SAN JUAN PRESERVATION TRUST
Conflict of Interest Policy

In order to encourage trustworthy decision-making and prudent behavior on the part of all those associated with the San Juan Preservation Trust (the Trust), the Board of Trustees (the Board) hereby adopts the following policy (the Policy) regarding conflict of interest this day, May 10, 2010. This Policy supersedes all previous Conflict of Interest policies.

ARTICLE I: PREAMBLE

The Trust’s effectiveness depends upon maintaining the highest levels of credibility, confidence and trust with the communities it serves and with all parties with whom it works. It is essential to protect the Trust’s reputation for openness, honesty, objectivity and fairness by identifying and appropriately dealing with all actual, potential and perceived conflicts of interest. All persons associated with the Trust are to remain mindful that the decisions and activities of the Board, staff, and volunteers, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith, and fiduciary responsibility to the Trust and to the communities it serves.

ARTICLE II: PURPOSE

The purpose of this Conflict of Interest Policy is to protect the Trust’s interest when the Trust is contemplating entering into a transaction or arrangement that might potentially benefit the private interest of a Covered Person or Major Donor (as defined below) of the Trust. This policy is intended to supplement but not replace any local, state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE III: DEFINITIONS OF COVERED PERSON AND MAJOR DONOR

1. **Covered Person.** Covered Persons shall include all employees, Board members, members of a committee with Board delegated powers, and any other individual specifically identified by the Board or the President (such as a key volunteer or contractor) who, by virtue of their continued involvement with the Trust, may exercise substantial influence over the operations of the Trust and/or have access to Trust information that is proprietary to the Trust, or could give the appearance of having the ability to unduly influence the Trust. Every Covered Person, during their active service with the Trust, shall sign a statement that he or she has received a copy of this Policy, has read and understands it, and has agreed to comply with it, and shall complete the questionnaire attached to the statement disclosing his or her actual and potential conflicts of interest on an annual basis. For the purposes of this policy, an individual’s status as
a Covered Person continues for a period of 5 years past the end of their active service with the Trust.

2. **Major Donor.** A Major Donor is an individual or entity that has made gifts or pledges of $50,000 or more at any one time or cumulatively within the previous five years.

**ARTICLE IV: DUTIES OF COVERED PERSONS**

1. **Duty of Care.** Every Covered Person shall perform his or her duties for the Trust in good faith and with the degree of care that an ordinary prudent person would exercise in similar circumstances.

2. **Duty of Loyalty.** Every Covered Person must act with loyalty to the Trust, meaning that no Covered Person may use his or her position with the Trust to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to the Trust unless the Board determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.

3. **Conflicts of Interest.** All Covered Persons shall avoid both actual conflicts and the appearance of conflicts of interests involving their duties to the Trust and any other interest or organization to which they have a duty, or any other activity in which they are financially or otherwise interested. It is expected that Covered Persons will conduct themselves under strict rules of honesty, openness and fair dealing between themselves and the Trust. Such persons shall not use their position or knowledge gained during their association with the Trust for their private benefit nor to obtain an unfair advantage over any aspect of their dealings with the Trust. Each Covered Person is obliged:

   i. To disclose to the Board, Executive Director, or committee of the Board on which he/she serves, the existence of any actual, potential, or perceived conflict of interest as provided for in Section VI.1.i of this Policy.

   ii. To abstain from discussing with Board members, employees, or committee members any issue, matter, or transaction in which he/she has an actual, potential, or perceived conflict of interest unless specifically asked by the Board or a Board committee to give information on the issue matter, or transaction.

   iii. To absent him/herself from Board and/or committee discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the Board or committee to give information on the issue, matter, or transaction.

   iv. To abstain from voting on any such issue, matter, or transaction.
v. When requested by the Board, to resign from the Board, advisory board or committee until such time as the matter giving rise to the conflict of interest has been resolved. When, in the opinion of the Board President, the matter has been sufficiently resolved, the Covered Person may be invited to rejoin the Board, advisory board or committee.

ARTICLE V: CONFLICT OF INTEREST

1. Conflict of interest.

i. Identifying a Potential Conflict. A Covered Person or Major Donor may have a conflict interest with respect to a transaction or arrangement whenever he or she, or any of his or her close family members (including a spouse, domestic partner, parent, stepparent, parent-in-law, grandparent, sibling, sibling-in-law, birth or adoptive child, and grandchildren):

   a. Financial Interest. Has a material financial interest, including an ownership interest, investment interest, or compensation arrangement, in a transaction or project under consideration by the Board or a committee of the Trust (or may create such a benefit for another person or organization with whom they are associated) or when that person proposes to act on any issue, matter, or transaction in which the Trust has an interest, and in which the Covered Person or Major Donor may have an interest separate from that of the Trust.

   b. Compensation. Receives compensation directly or indirectly from the transaction or arrangement involving compensation (e.g. a employee has a conflict of interest with respect to the determination of his or her own compensation). Compensation for purposes of this Policy includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.

   c. Management Role. Serves or anticipates serving as a director, trustee or officer of, any entity or individual that the Trust has a transaction or arrangement with.

ii. No Conflict. A Covered Person or Major Donor does not have a conflict of interest if the Covered Person or Major Donor owns securities of a publicly traded company with which the Trust has a transaction or arrangement if:

   a. Such securities are less than 5% of the outstanding securities of the publicly traded company; and

   b. Their fair market value is less than 5% of the Covered Person's or Major Donor's annual gross income.
ARTICLE VI: PROCEDURES FOR DISCLOSURE AND EVALUATION OF CONFLICTS

1. Disclosure.

i. Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:

   a. Existing at the time when he/she becomes a Covered Person;

   b. That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and

   c. Annually through the annual Conflict of Interest Questionnaire provided to the Covered Person.

All disclosures involving a transaction or arrangement being considered at a meeting of the Board of Trustees or a committee shall be made to all members present at such meeting. All other disclosures shall be made to the Board President or Executive Director (who shall disclose his or her conflicts to the Board). A Covered Person who is in doubt as to the existence of a conflict of interest is encouraged to disclose all facts pertaining to the transaction or arrangement before undertaking the transaction or arrangement or making any decision in the matter.

ii. A third party may anonymously report potential conflicts of interest by mail, phone or email to the Executive Director, unless that is the person under consideration, or to any member of the executive committee. Such a third-party report shall be referred to the executive committee, which shall then act as a “Conflict of Interest” committee. The executive committee shall review the facts and determine if a conflict does indeed exist and recommend a course of action to the Board. If the conflict in question involves a member of the executive committee, that person shall withdraw from all consideration and discussion, excuse themselves and not participate in the decision.

iii. Any person who refers a potential conflict to the Trust will be protected from retaliation or punishment such as termination of employment, demotion or salary reduction or dismissal from the Board or any other untoward act resulting from his/her action.

2. Evaluation.

i. The Board President shall disclose to the Board all conflicts of interest reported to him or her under this Policy. The Board will evaluate the
disclosures and the material facts relating to the transaction or arrangement giving rise to the potential conflict of interest to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the transaction or arrangement. The Board may, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.

ii. Covered Persons or Major Donors who have declared, or been found to have, an actual or potential conflict of interest in any manner before the Board shall not be present for or shall leave any portion of a meeting at which the Board or a committee is voting to determine whether a conflict exists, but may be present prior to the vote to make a presentation to the Board or committee, to disclose additional facts, or to respond to questions.

iii. If the Board or executive committee has reasonable cause to believe a member of the Board has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or executive committee determines that the member of the Board has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. **Strict diligence.**

Strict diligence is especially called for when contemplating land or other transactions with Covered Persons or Major Donors. Transactions include, without limitation, such matters as purchase of land in fee, or any interest in such property; purchase of conservation easements; sale of Trust land; property exchanges; conservation easement donations; gifts of land; leases of land. All such transactions will be subject to a particularly detailed review and approval process. (For the purpose of this policy, Covered Persons or Major Donors owning land contiguous to a parcel involved in such a transaction with the Trust shall recuse himself or herself from any discussion, participation or action.) Staff will identify any Covered Persons or Major Donors before presenting a transaction to the Board for approval.

**ARTICLE VII: PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS**

1. **Formal Approval.** The Trust may enter into a transaction or arrangement in which a Covered Person or a Major Donor has a conflict of interest if:
i. Involving a Covered Person, the Covered Person has disclosed the conflict of interest in accordance with this Policy;

ii. A majority of Trustees who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board or committee meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to the Trust and is in the Trust's best interest;

iii. Any Covered Person or Major Donor who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, that any such Covered Person or Major Donor may appear at a meeting to answer questions concerning the transaction or arrangement); and

iv. In any arrangement or transaction involving compensation, remuneration or other economic or financial benefit to the Covered Person or Major Donor, the Board of Trustees relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Trust.

2. Transaction Fair. It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to the Trust, furthers its tax-exempt purposes, and does not result in private inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VIII: RECORDS OF PROCEEDINGS

1. Content of Minutes. The minutes of the Board and all committees with Board-delegated powers shall contain:

i. The names of the persons who disclosed or otherwise were found to have a conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and

ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

2. Timing. The minutes of any meeting described above shall be prepared by the later of the next succeeding meeting of the Board or committee, or sixty (60) days after the final action on the matter is taken by the Board or committee.
ARTICLE IX: ANNUAL STATEMENTS

Each Trustee, principal officer and member of a committee with Board delegated powers and all members of the staff shall annually complete and sign a questionnaire and statement that affirms that such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy.

ARTICLE X: ENFORCEMENT

If the Board has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the Board may counsel the Covered Person regarding such failure and, if the issue is not resolved to the Board’s satisfaction, may consider additional corrective action as appropriate.

CERTIFICATE OF ADOPTION

The foregoing Conflict of Interest Policy was adopted by the Board of Trustees of the San Juan Preservation Trust on the 10th day of May, 2010.

By: David Torres, Secretary

Date: 10/1/10