SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST

Conflict of Interest Policy
Adopted by the Board of Directors on July 25, 2012

INTRODUCTION

The San Joaquin River Parkway and Conservation Trust (River Parkway Trust) has adopted this Conflict of Interest Policy to ensure that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means.

The River Parkway Trust’s effectiveness depends on its record of accomplishment and its reputation. The River Parkway Trust's success results directly from maintaining the confidence of the individuals, groups, and organizations with whom it works. The River Parkway Trust’s greatest asset is its good name. For that reason, it is crucial that the River Parkway Trust have a responsible and well-conceived Conflict of Interest Policy and procedure. In addition, having a sound Conflict of Interest Policy and procedure will help the River Parkway Trust comply with the Standards and Practices established by the Land Trust Alliance. The policy and procedure will also help assure compliance with the Internal Revenue Service rules against private inurement and private benefit; and, with federal and state statutes addressing conflict transactions.

One of the principal purposes of this Conflict of Interest Policy and procedure is to help the River Parkway Trust staff and Board members identify and avoid or resolve conflicts of interest with the River Parkway Trust. For that reason, River Parkway Trust employees and Board members must read and retain a copy of this Conflict of Interest Policy and procedure at the outset of their tenure with the River Parkway Trust and when the policy or procedure is amended. There may be certain volunteers, who, because of the level of their involvement in the River Parkway Trust business, and because of their access to inside information, are covered by this Conflict of Interest Policy and must be fully informed of its contents. Any questions concerning the scope or possible impact of the Conflict of Interest Policy and procedure upon any volunteers should be addressed to the River Parkway Trust’s Board President, Executive Director, or General Counsel.

The Conflict of Interest Policy and procedure will be discussed at all orientation sessions for new Board Members and employees.

This Conflict of Interest Policy and procedure shall be the standard operating procedure for the River Parkway Trust. It provides guidance in three areas:

1. Understanding conflict concepts and definitions;
2. Key questions to evaluate conflicts and potential conflicts; and
3. The River Parkway Trust’s administration and procedure for reviewing and managing conflicts.
I. UNDERSTANDING CONFLICT CONCEPTS AND DEFINITIONS

A. Conflict of Interest: A conflict exists when a covered person (as defined below) proposes to act on any issue, matter, or transaction in which the River Parkway Trust has an interest and the covered person may have an interest separate from the River Parkway Trust. A conflict of interest also exists in situations in which there is an appearance that a covered person is utilizing inside information that is proprietary to the River Parkway Trust for his or her benefit, is acting in his or her own interests rather than the best interests of the River Parkway Trust, has the ability to exercise undue influence over River Parkway Trust decisions, or is receiving favorable treatment by the River Parkway Trust because of his or her status as a covered person.

B. Covered Persons: All employees, Board members, and, as defined below, Close Relatives, Significant Contributors, Related Organizations, and Other Insiders such as key volunteers that have access to Inside Information.

C. Close Relative: Spouse, child, parent and step-parent, in-laws, grandchild, grandparent, brother or sister of a covered person, and any person with whom a covered person shares living quarters or who is financially dependent upon the Covered Person.

D. Inside Information: Any material information that is identified as confidential and proprietary, pertaining to the business and affairs of the River Parkway Trust, whether related to a specific transaction or to matters pertaining to the River Parkway Trust's interests, activities, and policies.

E. Significant Contributor: An individual, corporation, or foundation that makes a gift or pledge of $25,000 or more at any one time or cumulatively within a 5 year period prior to the occurrence of the conflict either in cash, appreciated securities; other assets or in land, easement, or bargain-sale value; or in-kind professional services.

G. Other Insiders: Individuals, such as former River Parkway Trust Board members, members of advisory boards or committees, volunteers or former employees who, by virtue of their continued involvement with the River Parkway Trust either have access to Inside Information that could place them within a conflict situation or could give the appearance of such persons having the ability to unduly influence the River Parkway Trust. Depending on the facts and circumstances, an independent contractor may be an "Other Insider" where that person or entity has access to inside information.

C. Related Organization: Any organization in which a Covered Person directly or indirectly:
   a. owns or controls 5% or more of any voting security; or
   b. is a director, executive officer, executor, administrator, trustee, beneficiary, controlling partner, or otherwise serves in a fiduciary capacity or holds a substantial beneficial interest; or
c. has legal or de facto power to control the election of a majority of directors; or
d. has legal or de facto power to exercise a controlling influence over the management or policies.

"Organization" includes a corporation, partnership, trust, estate, joint venture, and unincorporated affiliation of any kind as well as public boards and commissions and not-for-profit organizations.

II. KEY QUESTIONS TO EVALUATE CONFLICTS AND POTENTIAL CONFLICTS

There are many difficult and ambiguous issues associated with the types of conflict issues that confront the River Parkway Trust. In order to help those involved with River Parkway Trust activities to understand and evaluate those actual and potential conflicts as well as situations that give rise to the appearance of a conflict, the following are typical categories of situations where conflicts might arise. While not all-inclusive, the following represent the great majority of types of conflict situations confronted by the River Parkway Trust. Key questions and issues that must be addressed for each of these types of conflicts are set out below:

1. Contracting for products or services with Covered Persons.
   • Is this product or service integral to the success of the River Parkway Trust?
   • Has the River Parkway Trust taken appropriate measures to ensure that the River Parkway Trust obtains the best market price for the work or services?
   • Has the River Parkway Trust received information from parties other than the conflicted party that address the quality of the service or products being acquired or provided?
   • Has the River Parkway Trust assessed the local public relations and political environment to be sure that this hire will not damage the River Parkway Trust’s reputation?
   • Will the management of the delivery of the service or product within the River Parkway Trust be done by someone other than the conflicted party or other than someone who is supervised by the conflicted party?
   • How will this appear in the eyes of the public when tested against the value of "integrity beyond reproach."

2. Purchases or Gifts of Interests in Land from or Sales of Interests in Land to Covered Persons.
   • For acquisitions, has the River Parkway Trust determined that this is an interest in land that would be acquired by the River Parkway Trust regardless of ownership?
   • Has the proposed transaction been characterized accurately in the legal documents and with the public?
   • Have appropriate independent valuations been obtained in compliance with the River Parkway Trust’s Land Transaction policy procedures?
• Has the proposed transaction been reviewed to ensure that appropriate conservation benefits are obtained?
• Are the terms and conditions of the purchase sufficient to protect the land and on terms favorable to the River Parkway Trust?
• Will the Covered Person obtain any direct or indirect economic benefit from the transaction and, if so, have such benefits have been properly reflected in pricing the transaction and determining values?
• Has the transaction been structured to ensure that the River Parkway Trust’s standards of transparency will be achieved?
• For conservation land sales to an agency, has the River Parkway Trust selected the most appropriate agency? For other land sales, has the River Parkway Trust marketed the property in an open, equitable, and transparent marketing process?
• Has the River Parkway Trust done a political and public relations assessment of the impact of this donation, purchase, or sale on the River Parkway Trust’s reputation.
• How will this transaction appear in the eyes of the public when tested against the value of "integrity beyond reproach?"

3. A Covered Person serving on public and/or private boards, commissions, or councils transacting business with the River Parkway Trust or with which the River Parkway Trust may have a potential adverse interest.

• Is the Covered Person serving on the board of that entity as part of his or her job responsibility for the River Parkway Trust?
• Was there an advance disclosure and have both parties agreed that, in cases of conflict or where there was a direct and adverse interest/competition, there would be a mechanism for recusal, disclosure, or any other safeguards to protect the River Parkway Trust?
• Is there a plan in place for how staff will conduct themselves when serving on other Boards?
• Will the individual’s time spent working on issues for the other board take away from his or her ability to perform his or her job for the River Parkway Trust and if so, what is the benefit to the River Parkway Trust?
• What impact will this service have on the River Parkway Trust's ability to do its business and on the River Parkway Trust’s reputation?
• Will any decisions made by the individual working for the other organization be made with regard to the River Parkway Trust's best interests?
• What are the costs and benefits to the River Parkway Trust?
• What are the alternatives, if any?
• How will this appear in the eyes of the public when tested against the value of "integrity beyond reproach?"

4. Use of inside information by a Covered Person.

• Is the information proprietary to the River Parkway Trust?
• What steps have been taken to protect the information?
• What are the costs and benefits to the River Parkway Trust?
• Is there any private benefit or private inurement?
• What are the alternatives, if any?
• How will this appear in the eyes of the public when tested against the value of "integrity beyond reproach?"

5. Hiring individuals who are Close Relatives of Covered Persons.

• Is this job integral to the success of the River Parkway Trust?
• Is this job a regular full or part-time position that places the conflicted party in position of significant influence within the River Parkway Trust or is this a temporary/seasonal position with short term duties?
• Have all River Parkway Trust policies and procedures relevant to employment been followed?
• Can this position be structured so that the conflicted party has no supervisory responsibilities with the employee without disrupting the River Parkway Trust’s business practices?
• Will the conflicted party play any role in the hiring process?
• Has the River Parkway Trust assessed the public relations and political environment at all scales to be sure that this hire will not damage the River Parkway Trust’s reputation?
• Does this person have a unique expertise that the service cannot be obtained anywhere else?
• What are the alternatives if this person is not employed by the River Parkway Trust?
• Has the River Parkway Trust balanced the financial benefits to the River Parkway Trust with the reputation risk to the River Parkway Trust of the hire?
• How will this appear in the eyes of the public when tested against the value of "integrity beyond reproach?"

In evaluating conflict situations in order to determine an appropriate course of action, the River Parkway Trust shall be guided by the following criteria and considerations:

Compliance with the letter and the spirit of all applicable laws relevant to all parties to the transaction;
Adherence to River Parkway Trust policies and procedures;
Ability to act within the scope of the River Parkway Trust’s values, such as “integrity beyond reproach;”
Avoidance of private benefit and inurement;
Transparency;
Conservation benefits likely to be achieved;
Consequence to the River Parkway Trust from declining to participate;
Financial or other benefit to the River Parkway Trust;
Nature and extent of risk to the River Parkway Trust’s reputation;
Availability of other alternatives;
Ability to mitigate reputation risks; and
Financial or other benefits to the other party.
III. RIVER PARKWAY TRUST ADMINISTRATION AND PROCEDURE
FOR REVIEWING AND MANAGING CONFLICTS

Procedure:

A member of the staff involved in a conflict or appearance of a conflict will disclose and bring the matter to the attention of his or her supervisor. The supervisor will bring the matter to the attention of the Executive Director who will confer with the Board President or General Counsel with a recommended course of action. Each request for approval of a proposed course of action will describe, in writing, the details of the particular activity in question that gives rise to the conflict or appearance of conflict, the reasons why the proposed course of action should be approved, and any special circumstances surrounding the situation. The Executive Director will then submit the request to the Executive Committee that will review and approve, approve with modifications, or disapprove the recommended course of action.

A member of the Board of Directors involved in a conflict or appearance of a conflict will disclose and bring the matter to the attention of the River Parkway Trust’s General Counsel and Board President who will work with the Board member to develop an appropriate recommended course of action. Each request for approval of a proposed course of action will describe, in writing, the details of the particular activity in question that gives rise to the conflict or appearance of conflict, the reasons why the proposed course of action should be approved, and any special circumstances surrounding the situation. The General Counsel will bring such conflict and the recommended course of action to the Board of Directors that will then review and approve, approve with modifications, or disapprove the recommended course of action. If such a conflict involving a member of the Board of Directors is brought to the attention of a River Parkway Trust staff member, the staff member will immediately notify the Executive Director of the matter.

If Other Insiders or Significant Contributors are involved in a conflict or appearance of a conflict, the other insider, Significant Contributor, or the River Parkway Trust representative working with such individual will disclose and bring the matter to the attention of the Board President or Executive Director who will work with the other insider or significant contributor to develop an appropriate recommended course of action. Each request for approval of a proposed course of action will describe, in writing, the details of the particular activity in question that gives rise to the conflict or appearance of conflict, the reasons why the proposed course of action should be approved, and any special circumstances surrounding the situation. The Board President or Executive Director will bring such conflict and the recommended course of action to the Executive Committee to review and ratify the recommended course of action or propose a course of action with modifications. If such a conflict involving an Other Insider or Significant Contributor is brought to the attention of a River Parkway Trust staff member, the staff member will immediately notify the Executive Director of the matter.

Courses of Action: In all cases, conflicts of interest or circumstances giving rise to the appearance of a conflict must be disclosed in advance of initiating the activity giving rise to the conflict and in accordance with the procedures stated above. In developing responses to such
conflicts, every effort will be made to avoid the conflict. In cases where it is not possible to completely avoid a conflict or the appearance of a conflict, reasonable efforts will be made to mitigate the effects of the conflict. At a minimum, the recommended course of action will ask the individual involved in the conflict to disclose the situation to the relevant parties and recuse and absent him/herself from any involvement in decisions pertaining to the conflict or the appearance of conflict. Before the conflict is disclosed and while the request for approval of a proposed course of action is pending or being considered, the individual involved in the conflict will refrain from participating in the questionable activity and/or withdraw from any discussion of or decision on the matter.

**Records of Proceedings:** Minutes of meetings of the Board, Executive Committee or any other committee with board delegated power addressing the issues covered by this Conflict of Interest Policy shall be maintained and shall contain the names of the persons who disclosed or otherwise were found to have a conflict or appearance of a conflict, the nature of the interest at stake, the nature of the conflict or appearance of a conflict, the action of the Board or committee in response to the situation, the names of the individuals who were present for discussions or votes, the content of any such discussions, and a record of any votes taken.

**CONCLUSION**

Adhering to the Conflict of Interest Policy and this standard operating procedure is a condition of association with the River Parkway Trust as an employee, Board member, advisory committee member, or key volunteer with access to insider information. Violations of the Conflict of Interest Policy and this procedure may be grounds for dismissal as an employee or severance from the Board of Directors or advisory group. The Executive Committee of the River Parkway Trust’s Board of Directors and the General Counsel will review and assess the Conflict of Interest policy and this standard operating procedure and their implementation on a regular basis and notify employees, Board members, and Covered Persons of any changes and/or revisions thereto. Annually, each Board member and staff will review the Conflict of Interest Policy and sign a statement indicating that he or she understands the policy and agrees to abide by its terms.
San Joaquin River Parkway and Conservation Trust, Inc.
Conflict of Interest Policy
Acknowledgement and Disclosure Statement

As an employee, Board Member, or other volunteer of the San Joaquin River Parkway and Conservation Trust, Inc. (the Trust), the Conflict of Interest Policy requires your annual acknowledgement. A copy of the Conflict of Interest Policy is attached to this statement. Please review it carefully before completing the Annual Statement, then fill out the information below.

1. Name: ____________________________________________

2. Date: ____________________________________________

3. Position:
   _______ Board Member   _______ Other Volunteer   _______ Employee

4. List any and all positions you hold, business dealings you have, or financial interests that may present a conflict with your work for the Trust:

   ____________________________________________

   ____________________________________________

   ____________________________________________

5. I have the following interest in property that (a) has a conservation easement held or monitored by the Trust, (b) adjoins other property that has a conservation easement held or monitored by the Trust, or (c) adjoins other property owned by the Trust.

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I understand that the Trust is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. I certify that I have received a copy of the Trust’s Conflict of Interest Policy, that I have read and understand the Policy, and that I agree to comply with the Policy.

_________________________________________ Signature