

**THE PRESIDIO TRUST
BOARD OF DIRECTORS**

**RESOLUTION 02-11
WAIVER OF POTENTIAL CONFLICT OF INTEREST**

WHEREAS, the Supplemental Standards of Conduct for Directors of the Presidio Trust (“Standards”) provide that, absent a waiver, the Presidio Trust shall not be a party to any substantial business transaction (including a lease or license of real property for more than seven days) with a Director of the Trust; and

WHEREAS, the Standards provide that a waiver of this prohibition may be approved, following specified findings, by an affirmative, majority vote of the Directors who are not parties to the transaction, with the Director(s) who are a party to the transaction recused from participating in, voting on or being present for the discussion of the issue; and

WHEREAS, the Trust and Director Mary G. Murphy entered into a lease of residential property located at the Presidio for a term beginning on May 1, 2001, lasting more than seven days; and

WHEREAS, a new lease of residential property located at the Presidio has been proposed between the Trust and Ms. Murphy; and

WHEREAS, Ms. Murphy has agreed that, during the term of her lease with the Trust (including any subsequent leases, extensions or hold-over periods), she shall not participate in discussions of or vote on matters that may come before the Board or its committees related to policies for residential tenants at the Presidio;

NOW, THEREFORE, BE IT RESOLVED, that provided that the terms and conditions of the proposed lease (including any subsequent leases, extensions or hold-over periods) between the Trust and Director Mary G. Murphy are the same as afforded to other residents of the Presidio, the Presidio Trust Board of Directors hereby finds that:

- (1) the above-described transaction is in the Trust’s best interests and for the Trust’s benefit;
- (2) the above-described transaction is fair and reasonable to the Trust;
- (3) the Trust cannot obtain a substantially more advantageous transaction with reasonable effort under the circumstances; and
- (4) the above-described transaction is not the result of Ms. Murphy’s status as a Director of the Trust; and

BE IT FURTHER RESOLVED, that Ms. Murphy, during the period of her residency at the Presidio, shall not participate in discussions of or vote on matters that may come before the Board or its committees related to policies for residential tenants at the Presidio; and

BE IT FURTHER RESOLVED, that upon the findings and subject to the conditions set forth above, the Board of Directors waives the prohibition contained in Section III(A) of the Standards with respect to the above-described transaction.

Adopted: April 11, 2002