



MICHAEL CHU

## The Trustees of Reservations

One afternoon in late December 2004, Andrew Kendall, Executive Director of The Trustees of Reservations (TTOR), reined his horse to a stop to take in his favorite view in Arizona. He had seen it countless of times on many holidays since his childhood, but the panorama of the Huachuca Mountains on his right stretching down into the vast open plains of Mexico to the south seemed to him fresh and untouched. The oak grasslands with its creeks and perennial streams not only was good cattle country but also attracted over 200 species of rare and exotic birds that migrated every year from Mexico. For as far as he could remember, growing up in Sharon, Massachusetts and spending summers and vacations at the Arizona ranch, the outdoors had been an important part of his life. Now that he was responsible for one of the oldest institutions in environmental preservation in the country, he was struck by how deeply his experiences as a child must have shaped him as a man, often without his realizing it. Certainly, sixteen years ago when he graduated from business school (HBS MBA '88), leading a nonprofit social enterprise had been the farthest thing in his mind.

In the clear Arizona air, 6,000 ft above sea-level and 2,700 miles from his office in Beverly, Massachusetts, Kendall thought about TTOR and the year that was coming to a close. Over the last fifteen months, the organization had gone through the implementation of a massive restructuring of its governance, a process that itself had taken two years to bring about. When he began to consider what was clearly a major undertaking with the then Chairman of TTOR, both men concluded that the change was so important it should become part of the immediate agenda. Formulating what had to be done and getting it approved at the 112<sup>th</sup> Annual Meeting of TTOR had been a complex, grueling and delicate task. Now that the recommendations he had so strongly endorsed had come to life, Kendall remained convinced of the importance of the change but was beginning to appreciate the difficulties of making the new structure achieve all the aspirations that the governing members, his staff and himself had placed on it. As he gazed at the grasslands stretching into the distance and fusing with the red foothills, he wondered if once again there were changes he needed to introduce to TTOR's governance.

### *The Trustees of Reservations*

By the end of the 19<sup>th</sup> century, following the opening of the vast territory between its coasts, conservationists in the United States had managed to protect many of the natural wonders of the American West. The urban regions of the East, however, had received relatively little attention. As the colonial farming communities had given way to industry, tracts of farmland, countryside and

---

Senior Lecturer Michael Chu prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2005 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to <http://www.hbsp.harvard.edu>. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of Harvard Business School.

river front were replaced by factories, foundries, mills and a myriad other manufacturing establishments. With the new productive infrastructure came the dense building required to house the many thousands of people flocking to the cities to serve the machines. Against this backdrop, in 1890 Charles Eliot, a young landscape architect then practicing in Boston, issued a call for the immediate preservation of “special bits of scenery” still remaining “within ten miles of the State House which possess uncommon beauty and more than usual refreshing power.” To protect these places, Eliot proposed the creation of a unique nonprofit organization—a corporation governed by a board of voluntary trustees who would be empowered by the state legislature to hold land free of taxes for the public to enjoy “just as a Public Library holds books and an Art Museum holds pictures.” In support of his idea, Eliot enlisted a distinguished group of citizens.<sup>1</sup> On May 21, 1891, Massachusetts Governor William Eustis Russell signed into law the establishment of The Trustees of Reservations. The nation's first private statewide conservation and preservation organization had been created. Its maiden governing board was presided by George F. Hoar, a United States Senator and old-line Harvard-educated Yankee, and included among its members a Judge Probate, a wealthy industrialist who was Chairman of Boston's Park Commission and an amateur horticulturist with a personal garden so distinguished he was later appointed to the Harvard faculty and named Director of its newly-established Arnold Arboretum.<sup>2</sup>

That same year, TTOR acquired its first property, a 20-acre forest known as Virginia Woods in Stoneham.<sup>3</sup> One hundred and thirteen years later, the land owned by TTOR had grown to 94 reservations. Through conservation restrictions held by TTOR, the organization protected a further 224 parcels of private land and TTOR had also been instrumental in assisting the protection of another 96 parcels. In total, as of June 30, 2004, 53,227 acres in Massachusetts stretching from the Berkshire Mountains to Cape Cod and the Islands were shielded by TTOR (see *Exhibit 1* for a map showing TTOR's presence across the state and *Exhibit 2* for table on Land under TTOR Protection 1984-2004). These included large woodlands, 70 miles of protected coastline, various historic houses and structures, gardens and notable gorges and waterfalls - many of these places designated natural or man-made national historic landmarks. Several of the TTOR properties were in areas identified by the Massachusetts Department of Environmental Protection as Areas of Critical Ecological Concern. In its fields and forests lived 89 rare species. Through eleven field or regional offices, 145 full-time staff members and over 300 part-time and seasonal staff<sup>4</sup> implemented TTOR's mission: “To preserve, for public use and enjoyment, properties of exceptional scenic, historic, and ecological value in Massachusetts”.<sup>5</sup>

Complementing its work in land protection, TTOR also engaged in the promotion of conservation awareness through various educational programs and the public use of its properties. In the course of the year, TTOR received 328,000 visitors to its 270 miles of reservation trails and 70,000 participants attended its special events and seasonal tour programs. Five thousand guests stayed at its historic bed-and-breakfasts.<sup>6</sup>

---

<sup>1</sup> Based on and excerpted from “Historical Origins” in The Trustees of Reservations Web site, [www.thetrustees.org](http://www.thetrustees.org).

<sup>2</sup> Gordon Abbot, Jr, *Saving Special Places A Centennial History of the Trustees of Reservations: Pioneer of the Land Trust Movement* (The Ipswich Press, 1993), pp. 13–15.

<sup>3</sup> Conveyed in 1923 to the Metropolitan District Commission and now part of Middlesex Fells Reservation (TTOR Web site).

<sup>4</sup> As of December 31, 2004.

<sup>5</sup> TTOR Web site.

<sup>6</sup> *Idem*.

At March 31, 2004, TTOR's assets totaled \$165.7 million, including an endowment with a market value of \$86.2 million. In fiscal year 2004, TTOR's total unrestricted income was \$13.7 million with total expenses of \$13.4 million, resulting in a surplus of \$265,000 (see Exhibit 3 for TTOR's summary financial statements).

Since inception, TTOR had been characterized as an organization dominated by volunteers. Not only did they guide and support but many also played an important role in daily operations, constituting a major component of the staff until relatively recently. This had flowed naturally from the interests of the people who created TTOR and how they conceived the institution should carry out its work. For many decades, TTOR dedicated itself to identifying parcels of land of outstanding scenic beauty and then to finding ways to acquire them so that they could be shielded and displayed "just as a Public Library holds books and an Art Museum holds pictures." The term "reservation" was expressly chosen instead of "park". As used in the 19<sup>th</sup> century, it meant literally land kept back and withheld from development and reserved as public open space.<sup>7</sup> From the 1890s through the 1960s, in addition to the acquisition of reservations, TTOR regarded its key work as the identification of such sites, the cataloguing of threats to their survival, the articulation of principles and guidelines for their conservation and possible future use, and the dissemination of all this knowledge through conferences and publications. Over the years, many of these sites have eventually come under TTOR stewardship.<sup>8</sup>

From the beginning, the principal way in which TTOR acquired its reservations was through donation. Through membership in the site's Property Committee, the former owners and their families often continued actively involved as volunteers in the management of their donated properties. The staff that had helped them take care of these lands often became paid employees of TTOR. The land donors constituted a natural source of TTOR leadership in their areas, many becoming the backbone of TTOR Regional Advisory Councils. These councils were natural places from which TTOR drew its governing members.

While running the organization predominantly through volunteers was both historical precedent and what came natural to the governing members of TTOR, the administration of daily operations became increasingly complex as the numbers of properties increased. In 1930, TTOR managed seven reservations. By the end of 1965, that number had grown to 42 (see Exhibit 4 for the chronology of TTOR reservations).

In 1966, the 75<sup>th</sup> year of its existence, TTOR named its first full-time paid Executive Director, Gordon Abbot, Jr., a 1950 graduate of Harvard College, editor of two small-city dailies in the North Shore of Boston and whose parents and grandparents had been involved in the 1930s in the preservation of Misery Islands, TTOR's 12<sup>th</sup> reservation. Abbot joined a staff that numbered less than a dozen full-time field employees. Almost 18 years later, Abbot retired in 1984.<sup>9</sup>

In 1985, TTOR named Frederick Winthrop, Jr. as Abbot's successor. Another Harvard College graduate and a former officer in the Marine Corps Reserves, Winthrop was the owner and operator of Turner Hill Farm in Ipswich on the North Shore, and had just served 10 years as Massachusetts Commissioner of Food & Agriculture.<sup>10</sup>

---

<sup>7</sup> Abbot, *Saving Special Places*, p. 16.

<sup>8</sup> TTOR Web site.

<sup>9</sup> Abbot, *Saving Special Places*, p. 40.

<sup>10</sup> Abbot, *Saving Special Places*, p. 298.

In April 2000, Winthrop retired and passed on the Executive Directorship to Andrew Kendall.

### *The Road to TTOR*

Kendall's path to land conservation was a circuitous one. Upon graduation from Amherst College in 1983, he had gone to Arizona, interested in working in a region he had visited since childhood. He met the owner of a local animal feed company, and convinced the man to hire him as a management trainee. Shortly thereafter, the owner discovered that all the officers of the company were involved in joint malfeasance. He fired them all and made Kendall vice president and general manager while he sought a buyer.

"I was fighting lawsuits while writing my business school applications," Kendall remembers.

Admitted to Harvard Business School, Kendall joined the Lincoln Electric Company after graduation in 1988, a rare MBA in a company which traditionally drew its management from within. There, he ended up developing a new national network of distribution centers capable of providing a highly centralized manufacturing company with a system that could deliver parts on a 24-hour turnaround basis. Kendall found the work intellectually engrossing but one day noticed that it was dark when he arrived at his windowless office and dark when left. The project had completely taken over his life.

At the same time, Kendall had become intrigued by two experiences with social enterprise. One was at business school, where he had joined three classmates in an independent study research project to develop the marketing of the Young Astronauts Council. The second was a request from the president of Lincoln Electric Company to help in the merging of various trade groups associated with the welding industry. While the effort ultimately failed, Kendall found the process and the organizations extremely interesting. For the first time, Kendall considered the social enterprise area as a professional possibility.

As Kendall began to explore alternatives, his long association with the outdoors came back to him. His uncle, a physics professor at MIT<sup>11</sup> who founded the Union of Concerned Scientists, introduced him to the conservation and environmental movement. In 1990, he resigned from Lincoln Electric and a few months later accepted the position of Chief Financial Officer of the Audubon Society of New Hampshire. In return for putting the financial house in order, Kendall was named Executive Vice President and the chief operating officer, "Mr. Inside" to the CEO's "Mr. Outside."

In 1993, Kendall married and both he and his wife were anxious to experience living abroad. Kendall spent the next two years in Costa Rica as an environmental business consultant, working with the Massachusetts Audubon Society and eventually consulting to various organizations, from the World Bank to small nongovernmental organizations (NGOs). In 1995, he returned to the United States to become the Director of Programs for the Massachusetts Audubon Society and later worked as a consultant to the National Audubon Society and the Barr Foundation. In the process of a project for the latter, Kendall came into contact with TTOR and worked with its staff. Months later, when TTOR launched a recruiting effort to find Fred Winthrop's replacement, the professional firm in charge of the assignment had Kendall's name among its top candidates.

"When the executive search firm called me, I had been working in the environmental and land protection field for a fair number of years," Kendall recounted. "Ever since its founding as a pioneer organization, TTOR has been highly respected. It had a superb portfolio of properties. In the course

---

<sup>11</sup> Massachusetts Institute of Technology.

of my previous work I had come to know its people and I was impressed with their professional capabilities and commitment.”

When he was offered the position, Kendall was excited to become the third Executive Director in the organization’s long history.

### *Governance: The View from the Staff*

For the first ten months of his tenure, Kendall concentrated on getting to know the organization and the staff. He toured every facility and became familiar with operating issues and the people dealing with them. While his regard for his key executives was confirmed, he sensed a high level of frustration in their dealings with the board.

In February 2001, he felt ready to brainstorm with his management team and convened them to Marion, MA for an off-site retreat.

“Andy told us to think big thoughts”, Ann Powell, TTOR’s Director of Development recalled. “He said TTOR’s second century could be just as important as the first.”

To envision the future priorities of TTOR, the team first made as frank an assessment as they could of the organization in relation to its peer institutions. They saw TTOR as a historically conservative institution, focused on museum-quality properties, which it took in only when the projected maintenance costs were fully endowed. This meant that TTOR incorporated properties at a rate dictated by whether the land came with an inheritance sufficient for its upkeep or the time it took the organization to come up with sufficient capital contributions.

In addition, the team felt that other conservation institutions projected a louder voice and sought more aggressively to impact public policy and their surrounding communities. Some peer organizations were involved in larger scale projects and welcomed the opportunity to work with properties that fell outside the traditional mold.

But it was clear to all of them that TTOR had the very best lands in the state.

“There were times that we thought TTOR was Massachusetts’ best kept secret,” Powell said. Others remembered occasions in which members had expressed ambiguous feelings as to how accessible TTOR lands should be. Those with longest tenures recalled debates on whether TTOR should post signs identifying their properties or showing the way to entrance gates. There had also been discussions whether TTOR should seek or not to increase the number of its members.

Yet the management team unanimously agreed that the need for land protection had never been more urgent.

“Quantum leaps were necessary,” Kendall said. “The *status quo* was totally unacceptable.”

As evidence, the team pointed to the Massachusetts Audubon Society’s landmark *Losing Ground* report, a continuing series first published in 1987 and updated periodically. The report indicated that despite protection efforts and a growing appreciation for nature, Massachusetts continued to lose ground to development on a daily basis, with the impact being felt in some of the most sensitive rare species habitats and natural communities. Moreover, what was being built was increasingly less sustainable, with houses getting bigger and lot sizes supporting fewer people. Between 1985 and 1999, Massachusetts continued to lose 40 acres per day to “visible” development. When the impact of “hidden” development was taken into account (including such things as roads and unused building

lots), the full loss of open land increased to 78 acres per day<sup>12</sup> (see Exhibit 5 for a table on Massachusetts Land Use Detail by Category 1971, 1985, 1999).

The management team also reaffirmed objectives laid out in *Trustees 2000*, the strategic plan put together in 1996 under Executive Director Fred Winthrop, such as the increase in TTOR membership—those patrons who supported TTOR through individual or family annual contributions, receiving general admission privileges and various discounts and other benefits.<sup>13</sup> There was a consensus that TTOR had to continue evolving from an organization focused on “museum-quality” to one that was unabashedly “people-centered” (see Exhibit 6 for TTOR Membership 1984–2004).

In addition, there was also agreement on the need to shed the last vestiges of the reticence felt in the past by TTOR (and other conservation organizations) regarding mutual collaboration. As the number of large parcels of open land diminished in number and increased in market value and the external political, regulatory and legal environment became ever more complex, partnering with colleague institutions and others in the public sector and civil society was increasingly a prerequisite for effectiveness. TTOR’s institutional objectives, the team concluded, could be met not only by what TTOR did directly but by increasing the effectiveness of all the important players that were engaged in the same cause.

While Kendall was gratified to find that his team was united and enthusiastic with regards to where TTOR should head, he found them concerned with the institution’s capability to implement these initiatives.

“I told Andy we were facing a bottleneck just trying to get business-as-usual done, let alone introducing new directions,” Wes Ward, Director of the Land Conservation Department remembered. “We had Executive Committee meetings of the Board every month, but a single land conservation matter could take nearly the entire 2-hour meeting, especially as our Chairman believed in encouraging discussion. Andy was pushing us to increase the number of land transactions, but all major decisions had to go through the Executive Committee. As a result, every other area was crowded out. Field operations, which accounts for about 70% of our operating budget, would seldom be discussed because we would simply run out of time.” The Executive Committee was composed of 11 members, including all the Officers,<sup>14</sup> with the remaining members selected at large from the Standing Committee. The function of the Executive Committee was to exercise all the powers of the Standing Committee when it was not in session.

The Standing Committee met seven times a year, sometimes with an eighth meeting added in the summer. The Standing Committee was limited to 25 (excluding the Officers) and was the actual board of directors empowered to conduct all business of the organization.

The issues that were discussed at the Executive Committee were brought up, often just a couple of weeks later, at a meeting of the Standing Committee. This, in turn, was always a joint meeting with the Advisory Council.

In contrast to the Standing Committee, the Advisory Council had no set number; in 2000, it had 35 members. Its function was solely advisory and consequently its members had formally no vote.

---

<sup>12</sup>Massachusetts Audubon Society, *Losing Ground: At What Cost?*, 3<sup>rd</sup> Edition, November 2003, Summary Report, p. 1.

<sup>13</sup> In January 2005, the typical annual membership was \$40 for an individual and \$60 for a family, with dues ranging from \$30 for students and seniors to \$600 for the highest membership category.

<sup>14</sup> President, one or more Vice Presidents, Secretary and Treasurer, usually totaling six or seven people.

Originally, it had been created as a place for retired Standing Committee members when an early form of term limits was instituted in the 1950s. Fifty years later, the Advisory Council served as a training ground for future Standing Committee members. The by-laws required that the Standing Committee and Advisory Council meet together in one commingled session.

The Standing Committee and Advisory Council held their joint meeting during a formal lunch the third Wednesday of the month, usually at the downtown facility of the Harvard Club, and sometimes at the executive dining room of State Street Bank. Attendance was often in excess of 60, as the meeting included senior members of management. The sessions were characterized by a strong sense of camaraderie—"busy and cheerful affairs" as Gordon Abbot remembered them.<sup>15</sup> But for the staff, they had their frustrations. The nature of the meetings, in the recollection of a department director, forced the presentations to be "show and tell" exercises. However, because the members of both committees were drawn from volunteers that had been active in Property Committees or Regional Advisory Councils, discussions could erupt around minor details. "Sometimes there would be a thirty minute argument over ¼ acre," a director recalled. Nevertheless, at the end of the day decisions of the Executive Committee were invariably ratified by all the attendees, regardless of which committee they belonged to.

One of the first things Kendall had noticed at TTOR was that he and his key staff barely finished one set of presentations to the board before they had to start preparing for the next one. In 2001, between the Executive Committee and the Standing Committee/Advisory Council, there were 20 meetings. It was the same in the following year (see **Exhibit 7** for a schedule of the meetings).

The Officers, Executive Committee, Standing Committee and Advisory Council were all elected by the Corporate Trustees, a body limited to 500 members<sup>16</sup> who met once a year to discharge those duties and who constituted the corporation which is the legal entity of TTOR. In addition, the Corporate Trustees elected new Corporate Trustees and Life Trustees. The latter were people who had made extraordinary gifts of property, financial assets or service to the institution. Life Trustees were not restricted in number<sup>17</sup> and they had the right to vote in the annual meeting of the Corporate Trustees.

To accomplish the specialized tasks of governance and provide functional expertise, there were 11 subcommittees: Budget Review, Development, Planned Giving, Historic Resources, Investments, Membership and Volunteer Involvement, Nominating, Public Issues, Land Conservation, Ecology Advisors, Landscape and Architectural Advisors. Membership was drawn from all the TTOR committees and councils.

There were two councils: the Conservation Council, a group of younger members aged 25 to 45 years old, intended as a nurturing ground for future leaders; and the Chairman's Council, to recognize members retiring from the Standing Committee and Advisory Council.

**Exhibit 8** summarizes the Governance Structure prior to September 2003.

In addition to the issues voiced by his staff, Kendall was concerned that the existing structure provided such a slow and unclear path to governance that he worried about the organization's capability to recruit new board directors from outside the traditional backgrounds associated with TTOR as well as the ability to retain the best and brightest once they joined.

---

<sup>15</sup> Abbott, *Saving Special Places*, p. 274.

<sup>16</sup> In 2004, there were 490 Corporate Trustees.

<sup>17</sup> In 2004, there were 41 Life Trustees.

Following the off-site retreat, for the remainder of 2001, Kendall was absorbed by the daily pressures of his position as well as by new projects, especially a new initiative to achieve much larger scale landscape protection through partnerships and a TTOR training and resource center for the use of all land conservation groups, in Massachusetts and elsewhere. Yet with every passing month, Kendall became convinced that TTOR's governance structure had to be changed, but how?

### *Governance: The View from the Board*

By this time, Kendall had developed a close working relationship with Elliot Surkin, now the Managing Partner of the Boston office of DLA Piper Rudnick Gray Cary, a global business law firm and the then TTOR Chairman at the time. Surkin had overseen Kendall's hiring. The two men met every month and Surkin felt the frequent exposure only confirmed his initial impressions regarding Kendall's abilities and limitless energy. Kendall, on his side, appreciated Surkin's willingness to listen and understand management's perspective.

"I saw the role of Chair as supporting the Executive Director, who provides the driving vision for the organization," Surkin said recently. "I never saw the Chairmanship as the power of the institution. I've seen how that often destroys organizations."

When Kendall told him that he felt the current arrangements did not allow him and his staff to do their job, Surkin was not surprised because he was also feeling frustrated. Like many people involved in the governance of the organization, he had begun his service at a TTOR Property Committee close to his summer home. He was then asked to serve on the Advisory Council and after two or three years, he was made a member of the Standing Committee and was then chairman of the Nominating Committee. In many ways, he found his experience on the Advisory and Standing Committees unrewarding. But he became very knowledgeable about governance. He saw it as "almost an archeological history of the organization. The governance was the result of independent decisions overlaid in layers over a long time."

"The monthly meetings were large, with around 60 people, and formal," Surkin said. "They were awkward and often boring. With little discussion, they served only as a rubber-stamp."

In fact, because of the density and complexity of Board decisions, the actual board functions had migrated from the Standing Committee to the much smaller Executive Committee.

"Chairing the Executive Committee was a nightmare," Surkin remembered. "It met monthly for two hours. There was no time for the group to be reflective because it had to move at high speed through a lengthy agenda. In addition, we could spend lots of time discussing a \$5,000 item. I could never 'make the train run on time'. The Executive Committee members were so focused on details that they had no larger or thematic sense of what Andy Kendall was doing. The other board committees didn't formally report to the Standing Committee or to the Executive Committee."

By the beginning of 2002, Kendall and Surkin had decided to undertake the major task of reforming TTOR's governance.

"I can't recall if Andy or I finally came up with the project," Surkin said. "It just evolved from our frequent discussions."

Surkin and Kendall proceeded to involve the Executive Committee.



"Andy was very direct," said Syd Smithers, a partner with the law firm of Cain Hibbard Myers & Cook and who eventually succeeded Surkin as TTOR's Chairman. "He told us 'The present format of meetings is a terrible waste of time for my staff.'"

Surkin, Kendall and the Executive Committee spent from February to June framing the issues and discussing the objectives for the governance review. To help them, they enlisted the assistance of Community Action Partners (CAP), a volunteer group under the umbrella of the Harvard Business School Association of Boston dedicated to support local non-profit organizations through pro-bono consulting projects staffed by HBS alumni. Their task was to survey 12 organizations with missions similar to TTOR to gather information on their governance structures, whether these had recently gone through changes and if so, what those changes had been. At the end of August, the CAP team indicated that out of the sample of 12, six had completed overhauls of their governance structure and 2 more were in the process of doing so.<sup>18</sup>

By mid-year, the group came to the conclusion that the most effective way to bring the issue up with the Standing Committee and the Advisory Council was through separate, off-site retreats. As input for those retreats, the Executive Committee approved a comprehensive Board Self-Assessment Survey, the first of its kind for TTOR. Kendall estimated that it took 2½ hours to complete. Nevertheless, the survey had 91% participation from the Executive Committee, 80% participation from the Standing Committee and 53% participation from the Advisory Council. (See Exhibit 9 for examples of the questions and responses of the survey.) A similarly detailed survey was conducted among the staff, with a 79% participation.

The first retreat took place on a Saturday in December 2002. For the entire day, Kendall and the Standing Committee, which included the members of the Executive Committee, met to discuss the findings of the survey and its implications. It was the first time in anybody's memory that the Standing Committee had met separate from the Advisory Council.

"Many of the people there commented that it was the first time they knew who was on the Standing Committee and who was on the Advisory Council," Kendall said. Many people had lost track of which body they belonged to, since they had rotated between them at the end of their respective term limits with one or the other group.

"It was a great meeting," remembered Nick Noon, president of the asset management firm Peregrine Financial Corporation and head of the key Land Conservation Committee. "I must have opened my mouth too much at the meeting because Elliot roped me to form part of a new Governance Task Force."

Indeed, the retreat allowed Surkin to identify the people whose thoughtfulness and personal interests made them ideal candidates to help guide the governance restructuring effort. The Governance Task Force that emerged from the retreat was composed of Surkin and seven members of the Standing Committee, including Smithers and Noon. Together with Kendall, it met every other week from February to September 2003, managing all the steps of the process from design to the presentation of the new governance structure to the Annual Meeting of TTOR.

"It was a massive commitment of time," Noon said, "but everybody believed in the importance of what we were doing."

In February 2003, Surkin and Kendall and the Governance Task Force met with the Advisory Council at their retreat. Again, the impact of meeting alone for the first time caused an impression on

---

<sup>18</sup> TTOR internal document.

the participants. The Advisory Council reiterated the Standing Committee's support of the Task Force and encouraged it to proceed to evaluate governance alternatives and select those that would best suit TTOR.

In May, the Task Force reviewed a comprehensive analysis of the way in which the responsibilities of TTOR were being currently discharged by the board, its oversight committees and the staff, together with a proposal for a new structure which sought to clearly delineate board and staff functions and transfer decision-making on routine matters to the staff within policy parameters set by the board. Notably, it was co-authored by board member Nick Noon and Wes Ward, the Director of the Land Conservation Department. After that meeting, the Task Force felt confident enough of its progress that it initiated the drafting of a new set of corporate by-laws.

In June, the work of the Task Force was presented to a joint retreat of the Standing Committee and the Advisory Council. The final version of the proposed new governance structure, incorporating the comments and suggestions of the joint retreat, was reviewed by the Standing Committee in July and approved for submission to the Corporate Trustees. In September, the Corporate Trustees at their 112<sup>th</sup> Annual Meeting approved a new governance model for TTOR. Its major features were:

- 4 Officers (Chairman, Vice-Chair, Secretary & Treasurer), which constitute an Executive Committee to meet only on an exception basis, usually due to the need for emergency action.
- A Board of Directors of 25 members (including the Officers), scheduled to meet on a quarterly basis and whose substantive work would be done through committees, each of them reporting to the full board.
- Ten board committees (Land Conservation, Field Operations, Historic Resources, Public Issues, Committee of the Board (nominations), Finance & Audit, Investment, Development (fundraising), Planned Giving and Membership & Volunteers.)
- An Advisory Council of 33 members, chaired by the Vice-Chair of the Board whose size can vary as set by the board, scheduled to meet on its own twice a year and whose function was to advise the board and where members would participate on board committees.
- A Chairman's Council with no limit in size and which would include all the retiring board directors. Its members could be asked to participate on board committees.
- Corporate Trustees, limited to 500, who met once a year to elect the Officers, Board of Directors, Advisory Council, Corporate and Life Trustees. They could serve on property, ad hoc and other Advisory Councils.

(See Exhibit 10 for the Governance Structure as of September 14, 2003.)

In getting to this point, the Task Force had managed to resolve various differences among its members. There were discussions as to the right board size, the right number of committees and their organic relationships to the Board, which committees should be permanent and which ad hoc, which functions pertained to the board and which to the staff.

"We disagreed about many things, but we all ultimately reached agreement as to the direction of the change. Andy was a strong leader, he spearheaded the process. Elliot had a quiet, commanding presence and he was a great speaker, really effective in explaining things," said Smithers. "I recall there were no personal tensions within the Task Force."

"Elliot had a really nice personal manner, low-key, engaged and inclusive," said Noon. "This was important as the whole change process was staffed by a team in which some members did not know each other well before the exercise."

The latter was remarkable at TTOR, where the historic norm had been leadership by people who had known each other and each other's families for a long time. In fact, one of the common concerns of the board leaders and Kendall as they embarked on the governance project was the underlying tension between the volunteer vocation of so many of the loyal supporters of TTOR and the increasing professionalization of the staff. This had been a factor ever since the arrival of the first paid Executive Director but the tension had increased over the years as the professional staff grew and the complexity of operations forced decision-making away from volunteers. It was hard not to see the changes in governance as another very large step in that same direction.

"My greatest concern is maintaining the right balance between the volunteers and the professional staff. Volunteer tasks risk becoming ever more mundane," Smithers said as he thought about this process. "How do you continue attracting talented and committed volunteers? Some long-time supporters say 'TTOR has become professionally run, now all you want is my check.'"

Some form of that sentiment, Surkin and the staff believed, was latent in at least a few of the board members.

"The lack of clarity of the role of board members contributed to the reluctance to delegate to the staff. People continued wanting to approve individual expenses instead of an operating budget — to approve individual actions instead of a broader plan," Surkin said. "It was almost as though they did not 'trust' the staff to make the decisions that had traditionally been made by the Board. Their role was unclear to them when they were recruited to the board. This was confirmed by the Self-Assessment Survey."

Noon expressed the challenge of the Task Force when it began its work in this way:

"This was our only shot in the decade to change how this organization was governed. What if the solution turned out to be poorly thought out and half-baked, yielded no improvement and alienated our supporters?"

### *The Aftermath*

As a transitional step, from the approval of the new governance model in September 2003 through January 2004, TTOR's new streamlined board of directors met monthly. But from there on, it went to its quarterly schedule. In all other respects, the new plan was implemented. The Advisory Council moved to a semi-annual cycle and the committees adapted their structure and schedules accordingly.

Also at the 112<sup>th</sup> Annual Meeting, Syd Smithers had become Chairman. After completing his six years at the helm, Surkin had stepped down, while agreeing to continue serving on the new board of directors. A little over a year after the adoption of the changes that he worked so hard to achieve, Surkin reflected on what had happened.

"The organization had to understand that it was necessary to change its ways to perform its role in a way that is relevant and meaningful today," Surkin said. "I think the process yielded positive results. The board will find its way to thinking about the important subjects and to delegating the other tasks. The committee structure is rational, with lines that integrate. And we did not lose any major contributor."

"But it is still work in progress," he continued. "It takes time for people to change their habits. I can't help wondering: Will the board be able to avoid going backwards and creating 'board bureaucracy'? Are the committee heads becoming successful at understanding their new roles? Many of them are business people and there is a temptation to think that anybody that isn't a businessperson is naïve and ineffectual. Even though it is important for TTOR to be 'business-like' you cannot run TTOR like a business corporation. You have to strike the right balance. And will the board members today form a deep feeling of affection and a bond among themselves and the organization? Will they grow old together? I think that the devotion of the group to TTOR is as important as it was in 'the old days.'"

### *Back at the Ranch*

For Kendall, the approval of the new government structure was the culmination of an effort that, from the moment he had concluded at the staff retreat that restructuring governance was vital to TTOR's future, had taken 31 months. Immediately afterwards, he and his staff felt exhilarated. With more time to devote to their work, the staff felt its own productivity rising to meet the tasks being delegated by the board or its committees under the new scheme. Concurrently, for the staff the engagement of the board directors had never seemed higher. For a few months, things appeared to be perfect. But now as he sat on his saddle watching the sun begin to drop in the Arizona sky, Kendall had to admit to himself that imperfections in the new governance were beginning to show.

Just a short time ago, he and his staff would have thought it impossible to miss the monthly meetings, but as they pushed to accelerate the pace of land transactions, they found that a quarterly cycle of board meetings meant that some projects could come to a standstill for up to three months waiting for the next approval instance. To avoid this, Kendall and Smithers had resorted to convening the officers of the board to act as the Executive Committee. This began to happen more and more until now it seemed that the Executive Committee was meeting almost every other month. In the original design of the Task Force, the Executive Committee was supposed to meet only rarely, so as to preserve as much as possible the substance of governance at the board level. Was this precisely how the chasm between the old Standing Committee and the Executive Committee had started?

Making things more difficult, with the board convening only quarterly, Kendall had begun to find it a challenge to protect the quality time of those meetings. The amount of formal board actions needed to run the business on a legal and statutory basis that accumulated in the three months between meetings threatened to crowd out the time available to discuss substantive issues.

In addition, as the novelty of the new governance structure began to wear off, Kendall felt that established patterns of behavior began to re-emerge. In committees and on the board, those directors who inherently felt uncomfortable with transferring decision-making authority to the staff were again exhibiting those traits. New board directors, on the other hand, tended to be comfortable with the governance principles embodied in the new plan.

Much as he dreaded it, as Kendall turned his horse to head back to the ranch house, he wondered if upon his return to the East Coast he should begin the new year by meeting with his Chairman and telling Smithers that TTOR's governance, once again, had to be changed.



**Exhibit 2 Land Under The Trustees of Reservations Protection 1984–2004**

| <b>Year Ending<br/>March 31,</b> | <b>Land<br/>Owned<br/>by<br/>TTOR</b> | <b>Land<br/>Under<br/>TTOR-held</b>  | <b>Land<br/>Protected<br/>with TTOR<br/>Assistance</b> | <b>Total Land Under<br/>TTOR Protection</b> |
|----------------------------------|---------------------------------------|--------------------------------------|--|---|
|                                  | <b>RESERVATIONS</b>                   | <b>CONSERVATION<br/>RESTRICTIONS</b> | <b>PARTNERSHIP<br/>PROJECTS</b>                        |   |
| 1984                             | 17,023                                | 5,209                                | 1,869  | 24,101                                      |
| 1985                             | 17,353                                | 5,437                                | 2,335  | 25,125                                      |
| 1986                             | 17,522                                | 6,133                                | 2,470  | 26,125                                      |
| 1987                             | 17,679                                | 6,136                                | 2,672  | 26,487                                      |
| 1988                             | 17,790                                | 6,657                                | 2,934  | 27,381                                      |
| 1989                             | 17,825                                | 6,786                                | 2,934  | 27,545                                      |
| 1990                             | 17,859                                | 6,920                                | 2,974  | 27,753                                      |
| 1991                             | 18,081                                | 7,085                                | 3,786  | 28,952                                      |
| 1992                             | 18,292                                | 7,576                                | 3,963  | 29,831                                      |
| 1993                             | 19,085                                | 7,883                                | 3,963  | 30,931                                      |
| 1994                             | 19,288                                | 9,669                                | 3,895  | 32,852                                      |
| 1995                             | 19,364                                | 10,203                               | 3,895  | 33,462                                      |
| 1996                             | 19,717                                | 10,416                               | 4,104  | 32,237                                      |
| 1997                             | 20,188                                | 10,830                               | 4,109  | 35,127                                      |
| 1998                             | 20,255                                | 11,356                               | 4,874  | 36,485                                      |
| 1999                             | 21,039                                | 11,722                               | 4,971  | 37,732                                      |
| 2000                             | 21,336                                | 12,674                               | 5,036  | 39,046                                      |
| 2001                             | 22,041                                | 12,833                               | 9,049  | 43,923                                      |
| 2002                             | 22,177                                | 13,359                               | 10,755   | 46,291                                      |
| 2003                             | 23,395                                | 14,171                               | 11,836   | 49,402                                      |
| 2004                             | 23,612                                | 14,885                               | 14,730   | 53,227                                      |

Source: The Trustees of Reservations.

## Exhibit 3 Financial Statements Summary

| THE TRUSTEES OF RESERVATIONS AND AFFILIATE  |              |                        |                        |            | (In Thousands) |
|---|--------------|------------------------|------------------------|------------|----------------|
| COMBINED STATEMENT OF FINANCIAL POSITION  |              |                        |                        |            |                |
| MARCH 31, 2004  |              |                        |                        |            |                |
| (With Summarized Totals for March 31, 2003)   |              |                        |                        |            |                |
| ASSETS  | 2004         |                        |                        |            | 2003           |
|   | UNRESTRICTED | TEMPORARILY RESTRICTED | PERMANENTLY RESTRICTED | TOTAL      | TOTAL          |
| <b>CURRENT ASSETS:</b>  |              |                        |                        |            |                |
| Cash and cash equivalents   | \$ 1,576     | \$ 446                 | \$ -                   | \$ 2,022   | \$ 2,153       |
| Short-term investments  | -            | 2,189                  | -                      | 2,189      | 1,833          |
| Current portion of assets held under split-interest portfolios                            | 106          | 106                    | -                      | 212        | 177            |
| Current portion of notes receivable   | 275          | -                      | -                      | 275        | 404            |
| Current portion of pledges receivable   | -            | 2,285                  | -                      | 2,285      | 4,816          |
| Interest and dividends receivable   | 262          | -                      | -                      | 262        | 252            |
| Other assets  | 479          | -                      | -                      | 479        | 463            |
| Total current assets  | 2,698        | 5,026                  | -                      | 7,724      | 10,100         |
| <b>INVESTMENTS</b>  | 13,735       | 40,440                 | 35,743                 | 89,938     | 74,325         |
| <b>ASSETS HELD UNDER SPLIT-INTEREST PORTFOLIOS, net of current portion</b>                | 1,143        | 1,712                  | 57                     | 2,912      | 2,132          |
| <b>NOTES RECEIVABLE, net of current portion</b>   | 56           | -                      | -                      | 56         | 483            |
| <b>PLEDGES RECEIVABLE, net of current portion</b>   | -            | 2,093                  | -                      | 2,093      | 1,284          |
| <b>FIXED ASSETS, net</b>  | 11,854       | -                      | -                      | 11,854     | 7,943          |
| <b>PROPERTIES</b>   | 3,042        | -                      | 48,083                 | 51,125     | 47,993         |
| Total assets  | \$ 32,548    | \$ 49,271              | \$ 83,883              | \$ 165,702 | \$ 144,260     |
| <b>LIABILITIES AND NET ASSETS</b>   |              |                        |                        |            |                |
| <b>CURRENT LIABILITIES:</b>   |              |                        |                        |            |                |
| Current portion of notes payable  | \$ 260       | \$ -                   | \$ -                   | \$ 260     | \$ 60          |
| Accounts payable and accrued expenses   | 984          | 444                    | -                      | 1,428      | 924            |
| Deferred revenue  | 785          | -                      | -                      | 785        | 608            |
| Current portion of annuity payment liability and discount for future interest             | 106          | 106                    | -                      | 212        | 177            |
| Total current liabilities   | 2,135        | 550                    | -                      | 2,685      | 1,769          |
| <b>NOTES PAYABLE, net of current portion</b>  | 600          | -                      | -                      | 600        | -              |
| <b>ANNUITY PAYMENT LIABILITY AND DISCOUNT FOR FUTURE INTEREST, net of current portion</b> | 792          | 722                    | -                      | 1,514      | 1,282          |
| Total liabilities   | 3,527        | 1,272                  | -                      | 4,799      | 3,051          |
| <b>NET ASSETS:</b>  |              |                        |                        |            |                |
| Unrestricted -  |              |                        |                        |            |                |
| Operating   | 4,112        | -                      | -                      | 4,112      | 3,096          |
| Fixed assets  | 10,929       | -                      | -                      | 10,929     | 6,934          |
| Board designated  | 13,616       | -                      | -                      | 13,616     | 13,957         |
| Split-interest agreements   | 364          | -                      | -                      | 364        | 162            |
| Total unrestricted  | 29,021       | -                      | -                      | 29,021     | 24,149         |
| Temporarily restricted -  |              |                        |                        |            |                |
| Unrealized and realized gains on permanently restricted investments                       | -            | 40,440                 | -                      | 40,440     | 29,466         |
| Split-interest agreements   | -            | 989                    | -                      | 989        | 636            |
| Purpose restricted  | -            | 2,237                  | -                      | 2,237      | 2,600          |
| Time restricted   | -            | 4,333                  | -                      | 4,333      | 6,100          |
| Total temporarily restricted  | -            | 47,999                 | -                      | 47,999     | 38,802         |
| Permanently restricted  | -            | -                      | 83,883                 | 83,883     | 78,258         |
| Total net assets  | 29,021       | 47,999                 | 83,883                 | 160,903    | 141,209        |
| Total liabilities and net assets  | \$ 32,548    | \$ 49,271              | \$ 83,883              | \$ 165,702 | \$ 144,260     |

## Exhibit 3 (continued)

(In Thousands)

| THE TRUSTEES OF RESERVATIONS AND AFFILIATE                    |                  |                           |                           |                   |                   |
|---|------------------|---------------------------|---------------------------|-------------------|-------------------|
| COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS    |                  |                           |                           |                   |                   |
| FOR THE YEAR ENDED MARCH 31, 2004                             |                  |                           |                           |                   |                   |
| (With Summarized Totals For The Year Ended March 31, 2003)    |                  |                           |                           |                   |                   |
|   | 2004             |                           |                           |                   | 2003              |
|   | UNRESTRICTED     | TEMPORARILY<br>RESTRICTED | PERMANENTLY<br>RESTRICTED | TOTAL             | TOTAL             |
| <b>REVENUES AND SUPPORT:</b>                                  |                  |                           |                           |                   |                   |
| Spending rate policy transfer appropriated for operations     | \$ 4,416         | \$ -                      | \$ -                      | \$ 4,416          | \$ 4,331          |
| Contributions -   |                  |                           |                           |                   |                   |
| Monetary  | 1,961            | -                         | 1,023                     | 3,984             | 3,400             |
| Property  | -                | -                         | 26                        | 26                | 2,229             |
| Property and other revenues                                   | 4,005            | -                         | -                         | 4,005             | 4,268             |
| Membership dues   | 2,423            | -                         | -                         | 2,423             | 2,215             |
| Transfers to operations                                       | 874              | -                         | -                         | 874               | 546               |
| Total revenues and support                                    | 13,679           | -                         | 1,649                     | 15,328            | 14,681            |
| <b>EXPENSES:</b>  |                  |                           |                           |                   |                   |
| Program services -  |                  |                           |                           |                   |                   |
| Field Operations  | 8,710            | -                         | -                         | 8,710             | 8,467             |
| Land Conservation   | 1,143            | -                         | -                         | 1,143             | 1,057             |
| Resource Protection   | 930              | -                         | -                         | 930               | 962               |
| Education   | 228              | -                         | -                         | 228               | 155               |
| Total program services  | 11,011           | -                         | -                         | 11,011            | 10,641            |
| Supporting services -   |                  |                           |                           |                   |                   |
| General and Administrative                                    | 1,011            | -                         | -                         | 1,011             | 1,019             |
| Development   | 916              | -                         | -                         | 916               | 773               |
| Membership  | 406              | -                         | -                         | 406               | 356               |
| Total supporting services                                     | 2,333            | -                         | -                         | 2,333             | 2,150             |
| Total expenses  | 13,414           | -                         | -                         | 13,414            | 12,791            |
| Changes in net assets from operations before special projects | - 203            | -                         | 1,649                     | 1,214             | 5,292             |
| <b>SPECIAL PROJECTS:</b>                                      |                  |                           |                           |                   |                   |
| Special projects revenues                                     | 2,377            | 1,606                     | -                         | 5,683             | 6,139             |
| Net assets released from restrictions                         | 5,353            | (5,353)                   | -                         | -                 | -                 |
| Special projects expense                                      | (992)            | -                         | -                         | (992)             | (2,121)           |
| Net special projects  | 6,618            | (1,947)                   | -                         | 4,691             | 4,011             |
| Changes in net assets from operations                         | 6,903            | (1,947)                   | 1,649                     | 6,603             | 10,303            |
| <b>OTHER REVENUES:</b>  |                  |                           |                           |                   |                   |
| Net realized and unrealized gains (losses) on investments     | 2,307            | 12,704                    | -                         | 15,511            | (14,399)          |
| Investment income   | 2,228            | -                         | -                         | 2,228             | 2,495             |
| Spending rate policy and other transfers to operations        | (5,290)          | -                         | -                         | (5,290)           | (4,871)           |
| Contributions under split-interest agreements                 | 43               | 274                       | -                         | 317               | 294               |
| Change in value of split-interest agreements                  | 139              | 59                        | 3                         | 321               | (255)             |
| Spending rate transfer  | 1,750            | (1,750)                   | -                         | -                 | -                 |
| Total other revenues  | 1,697            | 11,387                    | 3                         | 13,087            | (16,435)          |
| Changes in net assets   | 8,600            | 9,440                     | 1,654                     | 19,694            | (6,132)           |
| <b>NET ASSETS, beginning of year</b>                          | <b>24,145</b>    | <b>38,802</b>             | <b>78,258</b>             | <b>141,209</b>    | <b>147,341</b>    |
| Net asset transfers   | (3,728)          | (245)                     | 3,971                     | -                 | -                 |
| <b>NET ASSETS, end of year</b>                                | <b>\$ 20,421</b> | <b>\$ 47,999</b>          | <b>\$ 83,883</b>          | <b>\$ 160,903</b> | <b>\$ 141,209</b> |

Source: The Trustees of Reservations.



**Exhibit 4 The Trustees of Reservations: Acquisition of Reservations 1897–2004**

| <b>Period</b> | <b>Reservations Added</b> | <b>Total Number of Reservations</b> |
|---------------|---------------------------|-------------------------------------|
| 1897          | 1                         | 1                                   |
| 1898–1900     | 3                         | 4                                   |
| 1901–1905     | 1                         | 5                                   |
| 1906–1910     | 0                         | 5                                   |
| 1911–1915     | 0                         | 5                                   |
| 1916–1920     | 0                         | 5                                   |
| 1921–1925     | 1                         | 6                                   |
| 1926–1930     | 1                         | 7                                   |
| 1931–1935     | 5                         | 12                                  |
| 1936–1940     | 3                         | 15                                  |
| 1941–1945     | 5                         | 20                                  |
| 1946–1950     | 3                         | 23                                  |
| 1951–1955     | 4                         | 27                                  |
| 1956–1960     | 9                         | 36                                  |
| 1961–1965     | 6                         | 42                                  |
| 1966–1970     | 11                        | 53                                  |
| 1971–1975     | 8                         | 61                                  |
| 1976–1980     | 4                         | 65                                  |
| 1981–1985     | 5                         | 70                                  |
| 1986–1990     | 3                         | 73                                  |
| 1991–1995     | 6                         | 79                                  |
| 1996–2000     | 10                        | 89                                  |
| 2001–2005     | 5                         | 94                                  |

Source: The Trustees of Reservations.

**Exhibit 5 Massachusetts Land Use Detail by Category 1971, 1985, 1999**

| <b>Land Use Category</b>                 | <b>Acres<br/>1971</b> | <b>%</b>     | <b>Acres<br/>1985</b> | <b>%</b>     | <b>Acres<br/>1999</b> | <b>%</b>     |
|--|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|
| Wildlife Habitat                         | 3,596,355             | 69.5         | 3,444,331             | 66.6         | 3,298,318             | 63.8         |
| Open Land and Agriculture                | 690,940               | 13.4         | 672,803               | 13.0         | 616,233               | 11.9         |
| Commercial Development                   | 224,587               | 4.3          | 264,323               | 5.1          | 288,278               | 5.6          |
| Residential Development                  | <u>661,882</u>        | <u>12.8</u>  | <u>792,306</u>        | <u>15.3</u>  | <u>970,934</u>        | <u>18.8</u>  |
| <b>Total Massachusetts</b>               | <b>5,173,763</b>      | <b>100.0</b> | <b>5,173,763</b>      | <b>100.0</b> | <b>5,173,763</b>      | <b>100.0</b> |
| Memo:                                    |                       |              |                       |              |                       |              |
| Subtotal All Development                 | 886,469               | 17.1         | 1,056,629             | 20.4         | 1,259,212             | 24.3         |
| Acres/Day lost to development            | n.a.                  |              | 33                    |              | 40                    |              |
| Acres/Day Including “Hidden Development” | n.a.                  |              | n.a.                  |              | 78                    |              |

Source: MassGIS Land Use Datalayer, as quoted in MassAudubon, “Losing Ground: At What Cost?,” Technical Notes, November 2003.

**Exhibit 6** The Trustees of Reservations Membership 1984–2004

| <b>Year</b>       | <b>Members</b> | <b>Growth</b> |
|-------------------|----------------|---------------|
| 1984              | 4,457          |               |
| 1985              | 5,228          | 771           |
| 1986              | 5,355          | 127           |
| 1987              | 5,474          | 119           |
| 1988              | 6,926          | 1,452         |
| 1990 <sup>a</sup> | 8,029          | N.A.          |
| 1991              | 8,662          | 633           |
| 1992              | 10,783         | 2,121         |
| 1993              | 11,105         | 322           |
| 1994              | 13,046         | 1,941         |
| 1995              | 14,350         | 1,304         |
| 1996              | 15,119         | 769           |
| 1997              | 16,586         | 1,467         |
| 1998              | 18,939         | 2,353         |
| 1999              | 20,711         | 1,772         |
| 2000              | 24,720         | 4,009         |
| 2001              | 26,578         | 1,858         |
| 2002              | 32,242         | 5,664         |
| 2003              | 37,547         | 5,305         |
| 2004              | 38,541         | 994           |

Source: TTOR and TTOR Web site.

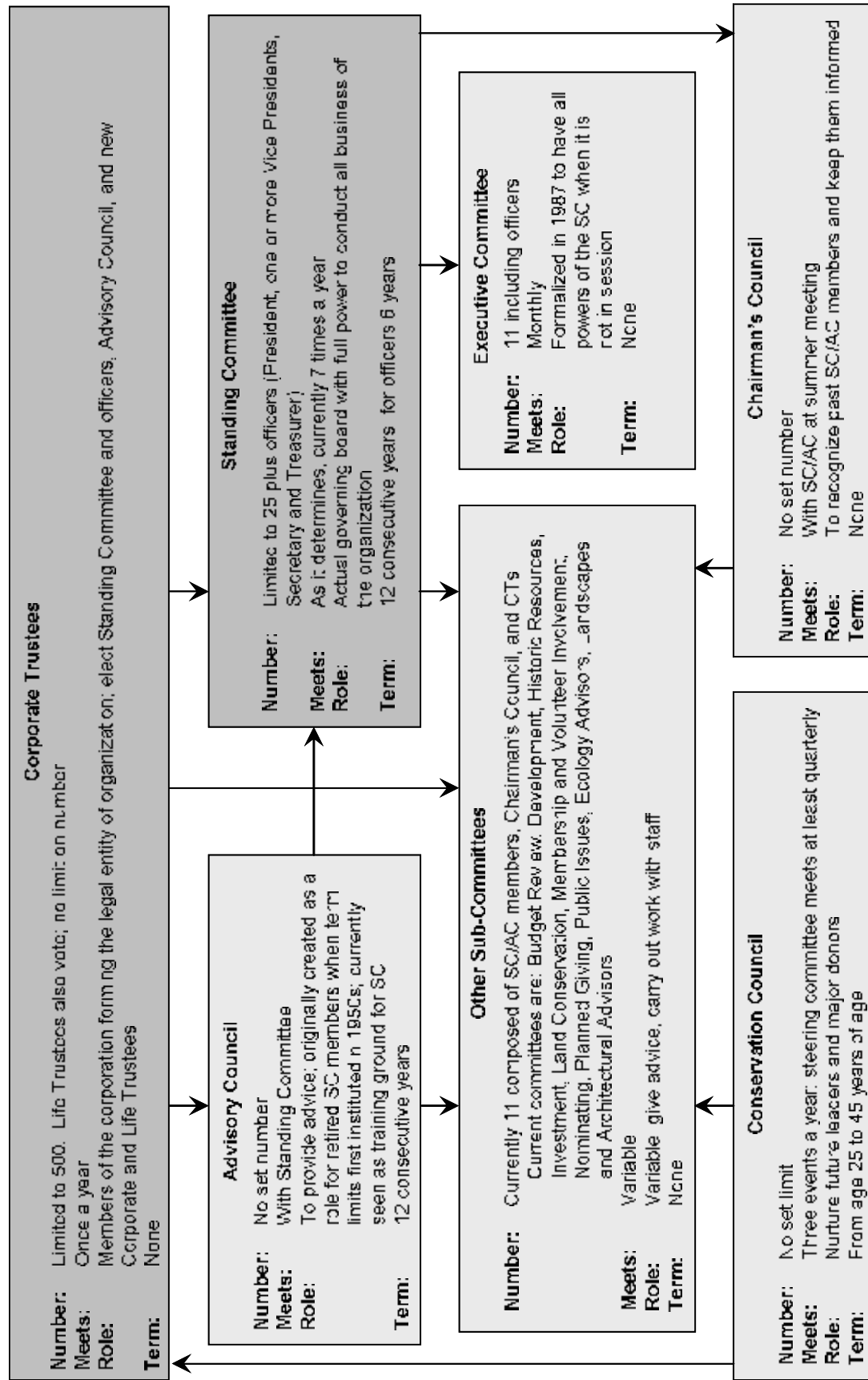
<sup>a</sup>Due to change in reporting period, from fiscal year to calendar year, 1990 is a 15-month period.

**Exhibit 7 The Trustees of Reservations Schedule of Governance Meetings 2001–2002**

| <b>Year</b>      | <b>Executive Committee</b>   | <b>Standing Committee and<br/>Advisory Council</b>  |
|------------------|--|---|
| <b>2001</b>      | February 7<br>February 27<br>March 7<br>April 4<br>May 2<br>June 6<br>July 11<br>August 1<br>September 5<br>October 3<br>November 7<br>December 5            | February 21<br><br>March 21<br><br>May 16<br>June 20<br>July 18<br><br>October 17<br>November 28<br>December 19 |
| <b>TOTAL: 20</b> | <b>12</b>  | <b>8</b>  |
| <b>2002</b>      | January 22<br>February 6<br>March 6<br>April 3<br>May 1<br>June 5<br>June 17<br>July 10<br>August 7<br>September 4<br>October 2<br>November 13<br>December 4 | February 20<br>March 20<br><br>May 15<br><br>July 17<br><br>October 16<br>November 20<br>December 18            |
| <b>TOTAL: 20</b> | <b>13</b>  | <b>7</b>  |

Source: TTOR.

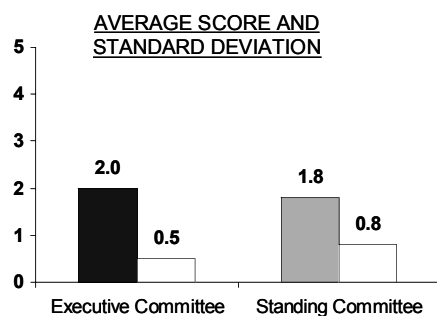
Exhibit 8 The Trustees of Reservations—Governance Bodies, Related Groups and Their Relationships Prior to September 2003



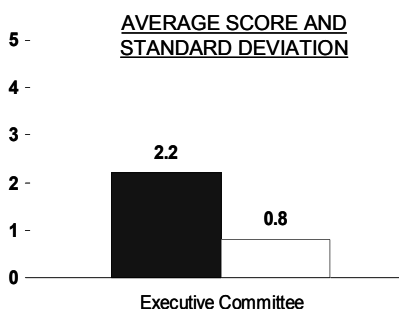
Source: TOR.

**Exhibit 9a Board Self-Assessment Survey Results****Selected Examples Question and Response**

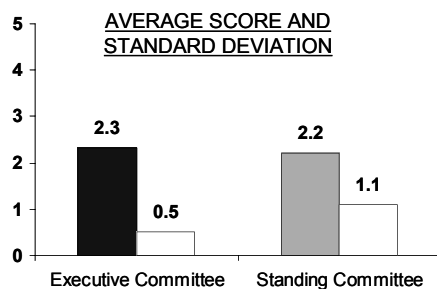
**Q: The Standing Committee spends more time thinking strategically about the future of TTOR than in examining detailed transactions and operations.**



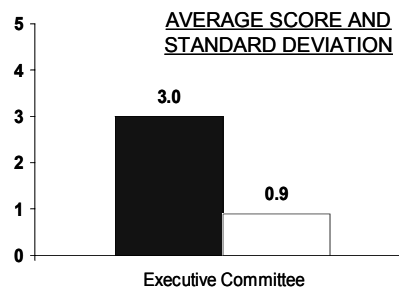
**Q: The Executive Committee spends more time thinking strategically about the future of TTOR than in examining detailed transactions and operations.**



**Q: The Standing Committee is effective in carrying out its responsibilities to set strategic direction for TTOR.**



**Q: The Executive Committee is effective in carrying out its responsibilities to set strategic direction for TTOR.**



| 1                 | 2            | 3                                  | 4         | 5              |
|-------------------|--------------|------------------------------------|-----------|----------------|
| Very Dissatisfied | Dissatisfied | Neither Satisfied Nor Dissatisfied | Satisfied | Very Satisfied |
| Strongly Disagree | Disagree     | Neither Agree Nor Disagree         | Agree     | Strongly Agree |

Source: TTOR.

**Selected Examples Comments**

**What (if any) are the impediments to the Standing Committee setting strategic direction for The Trustees?**

| EXECUTIVE COMMITTEE MEMBER RESPONSES   | STANDING COMMITTEE MEMBER RESPONSES  |
|--|--|
| <ul style="list-style-type: none"> <li>• There is no format for the SC to act as a group</li> <li>• Not enough meeting time to devote to the issue</li> <li>• Too little time allocated to strategy; lack of communication on issues; conflict with EC</li> <li>• Both SC and EC devote too much time to details of proposed land conservation projects and duplicate presentations to multiple bodies instead of reports on concluded projects against goals set by the board.</li> <li>• EC is bogged down in details. The committee has the capacity to act as a board and does set strategic direction when it has the opportunity.</li> </ul> | <ul style="list-style-type: none"> <li>• Need presentation of recommended strategy by management, need strategic thinking at the subcommittee level reported/recommended to the SC. This should occur at the Executive Committee so that it can guide the Standing Committee and thus help SC to reach consensus, but EC does not have time as it is embroiled in too many land acquisition decisions.</li> <li>• EC meets too often and usurps role of SC as policy setting body.</li> <li>• The Executive Committee appears to be making many of the decisions about the strategic direction without consulting the SC.</li> <li>• Confusion about roles and responsibilities among SC members.</li> <li>• Standing Committee size is too large for discussion.</li> <li>• SC: Lack of opportunity to lead, absence of expectation that it will lead; lack of tradition or history that it will lead, at least for the past 20 years.</li> <li>• EC: lack of legal mandate that it should lead</li> <li>• SC has no opportunity for thoughtful decision making</li> <li>• The Executive Director and Staff appear to be making other decisions about the strategic direction without presenting them to the SC.</li> <li>• The atmosphere</li> <li>• The distracting style of the luncheon</li> <li>• The impediments are that subcommittees recommend to the EC rather than the SC</li> <li>• There are no structural impediments, only our current practices. As a committee, we are led by our officers. If they want us to spend more time on policy and strategy, they should schedule it. We'll probably need more meetings – so we should have more.</li> </ul> |

Exhibit 10 The Trustees of Reservations Governance Structure as of September 14, 2003

|   |   |
|---|---|
| <b>Officers</b><br><br><b>Number of Members:</b> 4, Chairman, Vice-Chair, Secretary, Treasurer<br><b>Term Limits:</b> 6 consecutive years   |   |
| <b>Board of Directors</b><br><br><b>Number of Members:</b> 25, including officers<br><b>Meetings:</b> Quarterly<br><b>Responsibilities:</b> TTOR's governing body, working through Board committees<br><b>Term Limits:</b> 9 consecutive years  |   |
| <b>Advisory Council</b><br><br><b>Number of Members:</b> Set by the Board (33 current members)<br><b>Meetings:</b> Twice per year<br><b>Responsibilities:</b> To advise the Board, participate on Board committees<br><b>Term Limits:</b> 9 consecutive years   | <b>Chairman's Council</b><br><br><b>Number of Members:</b> Not limited (113 current members)<br><b>Responsibilities:</b> Includes all retiring Directors<br><b>Term Limits:</b> Participate on Board committees<br>None |
| <b>Corporate Trustees</b><br><br><b>Number of Members:</b> Limited to 500<br><b>Meetings:</b> Once a year at Annual Meeting<br><b>Responsibility:</b> Elect Officers; Board of Directors, Advisory Council, Corporate and Life Trustees<br><b>Other Participation:</b> May serve on property, ad hoc, and other advisory committees<br><b>Term Limits:</b> None |   |

Source: TTOR.