PROPERTY DISPOSITION POLICY

In keeping with the policy of maintaining the highest standards of conduct and ethics and to operate in the most accountable and open manner, the City of Kingston Local Development Corporation (the "Corporation") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Corporation will Dispose of Property in compliance with any applicable Law, Rule or Regulation.

PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

SECTION 1. DEFINITIONS

A. "Contracting Officer" shall mean the officer or employee of the City of Kingston Local Development Corporation, (hereinafter, the "Local Authority") who shall be appointed to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars ($5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Local Authority shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Local Authority and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property in accordance with subsection B herewith; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 2 below.

B. The Local Authority shall

(i) publish, not less frequently than annually, a report listing all real property owned in fee by the Local Authority. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Local Authority and the name of the purchaser for all such property sold by the Local Authority during such period; and

(ii) shall deliver a copy of such report to the Authorities Budget Office.

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Local Authority. The Local Authority shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Local Authority property, pending its disposition, and the disposal of such property, shall be performed by the Local Authority.

C. Method of Disposition. Unless otherwise permitted, the Local Authority shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Local Authority and/or contracting officer deems proper. The Local Authority may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and, provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Local Authority, purporting to transfer title or any other interest in property of the Local Authority in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

E. Process for Disposal. The Local Authority will obtain a minimum of three Commercial Marketing Analysis of the value and nature of the property proposed for disposition from qualified brokers; and/or an appraisal; and selection of realtor to market property. A committee of three appointed by the President of the Local Authority will act on behalf of Local Authority to negotiate terms of sale. Once parties involved come to an agreement the committee will present the offer to the full Board of the Local Authority and all disposals of property will be contingent on Board of Local Authority's approval.

F. Disposals and contracts for disposal of property may be negotiated if the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significant, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of it would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(i.) the fair market value of the property does not exceed fifteen thousand dollars;

(ii.) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

(iii.) such action is otherwise authorized by law.

G. An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(i.) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;

(ii.) any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses (iii.) and (iv.) of this subparagraph;

(iii.) any real property disposed of by lease if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars;

(iv.) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

H. Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Local Authority making such disposal.

I. Disposal of Property for Less Than Fair Market Value. No asset owned, leased or otherwise in the control of the Local Authority may be sold, leased, or otherwise alienated for less than its fair market value except if:

(i.) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;

(ii.) the purpose of the transfer is within the purpose, mission or governing statue of the Local Authority; or

(iii.) In the event a below fair market value asset transfer is proposed, the following information must be provided to the Local Authority Board and to the public:

(A) a full description of the asset;

(B) an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Board;

(C) a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;

(D) a statement of the value to be received compared to the fair market value;

(E) the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (D) of this paragraph, a statement of the value to the private party; and

(F) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

(iv.) Before approving the disposal of any property for less than fair market value, the Local Authority Board shall consider the information described in paragraph (ii) of this subdivision and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer. The Guidelines are subject

to modification and amendment at the discretion of the Local Authority board and shall be filed annually with all local and state agencies as required under all applicable law. The designated Contracting Officer for the Local Authority is its Chief Executive Officer.

Adopted April 16, 2015

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