a Monitoring Term, the Cooperating Entity shall report to TNC, the DEP and the Corps on the status of the Project, and on the condition of the Premises, following guidance provided by TNC. The Cooperating Entity shall send the report annually, not later than December 1st of each year, to: (a) the ILF Administrator, Bureau of Land Resources (DEP), at State House Station 17 Augusta, Maine 04333; (b) the Policy Technical Support Branch, Regulatory Division, New England District Corps of Engineers, 696 Virginia Road, Concord, MA 01742-2751; and (c) The MNRCP Manager, The Nature Conservancy, 14 Maine Street, Brunswick, ME 04011.

J. ASSIGNMENT: This Agreement may not be assigned by the Cooperating Entity in whole or in part without the prior written consent of TNC and the DEP.

K. LOBBYING AND POLITICAL CAMPAIGNING: The Cooperating Entity shall not use any portion of funds transferred under this Agreement to engage in any lobbying activities. The Cooperating Entity shall not use any portion of funds transferred under this Agreement to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to cause any private inurement or improper private benefit to occur, or to take any other action inconsistent with Section 501(c)(3) of the US Internal Revenue Code.

L. RIGHT OF ENTRY: The DEP, the Corps and TNC, their employees, agents and representatives, shall each have the right to enter the Premises to assure compliance with the terms of this Agreement, any conservation easement purchased pursuant to this Agreement and any applicable laws.

M. PRIOR NOTICE AND APPROVAL REQUIRED PRIOR TO TRANSFER OF PREMISES: Prior to any encumbrance, assignment, disposition or transfer, in whole or in part, of the Premises or any interest therein, or, if the interest being acquired is a conservation easement, any amendment or termination thereof, the Cooperating Entity shall provide at least sixty (60) days prior written notice of the same to the DEP and to the Corps, and shall obtain their written consent to such encumbrance, assignment, disposition, transfer, amendment or termination, as the case may be. Notice under this Section shall be in addition to any legal requirements imposed upon the Cooperating Entity under state or federal law.

N. NOTICE OF PROJECT AGREEMENT: Prior to payment of any funds hereunder, the Cooperating Entity shall submit to TNC, for its approval, a notice of project agreement, substantially in the form attached hereto, and shall record such notice with the local land records office.

O. CONDEMNATION: In the event of condemnation of any or all of the Premises, the DEP, by and through its Maine Natural Resource Conservation Program or another fund designated by the DEP and TNC, shall receive a share of the proceeds of such condemnation received by the Cooperating Entity, based on the MNRCP proportion of the total cost of the Project, namely _____ percent (____%).

P. ENFORCEMENT ALTERNATIVES: In the event that the Cooperating Entity does not meet one or more of its obligations under this Agreement, or in the event of dissolution of the Cooperating Entity, the DEP may exercise, in its sole discretion, any of the following remedies following written notice and thirty (30) days opportunity for the Cooperating Entity to cure the default: (a) the right to require specific performance on the part of the Cooperating Entity; and (b) any other rights or remedies available at law or in equity including, but not limited to, the right to require that the Cooperating Entity transfer title to the Premises to the DEP or a successor designated by the DEP under such terms and conditions as the court may require. In the event that the DEP exercises any of the rights available to it upon default of the Cooperating Entity, the Cooperating Entity shall reimburse the DEP for its costs of enforcement and collection, including reasonable attorney's fees.

Q. MEDIA ANNOUNCEMENTS: The DEP, TNC and the Cooperating Entity shall have the opportunity to review and comment on proposed media announcements concerning the Project prepared by any party to this Agreement. Any signage or advertisement of the Project shall reference the contribution of the Maine Natural Resource Conservation Program and shall be subject to review and comment by DEP, the Corps, and TNC.

R. INDEMNITY: The Cooperating Entity shall defend, indemnify, and hold harmless TNC and DEP against any and all claims for loss, personal injury, death, property damage, or otherwise, arising out of any act or omission of the Cooperating Entity's employees or agents in connection with this Agreement or the Premises. No legal partnership or agency relationship is established by this Agreement. No party is authorized or empowered to act as an agent, employee or representative of the others.

S. TERMINATION: TNC shall have the right to terminate this Agreement for any reason upon 30 days prior written notice to the Cooperating Entity, DEP and the Corps, in which event payment for work satisfactorily completed by the Cooperating Entity will be adjusted accordingly. Without limiting the generality of the foregoing, the Cooperating Entity understands that TNC may terminate this Agreement in the event that the Cooperating Entity is not making sufficient progress towards the completion of the Project, including, without limitation, entering into a binding purchase and sale agreement to purchase the Premises or raising sufficient funding to pay the Other Project Costs. In addition, it is understood that TNC shall have no obligation to provide funding under this Agreement beyond the Expiration Date.

T. CONFLICTS OF INTEREST: Prior to the commencement of any work under this Agreement, the Cooperating Entity shall have executed and delivered to TNC a Conflict Inquiry Form regarding potential conflicts of interest, in a form provided to the Cooperating Entity by TNC. If any material misrepresentation in the Conflict Inquiry Form is discovered during the term hereof, TNC may elect to declare this Agreement null and void and any payments hereunder not yet expended shall be promptly returned to TNC.

U. SUCCESSORS AND ASSIGNS: Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. In the event that the DEP ceases to exist, the rights and responsibilities of that party shall automatically be vested in any successor agency designated by the Legislature. Failing legislative designation, the successor agency shall be as determined by the Governor. In the event that TNC ceases to exist, the rights and responsibilities of that party shall vest in an entity designated by the DEP.

V. AMENDMENT: This Agreement may not be amended, in whole or in part, except with the written consent of all of the parties hereto.

W. COUNTERTERRORISM, ANTI-MONEY LAUNDERING AND ECONOMIC

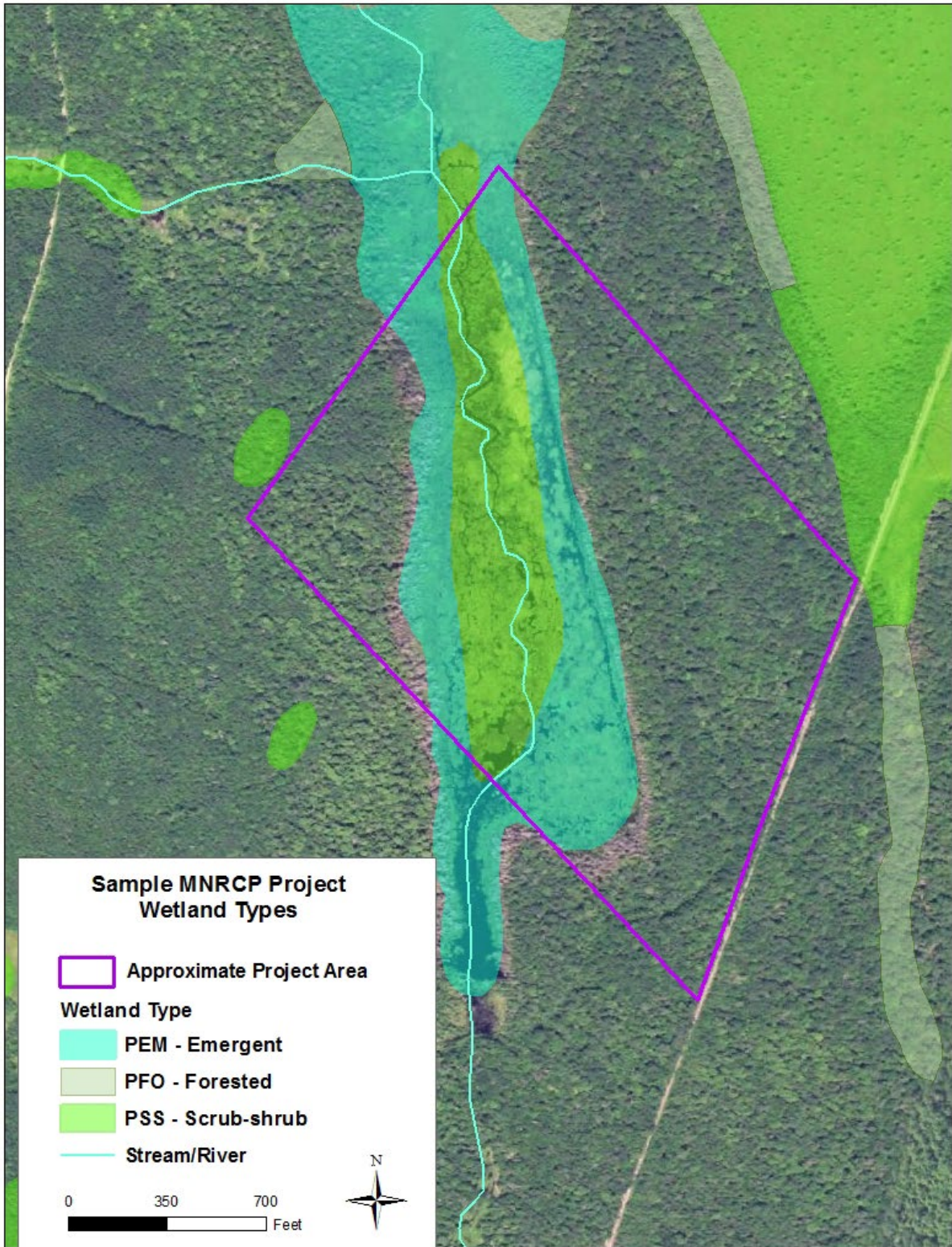
SANCTION LAWS: Cooperating Entity certifies that, to the best of its knowledge, Cooperating Entity and its subsidiaries, principals and beneficial owners, if any:

1. are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any government agency;
2. (i) are not included on the Specially Designated Nationals and Blocked Persons lists maintained by the U.S. Treasury's Office of Foreign Assets Control, the United Nations Security Council Consolidated List, or similar lists of proscribed entities identified as associated with terrorism, and (ii) will not engage in transactions with, or provide resources or support to, any such individuals or organizations or anyone else associated with terrorism;
3. are not a person or entity with whom transacting is prohibited by any trade embargo, economic sanction, or other prohibition of law or regulation; and
4. have not conducted, and will not conduct, their operations in violation of applicable Money Laundering Laws, including but not limited to, the U.S. Bank Secrecy Act and the money laundering statutes of any and all jurisdictions to which the Seller or any Seller subsidiary, principal or beneficial owner is subject, and no action or inquiry concerning money laundering by or before any authority involving the Seller or any Seller subsidiary, principal or beneficial owner is pending.

Should Cooperating Entity become aware that it or any of its subsidiary, principal or beneficial owner is subject to any of the above conditions during the term of this Agreement, Cooperating Entity must notify TNC, DEP, and the Corps immediately. If TNC or DEP determine, in their sole discretion, that Cooperating Entity or any such subsidiary, principal or beneficial owner is subject to any of the above conditions, payment under this Agreement shall not be made. The terms of this Section must be included in all permitted assignments of the Agreement.

X. NON-PARTICIPATION IN TAX-AVOIDANCE TRANSACTIONS: The Cooperating Entity warrants that it shall not use the funds to acquire the Premises in a transaction that constitutes a "listed transaction" under IRS Notice 2017-10 or that violates Land Trust Alliance (LTA) Practice 10C4. If the Cooperating Entity will acquire the Premises from an entity that intends to take an income tax charitable deduction related to the conveyance, the Cooperating Entity shall promptly notify TNC and shall provide TNC with evidence of compliance with this paragraph at least ten (10) business days prior to closing. If TNC determines, in its reasonable discretion, that the transaction constitutes a "listed transaction" or violates LTA Practice 10C4, TNC shall not be obligated to deliver funds to the Cooperating Entity. This paragraph applies to the Cooperating Entity, regardless of whether it is accredited by the Land Trust Accreditation Commission (LTAC).

Sample MNRCP Project Agreement
EXHIBIT B
PROJECT MAP



Sample MNRCP Project Agreement
EXHIBIT C
Form to be used for NOTICE OF PROJECT AGREEMENT

MAINE NATURAL RESOURCE CONSERVATION PROGRAM
“ _____ PROJECT”

The **COOPERATING ENTITY** (the “Owner”) is the owner of certain real property located in the Town of _____, County of _____, State of Maine, more particularly described in the **Exhibit A** to which this Notice is attached (the “**Protected Property**”).

The Owner has acquired the Protected Property with funds received from The Nature Conservancy pursuant to a Maine Natural Resource Conservation Program Project Agreement between The Nature Conservancy (“TNC”), the State of Maine, Department of Environmental Protection (“DEP”), and the Owner, dated _____ (the “Project Agreement”), a copy of which is kept at the offices of TNC, 14 Maine Street, Suite 401, Brunswick, Maine 04011 and the offices of DEP, State House Station 17, Augusta, Maine 04333.

The purpose of the Project Agreement is to provide funding to the Owner, pursuant to an In Lieu Fee Program Instrument between the State of Maine, Department of Environmental Protection and the New England District U.S. Army Corps of Engineers (the “Corps”), dated September 21, 2011 (the “In Lieu Fee Program Instrument”). By acceptance of funding and acquisition of the Protected Property, the Owner agrees that the terms and conditions of the Project Agreement shall be a covenant running with the land, and shall be binding upon Owner, its successors and assigns as owner of the Protected Property.

The purpose of the In Lieu Fee Program Instrument is to acquire, restore and/or enhance, and to permanently protect, properties that will compensate for unavoidable adverse impacts to significant wildlife habitats, wetlands and other waters of the State of Maine resulting from activities authorized under the Maine Natural Resources Protection Act, the federal Clean Water Act and/or the federal Rivers and Harbors Act.

The Owner has executed and recorded this Notice as notification and confirmation of its obligations, as set forth in the Project Agreement, to: 1) ensure the long-term conservation of the Protected Property in accordance with the terms of the Project Agreement; 2) refrain from converting any portion of the Protected Property to uses other than conservation; and 3) obtain the written consent of DEP and the Corps prior to encumbrance, assignment or disposition of any interest in the Protected Property.

The Protected Property may not be conveyed, transferred, or further encumbered without including a specific reference to the terms and conditions of this Project Agreement, including the Book and Page of recording of this Notice. Notice under the Section shall be in addition to any legal requirements imposed upon the Cooperating Entity under state or federal law. In addition, the Owner confirms that in the event of condemnation of any or all of the Protected Property, it shall pay to the DEP, by and through its Maine Natural Resource Conservation Program, presently estimated at _____ and _____-tenths percent (____%) of the eminent domain proceeds paid to the Owner.

IN WITNESS WHEREOF, the Owner has set its hand and seal this ____ day of _____, 2022.

COOPERATING ENTITY

By: _____

Its: _____

STATE OF
COUNTY OF

On this ____ day of _____, 2022, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that ____ is the _____ of the corporation named in the foregoing instrument; that the seal affixed to said instrument is the corporation seal of said corporation; and acknowledged said instrument to be the free act and deed of said corporation.

Notary Public
My Commission Expires: _____