



Board of Directors Code of Ethics and Confidentiality Policy

Code of Ethics and Confidentiality:

In order to encourage and foster open and candid discussion at its meetings, the Board of Directors of Sandy Pines Wilderness Trails, Inc. believes confidentiality must be maintained. Therefore, it is the policy of the Board of Directors, that each director and staff member shall keep confidential any and all information relating to discussions at its meetings, unless compelled by legal process to disclose such information, or as otherwise agreed by the Board. While Board members are free to discuss the result of Board action items, disclosing any information concerning the discussion of such items during the Board meeting is prohibited.

Board members acknowledge that any violation of this policy could cause harm to Sandy Pines Wilderness Trails, and frustrate Board deliberations. Therefore, any Board member who violates this policy shall be subject to termination of her/his Board position.

In order to ensure compliance with applicable laws and to protect Sandy Pines Wilderness Trails, its members, officers, directors and staff, from potential legal problems regarding conflicts of interest and violation of fiduciary obligations, Sandy Pines Wilderness Trails endorses and adopts the following statement of policy:

I. Duty of Loyalty

The Michigan Nonprofit Corporation Act defines a Director and Officer's fiduciary duty as follows:

MCL 450.2541(1)

A director or officer shall discharge his or her duties as a director or officer including his or her duties as a member of a committee in the following manner:

- (a) In good faith.
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- (c) In a manner he or she reasonably believes is in the best interests of the corporation.

Among the fiduciary obligations of an officer, director or staff member of the corporation is a duty of loyalty to the corporation. This includes supporting, and not opposing directly or indirectly, or taking any other stance against, the policies and positions duly adopted by Sandy Pines Wilderness Trails Board of Directors. As representatives of Sandy Pines Wilderness Trails, officers, directors and staff, are obligated to maintain this duty of loyalty in all manner of activities during their terms of office. This duty of loyalty is not intended to, nor should it; discourage debate within Board meetings. Such debate is encouraged and is part of the individual's responsibility in the deliberation process.

II. Confidentiality of Board Discussions and Board Documents

In order to encourage and foster open and candid discussion at its meetings, the Board of Directors of Sandy Pines Wilderness Trails believes confidentiality must be maintained. Therefore, it is the policy of the Board of Directors of Sandy Pines Wilderness Trails that each director and staff member shall keep confidential any and all information relating to discussions at its meetings, including any and all materials, e.g. correspondence, reports, etc., unless compelled by legal process to disclose such information, or as otherwise agreed by the

Board. While Board and staff members are free to discuss actions adopted by the Board, disclosing or distributing any information concerning the discussion of such items during the Board meeting is prohibited.

III. Conflicts of Interest

Another fiduciary obligation of a corporation officer, director, or staff member, is to avoid “conflicts of interest”. A “conflict of interest” is generally defined as a transaction in which, because the individual is either directly or indirectly, a party to the transaction or possible beneficiary of the transaction, there is or may be a conflict between the individual’s fiduciary obligations to the corporation and the individual’s personal or business interests. To avoid potential conflict of interest problems, Sandy Pines Wilderness Trails implements the following procedures:

1. In any transaction involving Sandy Pines Wilderness Trails and a Sandy Pines Wilderness Trails officer, Director or staff member, and any corporation, partnership or other entity in which an individual is an officer, Director or staff member has, or expects or intends to have, a financial or other beneficial interest, such an individual, prior to any discussion or decision concerning the transaction, shall fully disclose to the Sandy Pines Wilderness Trails Board considering the transaction the material facts of the transaction and the individual’s interest or relationship.
2. Upon such disclosure, the individual shall take no further part in the meeting during which time the proposal is considered and voted upon.
3. After receiving such disclosure, prior to approving the transaction, the Board must conclude that the transaction is ‘fair to Sandy Pines Wilderness Trails’ and must approve the transaction without the participation or the vote of the interested individual.
4. The interested individual’s presence at the meeting may be counted in determining whether a quorum of the Board is present, but that individual shall not vote on the transaction.

IV. Fiduciary Obligations as to Sandy Pines Wilderness Trails Opportunities

Another fiduciary obligation prohibits an officer or director of the corporation from seizing a “corporate opportunity” for his or her company’s benefit or his or her personal benefit. This means that such an individual may not take advantage of a business opportunity in which the officer or director knows Sandy Pines Wilderness Trails has a genuine interest, and where such an Association opportunity would be consistent with Sandy Pines Wilderness Trails, purposes, mission and goals as the corporation. Further, if the officer or director becomes aware of such an opportunity, he or she is obliged to so inform Sandy Pines Wilderness Trails, and allow Sandy Pines Wilderness Trails to act first.

V. Participation in Deliberations and Actions

In any case in which there is a question of loyalty, conflict of interest, or corporate opportunity raised, the officer or director shall not participate in the meeting for the entire time the matter is discussed and voted upon.

I have read and understand the above expectations for the position of Director for Sandy Pines Wilderness Trails, Inc. and agree to abide by this Code of Ethics and duty of confidentiality.

VI. Treatment of Staff. Sandy Pines Wilderness Trails, Inc. has hired a Park President to oversee the day-to-day administration of the park. All staff are accountable to the Park President. The Park President, in turn, is accountable to the Board. In order to maintain a positive and good working relationship with the staff, it is important that each director not engage in any conduct which would violate **Article VI (Conduct Rules), Section (G)(3), which prohibits verbal or physical abuse, harassment, threats, domestic violence or abuse and stalking, of member, staff or guests, during a term of office or in the preceding five (5) years of a term in office.**

VII. Michigan Liquor License Requirements. In order to maintain Sandy Pines’ liquor license(s), all Directors shall comply with all requirements of the Michigan Liquor Control Code of 1998, MCL 436.1101 et seq, as it may be amended from time-to-time.

Signature

Date