

Tioga County Local Development Corporation

Investment Policy

This Investment Policy of the TCLDC shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy. This Investment Policy is intended to comply with the General Municipal Law, the Public Authorities Law, and any other applicable laws of New York State.

Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Corporation shall be the following:

- A. Legal: to conform to all applicable federal, state and other legal requirements;
- B. Safety: to adequately safeguard principal;
- C. Liquidity: to provide sufficient liquidity to meet all operating requirements;
- D. Return: to obtain a market rate of return.

Delegation of Authority

The responsibility for conducting investment transactions involving the Corporation resides with the Finance Committee of the Corporation under the direction and oversight of the Treasurer of the Corporation. Only the Finance Committee and those authorized by resolution or the Corporation's By-laws may invest public funds.

Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation to govern effectively. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

Operative Procedure

The Corporation shall conduct all of its investment activities in a manner that complies with the General Municipal Law and the Public Authorities Law of New York State. The Finance Committee shall submit to the Board of Directors on an annual basis an investment report of the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred over the past year.

Diversification

It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Internal Controls

It is the policy of the Corporation for all moneys collected by any officer or employee of the government to transfer those funds to the Treasurer or President within five [5] days of deposit or receipt, or within the time period specified in law, whichever is shorter. The Finance Committee is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or deposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

Designation of Depositories

The bank or savings and loan association authorized for the deposit of moneys is any bank or savings and loan association doing business within Tioga County.

Collateralizing of Deposits

In accordance with the provisions of General Municipal Law § 10, all deposits of Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" with an aggregate "market value" as provided by GML § 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.

Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a Third Party and/or bank or trust company subject to security and custodial agreements. The security agreement shall provide that eligible securities are being pledged to secure the Corporation's deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its right against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank. The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Permitted Investments

As authorized by General Municipal Law § 11, the Corporation authorizes the Finance Committee to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York
- Obligations issued pursuant to LFL § 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Corporation
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments

All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.

Authorized Financial Institutions and Dealers

All financial institutions with which the Corporation conducts business must be credit worthy.

1. Banks may be asked to provide proof of a minimum three (3) star Bauer rating at the request of the Corporation.
2. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

The Finance Committee is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. In addition, the Audit Committee shall establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. Such listing shall be evaluated at least annually.

Purchase of Investments

The Finance Committee, upon approval of the Board, is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner;
2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board;
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transaction shall be confirmed in writing to the Corporation by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law § 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the

custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Repurchase Agreements

Repurchase agreements are authorized to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.

- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

Reserve Accounts

The Finance Committee shall establish and maintain according to the investment policy the reserve accounts set forth below. The intent of the reserve accounts shall be to utilize the monies allocated solely for the purposes authorized by General Municipal Law Section 854 and for the purposes stated therein. Any deviation shall require a resolution by the Board setting forth the reasons and justifications for the deviation from this reserve policy with such resolution requiring a 2/3 vote of the members of the Board to pass.

A. Infrastructure - This account shall be for upgrading or establishing new infrastructure within the County of Tioga. For purposes of this reserve account, infrastructure shall include utilities, public highways and roads, public sewer and public water systems or districts. Uses shall include, but not be limited to, feasibility studies, engineering reports and matching funds for grants. Uses shall not include the building or construction of any the infrastructures unless matching funds of at least 50% are provided by other sources.

B. Site Development - This account shall be for the development of new commercial sites. Monies in this reserve account may be used for actual site work and preparation, engineering reports and feasibility studies or matching grants.

C. Land Acquisition - This account shall be for the purchase of any privately owned real property to be used for future development. Monies from this account may also be used for any and all expenses incurred in the purchase and sale of real property. Any and all sale proceeds from the real property purchased by monies from this reserve account shall be returned to this reserve account for future land acquisition.

D. General Fund - This account shall be used for the general administrative purposes of the Corporation.

This Investment Policy shall be reviewed and approved annually.

APPENDIX A

Schedule of Eligible Securities

Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, a Corporation thereof or a United States government sponsored corporation.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation, except the TCLDC, which under a specific State statute may be accepted as security for deposit of public moneys.

Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

As well as any other financial investment that may be appropriate and deemed eligible by General Municipal Law.

Adopted 09/03/08 Revised 11/04/09

Tioga County Local Development Corporation

Defense and Indemnification Policy

Each board member of the corporation shall be provided a defense and be indemnified by the corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served as director, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as director; and the corporation shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with , any clam of liability arising out of his or her own willful misconduct or gross negligence.

The amount paid to any director by way of indemnification shall not exceed his or her actual, reasonable, and necessary expenses incurred in connection with the matter involved.

The right of indemnification provided for above shall not be exclusive of any rights to which any director of the corporation may otherwise be entitled by law.

Tioga County Local Development Corporation

Code of Ethics

This Code of Ethics shall apply to all officers and employees of the Tioga County Local Development Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Corporation's directors and employees and to preserve public confidence in the Corporation's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors and employees shall not solicit, directly or indirectly, any gifts or receive or accept any gift having the value of Seventy-five (\$75.00) Dollars, or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could be reasonably inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her in the performance of his or her official duties or was intended as a reward for any official action on his or her part.
4. Directors and employees shall not use or attempt to use their official position with the Corporation to secure unwarranted privileges for themselves, members of their family or others, including employment with the Corporation or contracts for materials or services with the Corporation.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
7. Directors and employees shall manage all matters within the scope of the Corporation's mission independent of any other affiliations or employment. Directors, including ex officio board

members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Corporation without bias and shall support the Corporation's mission to the fullest.

8. Directors and employees shall not use Corporation property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Corporation's mission and goals.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Corporation directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the President of the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, a Corporation director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by any director or employee of the Corporation to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Corporation.

Tioga County Local Development Corporation Use of Discretionary Funds

Provisions: Section 2824(1)(b) of Public Authorities Law requires directors to understand, review and monitor the implementation of fundamental financial and management controls and the operating decisions of the authority.

Objectives: Boards of directors and authority management have an obligation to authorize the expenditure of funds only for purposes that relate to and support the mission of the authority. The fiduciary duty of the board includes adopting policies that safeguard the assets and resources of the authority and protect against the use of funds for purposes that do not advance its core purpose and objectives.

Recommended Practice: The Office of the Attorney General determined that the expenditure of authority funds must relate directly to an enumerated power, duty or purpose of the authority. The funds of an authority may not be spent in support of the private or personal interests or to the benefit of directors, management or staff. This policy addresses not only what constitutes a proper discretionary expenditure related to the mission and public purpose of the authority, but also addresses what would be considered an improper use of those funds.

Proper Use:

- Certain out-of-town business travel and travel-related expenses are appropriate to advance the mission of the authority. A reasonable amount for such expense shall be exercised and employees shall perform due diligence to obtain the lowest cost. Prior approval or authorization by the director will ensure that such travel is reasonable and necessary. Documentation to justify the nature and purpose of travel expenses is required and the employee shall provide receipts for expenses. (Amounts used are typically allowed by federal GSA guidelines for travel expenses including per diems, government lodging rates and amounts for meals and other incidental expenses).
- Certain meal costs also may be incurred through participation in, or sponsorship of, activities integral to meeting the core public purpose of the authority. Similar to appropriate travel expenses, eligible meal costs must be properly documented and reasonable cost thresholds established.

Improper Use:

- Purchases using authority cash or credit that are personal in nature, that would benefit one or more staff of the authority rather than benefit those dependent on the authority's services, or are not necessary to advance the mission of the authority are not allowed. Examples of inappropriate use of authority funds would include, but need not be limited to:
 - Food, beverages, and other refreshments purchased for the personal use of directors, management or other employees or by persons with whom the authority conducts business (unless prior authorization is received);

- Flowers and gifts for staff, directors or family members;
 - Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
 - Celebrations for special occasions that do not directly relate to the purpose of the authority, such as catering or decorations for summer picnics, office parties or holiday or retirement parties;
 - Charitable contributions or sponsorships of events not associated with the authority's mission;
 - Purchases of tobacco products;
 - Membership dues in professional organizations on behalf of employees;
 - Renewal of professional licenses for staff;
 - Personal use of authority vehicles, unless properly documented for tax purposes;
 - Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of authority staff; or
 - Assignment of cell phones or vehicles to non-authority staff.
- Public authorities may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenses such as those listed above do not advance a public purpose and should be considered personal in nature.

MINORITY & WOMEN'S BUSINESS ENTERPRISE POLICY

It is the policy of the Local Development Corporation to take affirmative action to ensure that minority business enterprises (MBEs), i.e., independent business concerns which are at least 51 percent owned and controlled by minority group members (citizens of the United States or permanent resident aliens who are Black, Hispanic, Asian, or American Indian), and women-owned business enterprises (WBEs), i.e., independent business concerns which are at least 51 percent owned and controlled by a women who are citizens of the United States or permanent resident aliens, are given the opportunity to demonstrate their ability to provide the LDC with goods and services at competitive prices.

Company Credit Cards

The Company shall issue a company credit card where the nature of an employee's job requires such use. Company credit cards may only be used for business expenses and may not be used for expenses of a personal nature. Credit cards are issued at the discretion of the President.

The purpose of this Statement of Policy and Procedure is to ensure that company credit cards are used for appropriate purposes and that adequate controls are established for day-to-day use. The Company Credit Cards policy applies to all employees who maintain a credit card for company use.

The President shall maintain rules and regulations and procedures governing the use of the issued cards. Individuals who are issued cards shall annually sign an agreement regarding use of the credit card. In the case of the President, such approvals shall be received through a member of the Executive Committee, or such member as may be designated by the Board of Directors.

The Company reserves the right to withdraw any company issued credit card immediately and without cause.

RESPONSIBILITY

Individuals holding Company Credit Cards are responsible for:

- Using the cards only for their intended purpose
- Retaining receipts and providing explanations for all company credit card transactions
- Obtaining authorization for credit card invoices

The President or her designee is responsible for:

- Limiting the use of company credit cards to those employees who require a card for company business; identifying and requesting any credit or transaction-level limits required for individual cards
- Reviewing and authorizing credit card invoices used by employees on a timely basis to avoid late payment charges; ensuring that all credit card transactions are properly authorized
- Processing payments for credit card invoices on a timely basis to avoid late payment charges

Date: April 3, 2014 TCLDC

Reviewed: 3/3/2015

Tioga County Local Development Corporation

Procurement Policy

SECTION 1: PURPOSE AND AUTHORITY

The purpose of this document is to outline the procurement policy (the “Policy”) of the Tioga County Local Development Corporation (the “Corporation”) applicable to procurement of goods and services paid for by the Corporation for its own use and benefit. The Act requires that goods and services must be procured by the Corporation in such a manner so as to assure the prudent and economic use of public funds, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

SECTION 2: SECURING GOODS AND SERVICES

Each action taken in connection with each procurement must be supported by documentation. When an award is made to other than the lowest responsible offeror, the determination to make the award must be supported by documentation that justifies the award and sets forth the reasons why the award furthers the purposes of this Policy and provisions of section 104-b of the New York General Municipal Law.

SECTION 3: METHOD OF PURCHASE

The following method of Purchase will be used when required by this Policy in order to achieve the highest quality and savings:

<u>Estimated Amount of Purchase</u>	<u>Method Required</u>
Up to \$500	Discretion of the President or Designee employing reasonable methods to secure best pricing available under prevailing circumstances
\$501 - \$4,999	3 verbal quotations employing reasonable methods to secure best pricing available under prevailing circumstances with written documentation of conversation to file

\$5,000 to \$9,999	lowest responsible bidder price based on 3 written/fax quotations in response to a request for proposal unless emergency circumstances dictate otherwise, in which case such circumstances shall be documented in writing
\$10,000 and above	Lowest responsible bidder in response to advertisement for sealed bids pursuant to section 103 of the General Municipal Law, except as otherwise permitted by Article 5-A of the General Municipal Law

Number of Proposals or Quotations

A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

Documentation

Documentation is required for each action taken in connection with each procurement. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible bidder. This documentation will include an explanation of how the award will achieve savings or how the bidder was not acceptable. A determination that the bidder is not acceptable shall be made by the purchaser with the approval of the Audit Committee.

SECTION 4: CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS ARE NOT IN THE BEST INTEREST OF THE CORPORATION

Pursuant to Section 104-b (2) (f) of the General Municipal Law, this policy may contain circumstances when, or types of procurement for which, in the sole discretion of the members of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interest of the Corporation to solicit quotations or document the basis for not accepting the lowest bid.

Professional and Contracted Services

Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgment, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its members, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the

Corporation regarding its liability and the liability of its members are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training and experience is a necessary prerequisite to performance of the services. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; marketing, advertising and/or printing services involving extensive writing, editing, or art work; management of Corporation-owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-package software.

Emergency Purchases

Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits. The President or Designee shall obtain a verbal quote, at a minimum, which shall be documented and shall also include a description of the facts giving rise to the emergency and that it meets the criteria set forth herein. Said documentation may also include the opinions of Counsel regarding the exception from bidding.

Purchases of Secondhand Goods

If alternate proposals are required, the Corporation is precluded from purchasing surplus and second-hand goods at auctions or through specific advertising sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.

Sole Source

Defined as a situation when there is only one possible source item which to procure goods and/or services and it is shown that the item needed has unique a benefit, the cost is reasonable for the product offered and there is not competition available. In this situation, a request for a resolution waiving bidding requirements is required.

Goods or Services Under \$500

The time and documentation required to Purchase through this Policy may be more costly than the item itself and would therefore not be in the best interest of the taxpayer. In addition, it is not likely that such minimal contracts would be awarded based on favoritism.

Buy Local

Reasonable preference will be given to making purchases from Tioga County businesses.

SECTION 5: UNINTENTIONAL FAILURE TO COMPLY

The unintentional failure to comply with the provision of Section 104-b of the General Municipal Law shall not be grounds to void action taken or give rise to a cause of action against the Corporation or any officer thereof.

SECTION 6: POLICY REVIEW

The statute requires that the Policy must be reviewed by the Corporation annually. Any amendments will be approved by the Corporation's Board of Directors.

Tioga County Local Development Corporation

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 Tioga County 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 (as such term is defined below) of Property in compliance with any applicable Law, Rule or Regulation (as such term is defined below). Failure to follow the provisions of this Property Disposition Policy will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Definitions

Contracting Officer shall mean the Executive Director of the Corporation.

Dispose, Disposed or Disposal shall mean the transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Property shall mean (a) personal property in excess of five thousand dollars (\$5,000.00) in value, (b) real property, and (c) 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.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Corporation shall be responsible for the Corporation's compliance with this Property Disposition Policy and will act under the direction of the Board of Directors regarding the supervision and control of all Property Disposed of by the Corporation. In addition, the Contracting Officer shall have the responsibility to insure the Corporation operates in compliance with Title 5-A of the New York Public Authorities Law, including creating and maintaining adequate inventory controls and accountability systems for all property under the control of the Corporation and periodically inventorying such property to recommend which, if any, property should be Disposed by the Corporation.

Disposition of Property

Unless otherwise authorized by this Policy, the Corporation shall Dispose of Property for not less than fair market value ("FMV") by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such terms and conditions as the board deems proper. Provided, however, that 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.

Unless otherwise authorized by this Policy, prior to disposing of Property or entering into a contract for the Disposal of Property, the Corporation shall publicly advertise for bids for such Disposal or contract for Disposal. The advertisement for bids shall be made at such a time prior to the Disposal or contract for Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Such advertisement shall include the date, time and place the bids will be publicly disclosed by the Corporation. The Corporation shall award the contract with reasonable promptness to the most reasonable bidder whose bid, conforming to the invitation for bids, is most advantageous to the Tioga County Local Development Corporation (the "Corporation"), price and other factors considered; provided, however, that the Corporation reserves the right to reject all such bids when it is in the public interest to do so.

The Corporation may Dispose of Property or enter into contracts for the disposal of Property via negotiation or public auction without regard to the two (2) paragraphs immediately above, but subject to obtaining such competition as is feasible under the circumstances, if:

- (i) the personal property involved is of a nature and quantity which, if Disposed under the first two (2) paragraphs of this section, would adversely affect the state of local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negation;
- (ii) the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00)
- (iii) bid prices after advertising therefore are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition;
- (iv) the Disposal is to the State or any political subdivision of the State, and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiations;
- (v) the Disposal is for an amount less than the estimated FMV of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the State or a political subdivision of the State, including but not limited to, the prevention or remediation of a substantial threat to public health or safety, or the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, and the purpose and terms

of the Disposal are documented in writing and approved by resolution of the Board,
or

- (vi) such Disposal or related action is otherwise authorized by law.

The Corporation shall file an explanatory statement with the comptroller, the director of the division of budget, the commissioner of general services and the legislature not less than ninety (90) days before the Corporation Disposes the Property if the Property is personal property in excess of fifteen thousand dollars (\$15,000.00) or real property that has a fair market value in excess of one hundred thousand dollars (\$100,000.00). When the Property is Disposed by lease (or exchange), then the Corporation shall file an explanatory statement when the Property is real property leased for a term of five (5) years or less with an estimated fair annual rent exceeding one hundred thousand dollars (\$100,000.00) in any given year, real property leased for a term greater than five (5) years with an estimated fair annual rent exceeding one hundred thousand dollars (\$100,000.00) for the entire lease term; or 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.

Reporting Requirements

Annual Report

The Corporation shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Corporation. In addition, the Annual Report shall include a list and full description of all Property consisting of real and personal property disposed of during such period covered by the Annual Report. The Annual Report shall include the price received by the Corporation for the Property, in addition to the name of the purchase for all such Property sold by the Corporation during such period covered by the Annual Report.

The Corporation shall file copies of the Annual Report with the Office of the State Comptroller and the Authority Budget Office and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Corporation shall review and approve this Property Disposition Policy annually by resolution of the Board. On or before March 31 of each year, the Corporation shall file with the Comptroller a copy of its Property Disposition Policy, including the name of the Contracting Officer appointed by the Corporation. Upon such filing with the comptroller, the Corporation shall post its Property Disposition Policy on its website.

Contracting Officer

Rebecca Maffei
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Tioga County Local Development Corporation

Whistle-Blower Protection/Code of Conduct Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Tioga County Local Development Corporation (the “Corporation”) will investigate any suspected Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation. The Corporation is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All employees, board members and agents shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment, dismissal from one’s board or agent duties and possible civil or criminal prosecution if warranted.

Employees, board members, consultants and agents are encouraged to report suspected acts of Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation, (i.e. to act as “Whistle-Blower”), pursuant to the procedures set forth below.

Reporting

A person’s concerns about suspected acts of Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation should be reported to the President of the Corporation. If for any reason a person finds it difficult to report his or her concerns to the President, the person may report the concerns directly to any other board member. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to any one of the individuals listed above.

The Governance Committee will then review all claims of Fraudulent or Dishonest Conduct. The Governance Committee will make a recommendation to the full Board with regard to the appropriate action on such claims. Any action taken with regard to the suspected violation will be made by the full Board upon review and discussion of the information gathered by the Governance Committee.

Definitions

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by the Corporation, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct: The act of wrongdoing, misconduct, malfeasance or other inappropriate behavior by an employee, board member or agent of the Corporation, including a

deliberate act of failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- Forgery or alteration of documents;
- Unauthorized alteration or manipulation of computer files;
- Fraudulent financial reporting;
- Pursuit of a benefit or advantage in violation of the Corporation's Conflict of Interest Policy;
- Misappropriation or misuse of the Corporation's resources, such as funds, supplies or other assets;
- Authorizing or receiving compensation for goods not received or services not performed;
- Authorizing or receiving compensation for hours not worked; and
- The violation of any Law, Rule or Regulation.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Public Body: includes the following:

- The United States Congress, any state legislature, or any popularly-elected local governmental body, or any member or employee thereof;
- Any federal, state or local judiciary, or any member or employee thereof, or any grand or petit jury; and
- Any federal, state, or local law enforcement agency, prosecutorial office, or police or peace office.

Retaliatory Personnel Action: The discharge, suspension or demotion of an employee, or other adverse employment action taken against the employee in terms and conditions of employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees.

Whistle-Blower: An employee, consultant or agent who informs the President, any board member or Public Body pursuant to the provisions of this policy about an activity relating to the Corporation which that person believes to be Fraudulent or Dishonest Conduct.

Rights and Responsibilities

Supervisors

The Executive Director is required to report suspected Fraudulent or Dishonest Conduct to the President of the Board.

Reasonable care should be taken in dealing with suspected Fraudulent or Dishonest Conduct to avoid:

- Baseless Allegations;
- Premature notice to persons suspected of Fraudulent or Dishonest Conduct and/or disclosure of suspected Fraudulent or Dishonest Conduct to others not involved with the investigation; and
- Violations of a person's rights under law.

Due to the important yet sensitive nature of the suspected Fraudulent or Dishonest Conduct, effective professional follow-up is critical. The President, while appropriately concerned about properly examining such issues, should not in any circumstances perform any investigative or other follow up steps on his own. Accordingly, when the President becomes aware of suspected Fraudulent or Dishonest Conduct he:

- Should contact the full Board of Directors and inform all of the suspected Fraudulent or Dishonest Conduct and inform the Board that the Governance Committee will be gathering information related to the claim;
- Should not contact the person suspected of Fraudulent or Dishonest Conduct to further investigate the matter or demand restitution;
- Should not discuss the case with attorneys other than counsel to the Corporation, the media or anyone other than the members of the Board; and
- Should not report the case to an authorized law enforcement officer without first discussing the case with the members of the Board.

Investigation

All relevant matters, including suspected but unproved allegations of Fraudulent or Dishonest Conduct, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint by the Governance Committee. Upon full Board review of the Committee report, appropriate corrective action will be taken, if necessary, and findings will be communicated back to the reporting person, if appropriate. Investigations may warrant investigation by an independent person such as auditors and/or attorneys if so determined by the full Board of Directors.

Whistle-Blower Protection

The Corporation will protect a Whistle-Blower pursuant to the guidelines set forth below.

- The Corporation will use its best efforts to protect a Whistle-Blower against all Retaliatory Personnel Actions. Whistle-Blowing complaints will be handled with sensitivity and discretion to the extent allowed by the circumstances and law. Generally, this means that Whistle-Blower complaints will only be shared with those who have a need to know including, if appropriate, law enforcement personnel, so that the Corporation can conduct an effective investigation and determine what action is required based on the results of any such investigation. (Should disciplinary or legal action be taken against a person or

persons as a result of a Whistle-Blower complaint, such persons may also have the right to know the identity of the Whistle-Blower.);

- Employees, board members, consultants and agents of the Corporation may not engage in any Retaliatory Personnel Action against a Whistle-Blower for (i) disclosing or threatening to disclose to the President or a board member, as applicable, any activity which that person believes to be Fraudulent or Dishonest Conduct, or (ii) objecting to or refusing to participate in any Fraudulent or Dishonest Conduct. A Whistle-Blower who believes that he has been the victim of a Retaliatory Personnel Action may file a written complaint with the President or any board member, as applicable. Any complaint of a Retaliatory Personnel Action will be promptly investigated by the Governance Committee and appropriate corrective measures, as determined by the full Board of Directors, will be taken if such allegations are substantiated. This protection from Retaliatory Personnel Action is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors;
- Employees, board members, consultants and agents of the Corporation may not engage in any Retaliatory Personnel Action against a Whistle-Blower for (i) disclosing, or threatening to disclose to a Public Body any activity which that person believes to be Fraudulent or Dishonest Conduct, or (ii) providing information to, or testifying before, any Public Body conducting an investigation, hearing or inquiry into any such Fraudulent or Dishonest Conduct. Provided, however, that a Whistle-Blower who discloses or threatens to disclose any Fraudulent or Dishonest Conduct to a Public Body is not covered under this policy unless he first brings the allegation of Fraudulent or Dishonest Conduct to the attention of the President or any board member, as applicable, and has afforded the Corporation a reasonable opportunity to correct or remedy such Fraudulent or Dishonest Conduct; and
- A Whistle-Blower must be cautious to avoid Baseless Allegations.

