NEW YORK STATE SNOWMOBILE ASSOCIATION, INC.
CONFLICT OF INTEREST AND DISCLOSURE POLICY

As a publicly supported charitable organization New York State Snowmobile Association, Inc. (the "Corporation") has a special obligation to uphold the public trust. Every director, officer, committee member and key staff member of the Corporation shares responsibility to ensure that the Corporation satisfies all legal requirements and operates in accordance with its charitable mission. The directors, officers, committee members and key staff members of the Corporation seek to conduct the affairs of the Corporation in a manner that avoids impermissible private benefit, or the appearance of such private benefit. This obligation requires that any individual who has authority to make decisions on behalf of the Corporation, such as a director, officer, committee member or key staff member, take steps to inform the Board of Directors of any personal interest he or she might have in a transaction or contract between the Corporation and the third party. If in doubt ask!

Duty of Loyalty and Intermediate Sanctions

Under the New York Not-For-Profit Corporation Law, directors and officers have a duty of loyalty to the Corporation obligating them to make decisions for the benefit of the Corporation with undivided commitment to the Corporation and without regard to personal interests. Furthermore as a public charity, the Corporation is subject to the "intermediate sanctions" provisions of the Internal Revenue Code. Intermediate sanctions impose penalty taxes on any director, officer, committee member or key staff member, among others, who engages in an "excess benefit transaction" with the Corporation. An excess benefit transaction is any transaction with the Corporation in which one or more directors, officers or other insiders receive an economic benefit that exceeds the value of the services, property or payment the Corporation receives in return.

Directors, officers, committee members and key staff therefore may not use their positions within the Corporation to unfairly further their own financial interests or otherwise derive personal advantage. While the duty of loyalty and intermediate sanctions do not precludes the Corporation from entering into contracts and transactions with its directors, officers, committee members and key staff, the Board of Director or relevant committee should be informed of any potential conflict of interest and authorize such transactions only after determining that they are both reasonable and in the best interests of the Corporation.

Conflict of Interest

Although the circumstances establishing a conflict of interest under the duty of loyalty and intermediate sanctions do interest, the two sets of law also differ in significant respects. For that reason, this Conflict of Interest and Disclosure Policy, which is designed to ensure that all duties and obligation with respect to conflict situations are met, adopts a definition of “conflict of interest" that is a synthesis of the situations addressed by both the duty of loyalty and intermediate sanctions.

A conflict of interest will arise whenever the Corporation considers entering into a contract or transaction (including a compensation arrangement) with any individual or entity that has a substantial influence over the affairs of the Corporation or has authority to make decisions on its behalf Such "interested persons" include, but are not limited to, the following individuals:

i. Directors and officers of the Corporation;

ii. Members of a committee of the Board of Directors;

iii. Key staff members responsible for the day-to-day management and operation of the Corporation;

iv. A founder of the Corporation;

v. A substantial contributor to the Corporation;

vi. A family member of any director, officer, committee member key employee, founder or substantial contributor;

vii. An entity of which any director, officer, committee member, key employee, substantial contributor or an immediate family member of any such individual is a director, trustee, officer, committee member or key staff member;

viii. An entity in which directors, officers, committee members, substantial contributors and family members have a substantial financial interest through either ownership or managerial control.

While such transactions are not per se prohibited, certain disclosures and decision making procedures must be followed to ensure that the duty of loyalty is upheld and that interested persons do not receive an excessive benefit.

With respect to transactions involving compensation of an interested person, a conflict of interest additionally will exist where a director or committee member approving the compensation arrangement stands in any one of the following relationships with such interested person:

i. The interested person is a Board or committee member or a family member thereof;

ii. The Board or committee member is in an employment relationship subject to the direction or control of the interested person;

iii. The Board or committee member receives compensation or other payments subject to the approval of the interested person;

IV. The interested person in return has or will approve a transaction that will provide an economic benefit to the Board or committee member;

v. The Board or committee member has a material financial interest affected by the compensation.

Disclosures

Whenever any director, officer, committee member or key staff member of the Corporation becomes aware that the Corporation is considering (or has considered) a transaction that potentially creates a conflict of interest, he or she is obligated to notify the Board of Directors or relevant committee thereof and to disclose all material facts relating to his or her interest in the transaction. The Board of Directors or committee will determine whether an actual conflict of interest exists. The interested person may not be present when the Board or committee makes its determination other than to answer questions. If no conflict of interest is found to exist, the minutes of the meeting must record the basis of the Board or committee's determination.

Withdrawal and Abstention

If the Board of Directors or committee determines that a transaction would create a conflict of interest, the transaction must be approved in advance by only those Board or committee members who do not have a conflict with respect to the transaction. Any interested person therefore must recuse him or herself from consideration of the transaction. He or she may not vote on the transaction or be present when the vote is taken. He or she furthermore may not be present during

any discussion of the transaction other than to answer to questions. Interested persons, however, may be counted for the purpose of determining whether a quorum exists at the meeting even though they are temporarily absent while the transaction is considered.

Comparability Data

In determining whether the transaction or arrangement is in the Corporation's best interests, the Board or committee will review available information regarding the cost or benefit of comparable transactions or arrangements, if any and may investigate whether the Corporation should and is able to obtain with reasonable efforts a more advantageous transaction or arrangement that would not give rise to a conflict of interest. The Board or committee may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

Documentation

The minutes of any meeting at which a conflict of interest transaction is considered must reflect that the interested person made adequate disclosures, withdrew from consideration of the transaction and abstained from voting. The minutes therefore must detail the terms of the transaction, the date the transaction was approved, the Board or committee members present during the debate and who voted on the transaction, any data the Board or committee relied upon in determining that the transaction is reasonable and in the best interests of the Corporation, how such comparability data was obtained, the disclosures made by the interested person, and whether the interested person otherwise participated in any discussions or proceedings,(i.e. to answer questions). As with all minutes, the minutes documenting a conflict of interest transaction must be reviewed and approved by the Board or committee at its next meeting.

Relationships with Grant Applicants / Paid consultants / Vendors

Directors and members of any committee with the authority to nominate or select grantees / consultants /vendors paid are additionally required to disclose any relationship between themselves and any grant applicant / consultant / vendor under consideration and/or any special interest they may have in an applicant or the particular project proposed. Such directors and committee members may participate in discussions of the application / hiring of the consultant / retention of the vendor for services or products purchased (unless, under the particular circumstances, the Board or committee decides otherwise) and may vote on the applicant / hiring of the consultant / retention of the vendor for services or products purchased only if their votes do not affect the outcome of the Board or committee's decision. There is no prejudice against the applicant / consultant / vendor nor is an applicant / consultant / vendor disqualified due to any such disclosure.

Annual Statements

Each director, officer, committee member and key staff must sign annually a statement which affirms that such person: (a) has received a copy of this Conflict of Interest and Disclosure Policy, (b) has read and understands this Policy, and (c) has agreed to comply with this Policy.

Each director, officer, committee member and key staff member additionally must complete and submit to the Secretary a disclosure statement naming (1) all entities in which the individual or a member of this or her immediate family holds a position as director, trustee, officer, committee member, advisory committee member, advisory director, advisor or key staff member and (2) all entities that do or may do business with the Corporation and in which the individual or a member of his or her immediate family has a substantial financial interest (i.e., ownership interest or managerial control). The Secretary will review the information and periodically distribute reports to all directors.

Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and its Federal tax exemption, the Board of Directors will conduct periodic reviews, in appropriate cases, to determine whether compensation and benefits arrangements and other transactions are reasonable and the result of arms-length negotiation.

Violations of the Conflict of interest and Disclosure Policy

If the Board of Directors or a committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it will inform the interested person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the Committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it will take appropriate action which may include recommendation to the Board for removal from the Board or termination of employment, as well as reconsideration of whether the transaction or arrangement was in the best interests of and fair and reasonable to the Corporation at the time it was undertaken. If it is determined that the transaction was not fair and reasonable to the Corporation, the Corporation, in its discretion, may void the contract and/or require the interested person to restore the Corporation to the financial position it would have been in if such person had been dealing under the highest fiduciary standard. Where the latter remedy is employed, the interested person will be required to make payments of cash or property to the Corporation in amounts equal to the value of the excess benefit he or she received plus interest. Any interested person who violates this Policy also may be liable for taxes proposed under the Federal intermediate sanctions regulations.

Conflict of lnterest and Disclosure Policy

This conflict of Interest and Disclosure Policy is designed to assist directors, officers, committee members and key staff members of the New York State Snowmobile Association, Inc. ("Corporation") in meeting their ongoing responsibility to disclose business or personal interests that may create a conflict of interest. Below is an acknowledgment stating that you have received a copy of the Corporation's Conflict of Interest and Disclosure Policy, have read it and understand it, and agree to comply with it. The attached Disclosure Statement includes a list of entities that do or may do business involving $500 or more with the Corporation and requests that you indicate those entities (i) in which you or an immediate family member holds a position as director, trustee, officer, committee member, advisory committee member, advisory director, advisor or key staff member and (ii) all entities that do or may do business with the Corporation and in which the individual or a member of his or her immediate family has a substantial financial interest (i.e., ownership interest or managerial control). Please complete the Acknowledgement and Disclosure Statement and return the signed statements to the Secretary.

Acknowledgment

I hereby acknowledge that I have received a copy of the Corporation's Conflict of Interest and Disclosure Policy and that I have read it and understand it. I hereby agree to abide by and comply with the procedures contained in the Conflict of Interest and Disclosure Policy.

Date: _____

Name: _____

Signature: _____

Disclosure Statement

In the space below, please list
(1) all entities in which you or a member of your immediate family holds a position as director, trustee, officer, committee member, advisory committee member, advisory director, advisor or key staff member and
(2) all entities that do or may do business with the New York State Snowmobile Association, Inc. (the "Corporation") and in which you or a member of your immediate family has substantial financial interest (i.e. ownership interest or managerial control).

1. All entities in which you or a member of your immediate family holds a position as director, trustee, officer, committee member, advisory committee member, advisory director, advisor or key staff member.

   List name of family member and relationship (if applicable), name of entity and position held.

2. All entities that do, or may do, business with the Corporation and in which you or a member of your immediate family has substantial financial interest (i.e. ownership interest or managerial control):

List name of family member and relationship (if applicable), name of entity and position held:

The Above information is correct and complete to the best of my knowledge.

Date: _____

Name: _____

Signature: _____

List of known entities engaged in business involving $500 or more with New York State Snowmobile Association, Inc.

Attach list of consultants / vendors.