EXHIBIT 1

INTRODUCTION

Respondent Tim Ward is a member of the City of Lafayette Design Review Commission (the "DRC"), and has served on the DRC almost continuously for the past twenty years. Respondent Ward is also an architect, and is a 40% owner in Ward-Young Associates, an architectural planning and design company doing business in Lafayette and the surrounding area.

In this matter, Respondent Ward, as a member of the DRC, participated in making a governmental decision, which had a material financial effect on his source of income in Ward-Young Architects, in violation of Government Code Section 87100.

For the purposes of this stipulation, Respondent's violation of the Political Reform Act (the "Act")[1] is stated as follows:

COUNT 1: On or about May 18, 2005, Respondent Tim Ward participated in making a governmental decision regarding a development project pending before the Lafayette Design Review Commission, in which he knew or had reason to know he had a financial interest, in violation of Section 87100 of the Government Code.

SUMMARY OF THE LAW

A finding upon which the Act is based, as stated in Section 81001, subdivision (b), is that public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests, or the financial interests of persons who have supported them.

To prevent conflicts of interest in governmental decision making, Section 87100 prohibits state and local public officials from making, participating in making, or attempting to use their official positions to influence a governmental decision in which they know, or have reason to know, that they have a financial interest. Under Section 87103, a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on a recognized economic interest of the official. For purposes of Sections 87100 and 87103, there are

[1] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

six analytical steps to consider when determining whether an individual has a conflict of interest in a governmental decision.[2]

First, the individual must be a public official as defined by the Act. Section 82048 defines "public official" to include members of a state or local governmental agency.

Second, the official must make, participate in making, or attempt to use his or her official position to influence a governmental decision. Under Regulation 18702.2, subdivision (b) (2), a public official "participates in making a governmental decision" when the official advises or makes recommendations to the decision maker either directly, or without significant intervening substantive review, by preparing and presenting any report, analysis, opinion, orally or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision.

Third, the official must have an economic interest that may be financially affected by the governmental decision. Under Section 87103, subdivision (c), an economic interest of a public official includes any source of income of $500 or more in value provided or promised to, received by, the public official within 12 months prior to the time the decision is made.

Fourth, it must be determined if the economic interest of the official is directly or indirectly involved in the decision. Under Regulation 18704.1, subdivision (a)(1), a business entity is directly involved in a governmental decision when that entity initiates the proceeding in which the decision will be made by filing an application, claim, appeal, or similar request.

Fifth, it must be determined what materiality standard will apply to the economic interest of the public official. Under Regulation 18705.3, subdivision (a), if a source of income is directly involved in a governmental decision, any reasonably foreseeable financial effect on a person who is a source of income to the public official, and who is directly involved in the decision before the official's agency, is deemed material.

Sixth, it must have been reasonably foreseeable, at the time the governmental decision was made, that the decision would have a material financial effect on the economic interest of the official. Under Regulation 18706, subdivision (a), a material financial effect on an economic interest is reasonably foreseeable if it is substantially likely, not just a mere possibility, that one or more the materiality standards applicable to that economic interest will be met as a result of the governmental decision. (*In re Thorner* (1975) 1 FPPC Ops. 198.)

[2] As set forth in regulations 18700 through 18708, the Commission has established an eight-step analysis for determining whether a public official has a conflict of interest in a governmental decision. The last two steps of the analysis are exceptions that allow a public official to participate in a governmental decision even though the official may have a conflict of interest. The two exceptions are not relevant to this matter.

SUMMARY OF THE FACTS

COUNT 1

Failure to Disqualify from Participating in Making a Governmental Decision on May 18, 2005

Respondent Tim Ward has been a member of the Design Review Commission (the "DRC") for the City of Lafayette in Contra Costa County for twenty years. The DRC reviews and approves development projects and proposals to ensure they are in compliance with city codes and regulations. The DRC submits its recommendations to the City of Lafayette's Planning Commission for formal approval. Respondent Ward is a licensed architect, and is also a 40% owner in Ward-Young Architects, an architectural design company that does business in the City of Lafayette and the surrounding Marin County area. Respondent Ward is currently a member of the DRC.

Beginning in 2003, Ward-Young Architects acted as the applicant on behalf of Barry Haji, the owner of a 22-acre parcel located within the Hillside Overlay District in the City of Lafayette. The application concerned a request for a Hillside Development Permit and design review approval to construct a new two-story residence on the vacant 22-acre parcel. Major issues for the project included the impact on the hillside, aesthetics to the surrounding community of homes, and the driveway placement. There was widespread opposition to the planned project due to the size of the residence, the effect on the hillside area, and the absence of any previous development on the large parcel.

In 2003, six different building sites for the parcel were considered by the Lafayette Planning Commission. In 2004, the Planning Commission approved one of the sites as the least impacted, and submitted the matter to the DRC for building design review. On June 14, 2005, the DRC considered the design review for the application at their public meeting. Due to the large number of people who wanted to publicly testify against the project, public comment was limited to one hour at this meeting, and continued until the July 12, 2005 meeting. The applicant presented the project at the June 14, 2005 meeting, and it was requested that they return and present modifications for the project at the July 12, 2005 meeting.

Respondent Ward recused himself from the June 14, 2005 DRC meeting and did not participate or vote on any matters concerning the Haji project. Another member of Ward-Young Architects represented Mr. Haji at this hearing. However, prior to the meeting, Respondent Ward submitted a letter to the members of the DRC through the Layette Planning Department advocating approval of the Haji project. The May 18, 2005 letter, on Ward-Young Architect letterhead, was addressed to the "Design Review Commission, City of Lafayette" and signed by "Tim Ward." The letter was included in a packet of materials submitted with the June 14, 2005 DRC agenda item concerning the Haji project. During the meeting, Respondent Ward's letter was referred to by a member of the public, who stated that some of the information was incorrect. According to Respondent Ward, the information in the letter only explained "facts" about the project. However, members of the public interpreted this information to be slanted or false, and it appears it was meant to encourage approval of the project's design features.

Due to Respondent Ward's source of income in Ward-Young Architects, he was prohibited from participating in making any decision concerning the Haji project. By submitting a letter to the DRC on May 18, 2005, Respondent participated in the design review process by attempting to influence the decision-making body. Since Ward-Young Architects was directly involved in the decision before the DRC, the financial effect of the decision is presumed material.

In an interview with Investigator III Sandra Buckner, Respondent Ward stated that he was very aware of the conflict of interest provisions of the Act, and had tried to adhere to them during his tenure on the DRC. Routinely, Respondent had someone else from his firm represent a client before the DRC, and he would always abstain from any discussion and vote on a project connected to his firm. With respect to the Haji project, there was a lot of opposition, and he did not think that it was a conflict of interest to submit the letter on May 18, 2005 to staff explaining issues regarding the project. Although Respondent Ward insisted that he was unaware that he could not submit letters to "staff," his letter was clearly addressed to the "Design Review Commission," and not the city's planning department.

In an interview with Investigator Buckner, Lafayette Assistant Planner Lindy Coburn, who worked on the Haji project, stated that she received Respondent Ward's letter and placed it with other documents in the package to all DRC members. She also stated that this was the only instance she could recall receiving information from Respondent Ward. According to Ms. Coburn, the applicant did not return with suggested modifications for the project on August 25, 2005, and to date, the project had not gone forward.

Based on his interest in Ward-Young Architects, Respondent Ward should have disqualified himself from participating in making any decisions regarding the Haji project, which would have a reasonably foreseeable material financial interest on his source of income.

By participating in making a governmental decision on May 18, 2005, regarding the Haji development project, in which he knew or had reason to know he had a financial interest, Respondent Ward violated Section 87100.

CONCLUSION

This matter consists of one count of violating Section 87100 of the Act, which carries a maximum administrative penalty of Five Thousand Dollars ($5,000).

In aggravation, Respondent has served on the DRC for twenty years, and is well aware of the conflict of interest provisions of the Act. Although Respondent abstained during the public session of the meeting on June 14, 2005, his efforts in trying to persuade his fellow DRC members by submitting the letter on May 18, 2005 may have influenced the decision making process.

In mitigation, Respondent properly abstained from the discussion regarding Mr. Haji's project on June 14, 2005 when it was brought before the DRC. Respondent was not present when the project was later brought back for public comment on July 14, 2005. Thereafter, the

DRC required the project to submit further information, which it failed to do and the project essentially died. Respondent has a consistent record of abstaining from participating and making decisions as a DRC member due to his interests in Ward-Young Architects. This appears to be an isolated instance rather than a pattern of conduct by Respondent. Respondent also has no prior history of violating the Political Reform Act.

The act of participating in a governmental decision in which a public official has a financial interest is one of the more serious violations of the Act, as it creates the appearance that a governmental decision was made on the basis of an official's interest. The typical administrative penalty for a conflict of interest violation, occurring after January 1, 2001, has ranged from $2,500 to $5,000, depending on the facts of the case. Based on the factors in this case, a fine in the lower to middle range is appropriate.

The facts of this case, including the above aggravating and mitigating factors, justify imposition of the agreed upon penalty of Three Thousand Dollars ($3,000).