CODE OF ETHICS

And

STANDARDS OF PROFESSIONAL PRACTICE

AMERICAN SOCIETY OF
FARM MANAGERS AND RURAL APPRAISERS
The Code of Ethics, established by the Board of Directors of the American Society of Farm Managers and Rural Appraisers, Inc. (ASFMRA), a Colorado nonprofit corporation, ("the Society"), is binding upon all members of the Society. Amendments may be made to the Code of Ethics according to Article XIII of the Society Bylaws.

A. OBJECTIVES. - The objectives of the Society are to develop, improve, promote and advance, without profit to itself, the professions of farm and ranch management, rural appraisal, appraisal review, agricultural consulting, and related fields, through adopting and enforcing a set of Standards of Professional Practice, maintaining a code of professional Ethics, and providing an environment of fraternal understanding, fellowship and cooperation with colleagues in these professions.

To serve this end, the Society requires that all its members perform their professional responsibilities in a manner consistent with the objectives of the Society. This Code of Ethics expresses in general terms the standard of professional conduct expected of members in their relationship with their clients, the public and with other members. The Society has adopted this Code of Ethics and the accompanying Standards of Professional Practice which establish minimum standards of conduct for each member and to which each member agrees to be held accountable.

The professions of agricultural consulting, real estate valuation and management are constantly changing. To provide the public with the highest level of competency, trust and integrity, it is necessary for a member to not only maintain acquired skills, but to keep abreast of new techniques and procedures for the management and valuation of rural properties.

The Society, realizing the necessity for such continuing education, provides courses and seminars for this purpose. It is strongly recommended that each member attend courses and seminars of their choosing.

B. DISCIPLINARY ACTION. - Failure of a member to conform to this Code of Ethics and the Standards of Professional Practice shall be grounds for disciplinary action by the Society. Disciplinary action may result in revocation of membership and/or Accreditation.

Specific disciplinary procedures and sanctions for violation of the Bylaws, The Code of Ethics and the Standards of Professional Practice are set forth in the Bylaws and Policies of the Society. A violation shall be determined by the character of the conduct exhibited and the attendant circumstances. It is the intent of the Society, wherever possible, to utilize the Code of Ethics and the Standards of Professional Practice in a manner which will improve the quality and professionalism of the members of the Society. The Code of Ethics and the Standards of Professional Practice shall be uniformly applied to all members, regardless of the nature of their professional activities, or their status within the Society or the community in which they conduct their business activities.

C. DEFINITIONS. - The following definitions shall apply:

1. "Accredited." - An Accredited member of the Society shall be a member who, having met all of the qualifications required by the Society's Articles and Bylaws has been awarded said Accreditation. Accredited titles are "Accredited Farm Manager", "Accredited Rural Appraiser", "Real Property Review Appraiser" and "Accredited Agricultural Consultant".

2. "Client." - Any entity for whom a member performs a service.
3. "Differing Interests." - Differing interests shall include any interest that will adversely affect the judgment or loyalty of a member to a client, the Society or another member, whether it be conflicting, inconsistent, diverse or other interest.

4. "Member." - A member is any individual who is accepted for any type of membership in or association with the Society, whether or not said membership carries with it an Accredited title.

5. "Person." - Person includes a society, association, trust, partnership and any other organization or legal entity in addition to an individual.

6. "Real Estate." - An identified parcel or tract of land, including improvements and appurtenances, if any.

7. "Real Property." - The interests, benefits and rights inherent in the ownership of real estate.

8. "Report." - Report shall mean any communication, oral, written or otherwise, which shall state any facts, conclusions or analysis by the person rendering the report, and shall include, but not be limited to, appraisals, feasibility studies and management reports.

9. "Retired." - Retired means a member who no longer performs the functions of an appraiser, reviewer, consultant, or farm manager for others for a fee or a salary.

10. "Review." - The act or process of critically studying a report prepared by another.

11. "Subject Matter." - Subject matter includes the nature, extent and interest of the service to be provided by the member to the client and the client's property or interest therein to which the service applies.

D. CODE OF ETHICS.

Each member of the Society, for the benefit of the Society and its members, agrees to abide by and conform to the following Code of Ethics which is comprised of the following Articles:

CODE OF ETHICS - ARTICLE 1

The member shall cooperate with the Society, its officers, and committees on all matters involving the Society in its relationship with its members, other professions, and the public and shall cooperate in the enforcement of this Code of Ethics and the Standards of Professional Practice.

It is a member's duty to expose within the Society's ranks, without fear or favor, corrupt or dishonest conduct on the part of any member. A member shall strive at all times to uphold the honor and maintain the dignity of the professions. A member's personal and professional conduct shall uphold the laws of the land and promote honor, dignity and respect from peers and the public.

It is unethical for a member to act in a manner that is unprofessional, unethical, misleading or fraudulent or to use or permit the use of misleading information.

It is unethical for a member to knowingly submit false or misleading information in answer to a request by an officer or committee of the Society acting in the interest of the Society.
It is unethical, when responding to inquiries of a duly authorized Ethics and Standards Committee or a member thereof, to knowingly submit false or misleading information, or to refrain from submitting information which is relevant to the appraisal review process of the member's appraisal report. It is unethical to injure or attempt to injure, falsely or maliciously, directly or indirectly, the professional reputation or business prospects of another member.

CODE OF ETHICS - ARTICLE 2

The member shall obtain assignments, prepare reports and accept compensation in accordance with the provisions of this Code of Ethics and the Standards of Professional Practice.

A member shall always respect the rights of fellow members when negotiating for professional work or advancement. The member may use all honorable means in competition for an assignment.

CODE OF ETHICS - ARTICLE 3

The member shall render professional services without fear, favor, partiality or the accommodations of the member's own interests.

CODE OF ETHICS - ARTICLE 4

The member shall perform functions in conformity with the standards of the Society at all times. The member shall accept only those assignments for which a member has adequate time, facilities and technical ability. Where technical ability is deficient for a portion of the assignment, the member shall associate with a person who possesses the required technical ability upon acceptance of the assignment.

CODE OF ETHICS - ARTICLE 5

The member shall not violate the confidential nature of the client relationship by improperly disclosing confidential information or portions of a report to unauthorized persons or entities.

CODE OF ETHICS - ARTICLE 6

The member shall not represent conflicting interests, except by express written consent of all concerned, given after full disclosure in writing of the facts constituting the conflicting interests.

CODE OF ETHICS - ARTICLE 7

The member shall not accept employment without first disclosing all previous and present relationships and current or contemplated interests with the property, case or purpose of the employment.

CODE OF ETHICS - ARTICLE 8

The member shall not use advertising on behalf of the member, the member's firm or those associated with the member which tends to be misleading, or contains false, fraudulent, deceptive or unfair statements or claims. Any publications shall be presented in a dignified form which shall not be demeaning to the Society or its members. It is unethical to engage in conduct, either directly or through the actions of another, which circumvents the Code of Ethics or the Standards of Professional Practice, adversely reflects on an individual's fitness to practice the professions.
CODE OF ETHICS - ARTICLE 9

It is unethical for a member of the Society to operate or conduct business in violation of the local, state or provincial, or federal law(s) specifically applicable to practice of that business or profession.

It is unethical for a member to counsel or assist a client or employer in conduct that the member knows to be illegal or fraudulent.

CODE OF ETHICS - ARTICLE 10

It is unethical for a member to claim or state professional qualifications which are not possessed or which may be subject to erroneous interpretation.

CODE OF ETHICS - ARTICLE 11

All client funds paid to a member or the member's firm, other than advances for costs and expenses, shall be deposited in one or more identifiable bank accounts maintained in the state in which the member's office is situated, or as directed and approved by the client in accordance with state laws, and no funds belonging to the member or the member's firm shall be deposited therein except as follows:

1. Funds reasonable and sufficient to pay bank service charges may be deposited therein.

2. Funds belonging, in part, to a client and, in part, presently or potentially to the member or the member's firm, must be deposited therein, but the portion belonging to the member or the member's firm may be withdrawn when due, unless the right of the member or the member's firm to receive it is disputed by the client. In that event the disputed portion shall not be withdrawn until the dispute is finally resolved. A member shall:

   a. Promptly notify the client of the receipt of client funds, securities or other properties.

   b. Identify and label securities, properties and other documents of the client upon receipt and place them in a safety deposit box or other place of safe keeping as soon as practicable.

   c. Maintain complete records of all funds, securities or other property of a client coming into the member's possession and render appropriate accounts to his client regarding them.

   d. Promptly pay or deliver to the client, as requested by the client, the funds, securities or other properties in the possession of the member which the client is entitled to receive.

CODE OF ETHICS - ARTICLE 12

It is unethical to accept employment or enter into a member-client relationship for which:

1. The service fee is contingent upon the reporting of pre-determined findings or a specific amount of value.
2. The fee includes a bonus, favor or other special inducement, offered directly or indirectly, which may actually or through implication indicate that the member's opinions or conclusions have been affected by the amount of fee to be received.

3. Contingency fees (generally where the fee is set by a percentage or ratio of the value opinion) shall not be entered into in appraisal situations. Contingency fees in management and other service areas may be abused, and should be avoided.

4. It is unethical to charge for professional services a fee which is not related to the services performed. In determining the amount of remuneration to be charged as a fee, a member should consider:
   a. The time, labor, skill and training required to properly discharge the assignment.
   b. The customary charge of competent appraisers, managers and other professionals for similar work.
   c. The value of the property and the benefits resulting from the use of the services of a member.
   d. The extent of the employment, whether casual or for a long period.
   e. The time limitations imposed by the client or by the circumstances.
   f. Any physical factors of the property involved and its location in relation to the office of the member.
   g. The likelihood that the acceptance of the particular employment will preclude other employment by the member.
   h. The experience, reputation and ability of the member performing the services.

5. It is unethical for a member to receive compensation or favors, in connection with the services, products or equipment to be provided to the client from a party, entity or person, other than the client, without the consent of the client.

6. It is unethical for a member, in dealing with the client's property, to give any favors or benefits to another at the expense of the client without the client receiving full value or without the consent of the client.

**CODE OF ETHICS - ARTICLE 13**

It is unethical for a member to reveal the contents of reports or factual data concerning the subject property which has been compiled in connection with a client's business or has been provided by a client, which is not of public record or of common public knowledge, unless prior to the release thereof, the member shall obtain from the client written permission to release the information, or is directed by court or the Society to divulge the information.

It is unethical for a member not to furnish copies, when legally required to under law, contract or by a court, of all business records and appropriate related file in his/her possession specifically relating to work undertaken by the member for a client upon request by said client.
CODE OF ETHICS - ARTICLE 14

All Society members who testify as an expert and give an opinion before a tribunal where another member testifies for the opposing party are required to file a case report with the Society office within 30 days after date of testimony. A tribunal is a body or individual who renders a final decision. Depositions are not final decisions.

CODE OF ETHICS - ARTICLE 15

If requested, copies of appraisals, farm and ranch management reports and supporting documents shall be made available to the Ethics and Standards Committee of the Society in accordance with the provisions of the Code of Ethics and Standards of Professional Practice when required for the purposes of investigating a complaint or for the review of court litigation in which the member testified. Any requested report or document shall be submitted within 30 days of the request.
STANDARDS OF PROFESSIONAL PRACTICE

Each member of the Society agrees to abide by and be held accountable for any violation of the Standards of Professional Practice of the Society as set forth below. These Standards of Professional Practice set a minimum level of conduct below which no member can fall without being subject to disciplinary action.

A. Standards of Professional Practice Relating to All Disciplines

1. Disclosure. It is unethical to issue a management, appraisal, or consulting report without fully disclosing any interest, present or contemplated, of the maker, the maker’s associates, or the maker’s firm in the subject matter of the report, or any interest herein.

2. Adverse Conditions. It is unethical to issue a management, appraisal, or consulting report under conditions so adverse that it is impossible to secure all pertinent and essential facts necessary for the member to properly analyze the same and draw there from reasonable and valid conclusions.

3. Responsibility. It is unethical for a member to sign or co-sign a report without accepting full responsibility for the contents of the report.

4. Misrepresentation. It is unethical to prepare and/or disseminate reports in a manner which would allow or permit, either directly or indirectly, misrepresentations of the facts or conclusions contained therein.

5. Assumed Conditions. Feasibility studies and reports which include or are based upon assumptions, facts, or conditions not physically existing at the time of the production of the reports, shall state clearly, completely and prominently any hypothesis of facts or conditions assumed, and fully describe the ramifications thereof.

6. Methodology. It is unethical for a member to give an opinion, analysis or conclusion(s) regarding the value of real property, or a management or consulting program without using the appropriate appraisal methodology and techniques necessary for a proper valuation or the appropriate analytical methods necessary for the preparation of a management or consulting report.

7. Miscellaneous.
   a) Words denoting the singular contained herein may be construed as denoting plural, and words of the plural may be construed as denoting singular. Words of one gender may be construed as denoting such other gender as it is appropriate.
   b) In the event that any provision of the Society’s Code of Ethics or the Standards of Professional Practice shall be deemed to be void or unenforceable by any court or competent jurisdiction, such determination shall not affect any other provision of the Code of Ethics or the Standards of Professional Practice, and all such provisions shall remain in full force and effect.
c) A member is advised that in addition to being responsible for the member’s own actions in connection with the services rendered to a client, the member may be responsible for the action of all those employees, independent contractors, other individuals and other entities assisting the member, or providing through the member, services to the client.

d) The Society strongly recommends to its members that, regardless of the nature or extent of the service to be performed, the member enter into a written contract with the client, setting forth the nature and scope of the work to be performed, the fee to be charged therefore, and any exclusions or limitations which affect the work product or conclusions.


B. Standards Relating to Appraisal / Appraisal Review

1. The Appraisal Standards adopted by the Society are the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation, as from time to time amended. Said Standards are incorporated herein by reference.

2. The de minimis amount, as from time to time amended, below which USPAP shall not apply, shall not affect the Society's adoption of the Standards or their applicability to all appraisals or valuation opinions regardless of the amount involved.

C. Standards Relating to Farm and Ranch Management

The following Standards of Professional Practice shall apply to services provided by the member in connection with the management and operation of farms, ranches or other rural properties, and any reports rendered in the performance of those services. Failure to follow the appropriate Standards of Professional Practice relating to Farm and Ranch Management is an ethics violation.

1. COMPETENCY PROVISION. - Prior to entering into an agreement to perform any assignment, a member must carefully consider the knowledge and experience that will be required to complete the assignment competently and either:

   a. Have the knowledge and experience necessary to complete the assignment competently; or

   b. Immediately disclose the lack of knowledge or experience to the client and take all steps necessary or appropriate to complete the assignment competently.

2. DEPARTURE PROVISION. - A member may enter into an agreement to perform an assignment that calls for something less than, or different from, the work that would otherwise be required by the specific guidelines, provided that prior to entering into such agreement:

   a. The member has determined that the assignment to be performed is not so limited in scope that the resulting review, analysis or management activity would tend to mislead or confuse the client, the users of the report or the public; and
b. The member has advised the client that the assignment calls for something less than, or different from, the work required by the specific standards and therefore the report will include a qualification that reflects the limited or differing scope of the review, analysis or management activity.

3. JURISDICTIONAL EXCEPTION. - If any part of these standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force or effect in that jurisdiction.

4. A member shall not undertake or attempt to provide a management service to a client without setting forth, in writing to the client, as a minimum, the following: the nature and scope of the work to be performed by the member; the limitations placed upon the member's services by the client or self-imposed; the compensation which the member is to receive for the performance of the work; the time for completion of the service or contract period; and shall, unless expressly waived in writing by the client, provide same to client during each contract year:

   a. An initial report setting forth the current status of the client's property and the proposed management plan in conformity with the management contract;

   b. At least one interim status report;

   c. An annual year-end narrative report summarizing the year's operation and the year-end status of the subject property;

   d. A full written accounting of all funds managed by the member on behalf of the client, including the current balances belonging to the client being held by the member in a trust account. Unless the client otherwise directs in writing, any reports issued by a member shall, at a minimum, consider and include the following five elements:

      1) A statement of the problem considered;
      2) A summary of the alternate solutions;
      3) An analysis of the alternatives;
      4) Procedures used in analyzing the problem; and
      5) Recommendations of the member with supporting rationale.

   e. The Society strongly recommends that, in addition to the above, any management services agreement should set forth each party's responsibility for the various functions which normally are performed in a farm and ranch management situation. If a member is responsible for the implementation of a recommended course of action, the services agreement should so state and set forth the obligations of the parties with respect to implementation.

D. Standards Relating to Agricultural Consulting

Standards of Professional Practice relating to agricultural consulting apply to services provided by a member in connection with agricultural consulting, and reports rendered in the performance of this service. Failure to follow the appropriate Standards of Professional Practice relating to Agricultural Consulting is an ethics violation.

1. COMPETENCY PROVISION. - Prior to entering into an agreement to perform any assignment, a member must carefully consider the knowledge and experience that will be required to complete the assignment competently and either:
a. Have the knowledge and experience necessary to complete the assignment competently, or;

b. Immediately disclose that lack of knowledge or experience to the client and take all steps necessary or appropriate to complete the assignment competently.

2. DEPARTURE PROVISION: - A member may either enter into an agreement to perform an assignment that calls for something less than, or different from, the work that would otherwise be required by the Standards of Professional Practice, provided that prior to entering into such agreement:

   a. The member has determined that the assignment to be performed is not so limited in scope that the resulting report, analysis, recommendation or consulting activity would tend to mislead or confuse the client, the users of the report, or the public; and,

   b. The member has advised the client that the assignment calls for something less than, or different from, the work required by these standards and, therefore, the report will include a qualification that reflects the limited or differing scope of the report, analysis, recommendation, or consulting activity.

3. JURISDICTIONAL EXCEPTION: - If any part of these standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and have no force or effect in that jurisdiction.

4. PERFORMANCE PROVISION: - A member shall not undertake or attempt to provide a consulting service to a client without setting forth, in writing to a client, as a minimum, the following:

   a. The specific client requesting consulting services;

   b. The nature and scope of the work to be performed by the member;

   c. The limitations placed upon the member’s services by the client, or self-imposed;

   d. The compensation which the member is to receive for the performance of the work;

   e. The time for completion of the service or contract period.

5. All Consulting Communications, including oral, letter, and comprehensive reports must:

   a. Clearly and accurately set forth the consulting service in a manner that will not be misleading;

   b. Contain sufficient information to enable the person(s) who receive or rely on the consulting communication to understand it properly;

   c. Clearly and accurately disclose any extraordinary assumptions or limiting conditions that directly affect the consulting service provided, and indicate its impact on the final conclusion or recommendation.

6. Letter Consulting Reports should comply with the following minimum guidelines:

   a. Define the problem to be considered;
b. State the purpose, describe the scope, and define the time frame of the consulting service;

c. Describe the information and data that is collected, define any alternative solutions;

d. Define all the assumptions, limiting conditions, information considered, procedures followed, and reasoning used to support the analysis of the problem;

e. Set forth the consultant’s conclusion or recommendations with supporting rationale.

7. Comprehensive Consulting Reports must comply with the following specific reporting guidelines:

a. Define the problem to be considered;

b. State the purpose of the consulting service;

c. Identify and describe the scope of the consulting service;

d. Set forth the effective date of the consulting service and the date of the report;

e. Describe the overall range of the work, the extent of the data, and the information collection process;

f. Define all the assumptions and limiting conditions that affect the analysis, opinions, and conclusions;

g. Describe the information considered, the procedures used, and the reasoning that supports the analysis, opinions, and conclusions;

h. Set forth any additional information that may be appropriate to show compliance with, or clearly identify and explain departures from any requirements or commonly accepted standards;

i. Set forth the consultant’s final conclusions or recommendations (if any);

j. Include a signed certification that contains the following items;

1) That statements of fact contained in the report are true and correct.

2) That the report analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, unbiased professional analysis, opinions, and conclusions of the consultant.

3) That the consultant has no (or specified) present or prospective interest in the subject of the report, and has no (or specified) personal interest or bias with respect to the parties involved.

4) That the compensation is not (or is) contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, the report. (If the compensation is contingent, the basis of such contingency must be disclosed in this certification, in any letter of transmittal, and in the executive summary).

5) That the analysis, opinions, and conclusions were developed, and the report was prepared in conformity with commonly accepted standards of practice.
6) That the consultant, or other specified individuals, have (or have not) made a personal inspection of any property or identifiable business entity that is the subject of the report.

7) That no one provided significant professional assistance to the person signing the report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated).

8. It is improper to omit any of the requirements from a Comprehensive Consulting Report transmitted to the client without good cause. Any departure from normal procedures and the effect of any unusual factors or conditions in connection with the consulting engagement must be explained. A misleading or fraudulent report violates the ethics provisions as well as these standards.

9. It is strongly recommended that, in addition to the above, any consulting service agreement should set forth each party’s responsibility for the various functions that may be performed in an agricultural consulting situation. If a member is responsible for the implementation of a recommended course of action, the service agreement should so state and set forth the obligations of the parties with respect to implementation.