

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY (IDA)
MINUTES OF MEETING
December 9, 2013

Present

Board Members: Joshua Smith, Chairman
Richard Bedrosian, Mike Curry, John Penney,
Excused: Jerry Maldonado, Nancy Thomas
Counsel: Thomas Whyatt
Staff: Theresa Waivada, Executive Director
Craig Skelly, CFO

1. **Roll Call:** Mr. Smith called the meeting to order at 7:14 pm. A quorum was present.
2. **Proof of Notice of December 9, 2013 Meeting**
3. **Approval of the October 21st Minutes**

Mr. Curry: Motion to approve the October 21st minutes
Mr. Bedrosian: Motion seconded.
Discussion: No discussion.
VOTE: Unanimously passed.

4. **Request for Communications:** NYS Department of Environmental Conservation advised the Agency that a revision to the work plan as requested by the project engineer was approved. A letter was received advising the merger of Sprint-Nextel (cell tower leases).

5. **Request for Bills; Treasurer's Report:** Mr. Curry advised that work on the 2013 audit has begun. BST has received the general ledger through November.

Mr. Curry presented the December 9th Treasurer's report with an opening balance of \$713,666.69; drafts of \$6,030.51, deposits amounting to \$16,650.07; with an ending balance of \$724,286.25.

Applicant Funds opening balance as of December 9th is \$30,002.38; \$2.55 Foundry escrow; \$2.46 interest; with an ending balance of \$30,007.39.

Mr. Penny: Motion to pay checks numbered 2120, 2121, (2122 VOID), and 2123-2127 as presented and the Treasurer's Report as of December 9th.
Mr. Smith: Motion seconded.
VOTE: Unanimously approved.

6. **Report from the Chair:**

The Chairman reported on a meeting he attended with SUNY Orange late this afternoon. SUNY would like to be of assistance to the IDA. The Chairman also attended a Pace University-Pace Law School 12th Annual Land Use and Sustainable Development Conference, and that the City of Newburgh activities were mentioned several times among various discussions.

7. Report from the Executive Director: Hudson Valley Lighting's request for Consolidated Funding Assistance was not approved. In addition, funding of the City's request for site improvement was not fully funded. Councilman Dillard forwarded the IDA's report on the Gemma project to the Attorney General for review as questions on the second mortgage remain unanswered. The Agency met with the City Manager to determine interest in creating a parking lot on IDA-owned property on West Street. It was felt that illegal use and dumping on the property would be offset by the creation of a city parking lot. Mr. Whyatt will follow-up. This is an opportunity for the city to also provide free night-time parking for local residents.

Mr. Curry: Motion was made to approve Thomas Whyatt's proceeding on preparing a lease with the city for the parking proposal.

Mr. Penney: Seconded the motion.

Discussion: Could become a model for the city for future opportunities

VOTE: Unanimously approved.

The executive director also reported on meeting with the City to resolve the property tax status of the Cell Tower and Crowne Castle's request for an extension. The Agency will discuss a possible annual fee from Crowne to the City. Once that is accomplished, she will meet with Council members on a one-to-one basis to explain the history of the property, including the city's in-rem taking.

The Executive Director asked the Board to consider holding fewer meetings in 2014. The Board agreed to establish a calendar with set and tentative meeting dates. All agreed this was a good idea.

Resolution No. 2013-12-9-2 – Reaffirmation of Policies for 2014 in compliance with NYS Authorities Budget Office and transparency requirements

Mr. Penney: Motion to pass Resolution 2013-12-9-2

Mr. Bedrosian: Motion seconded.

Discussion: None

VOTE: Unanimously passed by roll call.

Resolution No. 2013-12-9-1 – Authorizing Release of Reverter Interests Affecting Two Parcels of Land—158 Broadway and 160 Broadway.

Mr. Curry: Motion to pass Resolution 2013-12-9-1

Mr. Penney: Motion seconded.

Discussion: None

VOTE: Unanimously approved.

9. Report from Counsel: After discussion took place concerning the Sprint takeover of Nextel and potential ending of lease, equipment on site, and potential future use of the site, the recommendation from Counsel at this time is to wait for future developments.

10. Old Business: No old business to discuss.

11. New Business:

Election of Officers: Mr. Penney, as chair of the Nominating Committee, opened the floor to any suggestions of names for officers. No names were forthcoming.

Mr. Curry: A motion was made to accept the slate of officers as stated by Mr. Penney

The Officers nominated for the Year 2014 are:

Chairman	Joshua L. Smith
Vice Chairman:	Richard Bedrosian
Secretary	John Penney
Treasurer	Michael Curry

Mr. Bedrosian:	Seconded the motion.
Discussion:	None.
VOTE:	Unanimously approved.

The meeting was adjourned at 8:20 p.m.

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY**

RESOLUTION NO. 2013-12-9-1

**AUTHORIZING RELEASE OF REVERTER INTERESTS
AFFECTING TWO PARCELS OF LAND**

WHEREAS:

The City of Newburgh Industrial Development Agency (AIDA), by deed dated February 25, 2003 and recorded May 2, 2003 in the office of the Orange County Clerk, conveyed one lot in the City of Newburgh, known as Section 30, Block 2, Lot 28, also known as 160 Broadway, to 117 Liberty Street, LLC d/b/a Polonia Development and Preservation Services Co. (Polonia);

This lot is currently in title to 129 Meseroli Street, LLC, by deed dated February 22, 2005 and recorded March 17, 2005 in the office of the Orange County Clerk;

The City of Newburgh Industrial Development Agency (IDA), by deed dated June 27, 2003 and recorded July 14, 2003 in the office of the Orange County Clerk, conveyed one lot in the City of Newburgh, known as Section 30, Block 2, Lot 27, also known as 158 Broadway, to 117 Liberty Street, LLC d/b/a Polonia Development and Preservation Services Co. (Polonia);

This lot is currently in title to 158 Broadway Newburgh, LLC, by deed dated June 5, 2007 and recorded July 23, 2007 in the office of the Orange County Clerk;

The two lots are subject to covenants contained in paragraphs numbered (1) through (4) (the ACovenants) in the deeds by which the IDA conveyed the lots; the covenants require, inter alia, that the property be brought into Acomplete compliance with all State, County and City building, housing, plumbing, electrical, fire prevention, life safety and health statutes, codes, rules and regulations within nine (9) months after the date of conveyance; that upon being found to be in compliance as so stated, Aa Certificate of Occupancy shall be issued@; that Polonia shall not convey or lease the property Aprior to issuance of a Certificate of Occupancy@ except that, in the event that an inspection after the conclusion of the nine-month period discloses that the lot has not been brought into compliance and issued a Certificate of Occupancy, the IDA may give notice to Polonia or its successors, and Polonia or its successors will thereupon Areconvey good and marketable title to the lot to the IDA.

129 Meseroli Street, LLC and 158 Broadway Newburgh LLC have now asked the IDA to waive and release the Covenants so as to permit conveyance of the lots to a third party free of the Covenants.

The Agency has reviewed the deeds in question and the facts and circumstances thereof and has received advice of counsel that the Covenants may be released for each property upon submission to the Agency, in a form acceptable to counsel, that: (a) the property has been brought into Acomplete compliance with all State, County and City building, housing, plumbing, electrical, fire prevention, life safety and health statutes, codes, rules and regulations; and (b) a Certificate of Occupancy has been issued.

NOW THEREFORE BE IT RESOLVED:


1. The Agency hereby grants to 129 Meseroli Street, LLC and 158 Broadway Newburgh LLC an extension of the nine-month compliance period set forth in the Covenants, and extends the compliance period through January 31, 2014;
2. Release of a reversionary right predicated solely on the applicant's compliance with the local municipal building code is routine agency administration of a ministerial nature, which is a Type II Action under SEQRA and is not subject to further SEQRA review.
3. Release of the Covenants will further the purposes of the Agency by permitting the transfer of the lots for future development along Broadway, consistent with the City of Newburgh's zoning and development goals and with the IDA's efforts to foster industrial development and employment in the City.
4. Upon payment by 129 Meseroli Street, LLC and 158 Broadway Newburgh LLC to the IDA's counsel all fees for his services in reviewing, advising and preparing the requisite documents for the Agency, including a Release of the Covenants by the IDA and General Release and Indemnification of the IDA by 129 Meseroli Street, LLC and 158 Broadway Newburgh LLC, and submission to the Agency, in a form acceptable to counsel, that: (a) the lot being released has been brought into complete compliance with all State, County and City building, housing, plumbing, electrical, fire prevention, life safety and health statutes, codes, rules and regulations; and (b) a Certificate of Occupancy has been issued for the lot being released and all the improvements thereon, the IDA hereby authorizes and directs its Chairman or Vice-Chairman, in consultation with counsel, to execute and deliver to 129 Meseroli Street, LLC and 158 Broadway Newburgh LLC a Release of Covenants for each parcel, substantially in the form attached, in recordable form, and such other documents as are required to accomplish the purposes set forth herein.

The foregoing resolution Number 2013-12-9-1 was duly put to vote, which resulted as follows:

Motion was made by: Michael Curry

Seconded by: Jack Penney

The resolution was there upon unanimously



John F. Penney, Recording Secretary

December 9, 2013

The City of Newburgh
Industrial Development Agency

RESOLUTION NO.: 2013-12-9-2

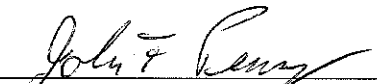
Be it resolved, that the Board of Directors of the City of Newburgh Industrial Development Agency, in compliance with transparency requirements of the New York State Authorities Budget Office, does hereby reaffirm the following Policies:

1. Upon review and recommendation of the Audit Committee, the Board adopts revision of the Agency's Investment Policy and Internal Control Policy, the revisions replace "Assistant Treasurer" with the position of "Secretary."
2. Upon review and recommendation of the Governance Committee the Board adopts the Agency's Procurement as Policy, Property Disposition Policy, Code of Ethics, Whistle Blower Policy, Use of Discretionary Funds Policy, Strategic Financial Assistance Policy;
3. Affirms and readopts the Agency's Code of Conduct for Agency Employees and Duties and Responsibilities of Board Members.

The foregoing resolution was duly put to vote, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Joshua Smith	✓			
Richard Bedrosian	✓			
Michael Curry	✓			
Jerry Maldonado			x	
Sean O'Shea (Resigned)				
John Penney	✓			
Nancy Thomas			x	

The resolution was thereupon duly adopted.



John F. Penney, Recording Secretary
December 9, 2013

City of Newburgh Industrial Development Agency (NIDA)

INTERNAL CONTROL POLICY

I. GENERAL

- The board of directors is responsible for authorizing all bank accounts and check signing activity.
- Financial institutions where NIDA accounts are maintained are notified on an annual basis of any changes in check signatories, following the transition of officers or changes in staff with check signing responsibilities.
- Quarterly budget reports shall be presented to the board of directors for review on a monthly basis.
- An annual financial as required by laws governing industrial development agencies will be undertaken by a qualified outside auditor.
- If the Agency receives grants, applicable financial and administrative guidelines relating to specific grant funding shall be followed.
- The Treasurer must provide a Treasurer's report at each monthly board meeting outlining the cash receipts, disbursements and balances of all NIDA bank accounts.

II. CASH RECEIPTS

- It is not the policy of the Agency to authorize any receipt of cash.
- If cash is received, the cash must be deposited immediately with 24 to 48 hours upon receipt by an authorized person.
- Records of cash received must be totaled and initialized by authorized employees.
- Incoming checks must be restrictively endorsed, "for deposit only" with the organization's account number, scanned, filed and then deposited.
- Bank deposit receipts must be compared to the original bank deposit slips and scanned for distribution to the Treasurer and the Chief Financial Officer.
- Adequate physical controls must be maintained over receipts from the time of receipt to deposit in the bank.

III. CASH DISBURSEMENTS

A. Voucher and Authorization

- The Director must review and approve all vouchers for all disbursements and then be forwarded to the comptroller for preparation to the Treasurer and Agency.
- Supporting documentation (voucher with original signature and invoice with copy of contract) must accompany checks when presented for signature.

2014 Internal Control Policy

B. Checks

- All disbursements must be made by check.
- Only pre-numbered checks shall be used and always in sequence.
- Signing of blank checks is strictly prohibited. Checks must be made payable to specific Payees based upon appropriate documentation; and never to "cash" or "bearer".
- Prior to preparing checks, payment vouchers should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Signature stamps may never be used to sign checks.
- Two signatures are required for all checks, including any of two of the following signatures: Treasurer, Secretary, Board Members and Executive Director of the Agency. In months in which no meeting is held, payment of less than \$2,500 of dated due date bills, office supplies and staff vendor invoices may be executed with the signatures of two of the following: Treasurer, Secretary, Board Member and Executive Director. Any disbursements made will be reported to the Board Members in the following monthly Treasurer's Report.
- Access to blank checks must be limited to the Treasurer, Secretary, Chief Financial Officer or Executive Director or to such persons authorized by the Board of Directors to prepare checks. Blank check stock must be locked in a secure place when not in use.
- Any voided/spoiled checks must be marked "Void", shredded with the signature portion Removed and retained in a secure place.

C. Bank Reconciliations

- Bank accounts must be reconciled by the Chief Financial Officer or person responsible on a monthly basis and reviewed by the Treasurer
- The Director or the secretary to the Director must receive the bank statements, including canceled checks if provided. The statements are then placed in a file for the Chief Financial Officer. All check numbers must be accounted for.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped and an entry made restoring such items to cash if appropriate

IV. CREDIT CARDS

- The issuance of credit cards for staff or board members is not permitted.

2014 Internal Control Policy

V. REIMBURSABLE PURCHASES, TRAVEL AND EXPENSES

- Purchase of office supplies by staff is permitted in amounts of less than \$100. Reimbursements are approved by the Executive Director or Treasurer.
- The Board must approve registration and travel expenses for conferences and workshops prior to attendance of staff or Agency Members.
- Mileage for travel is estimated from 83 Broadway to the location of the workshop, conference or meeting.
- Employees and Board Members must submit a detailed expense record within 30 days of expenses, with supporting documentation, in order to be reimbursed for expenses; and initialed for approval by the Executive Director or Treasurer prior to payment.

Hotel Stays and Allowable travel expenses are:

- Mileage as determined by IRS mileage allowances.
- When booking a hotel, a governmental rate must be requested and a ST 129 must be presented to vendor for sales and use tax abatement. (See NYS Office of the Comptroller guidelines on travel)
- Conference fees including room and board are permitted.
- When conference fees do not include meals, the permitted reimbursements for meals excluding alcoholic beverages:

- Breakfast: \$12.
- Lunch: \$16.
- Dinner: \$32.

VI. Rent and Annual Receivables

- The Chief Financial Officer will establish and maintain a receivable record of annual and monthly payments due the agency arising from lease agreements, PILOTS, rents, and fees etc.

Adopted: February 19, 2013

Reviewed and Readopted: December 9, 2013

Note: Additional controls on the use of Agency funds are contained in Policies Governing the Use of Authority Discretionary Funds

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY
("Agency")

INVESTMENT POLICY

I. Scope

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

II. Objectives

The primary objectives of the local government's investment activities are, in priority order,

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

III. Delegation of Authority

The governing board's responsibility for administration of the investment program is delegated to the Treasurer or Secretary and CFO who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

IV. 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 Newburgh Industrial Development Agency 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.

All participants involved in the process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. Diversification

It is the policy of the Newburgh Industrial Development Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. Beginning in 2012, the Agency will issue a RFQ to Depositories every two years to obtain

quotes for fees and interest rates to secure the best terms for the Agency's deposits and investments.

VI. Internal Controls

It is the policy of the Agency for all moneys collected by any officer or employee of the Agency to deposit those funds to the (chief fiscal officer) as soon as possible but no later than within 30 days of receipt.

The Treasurer or Secretary, and Chief Financial Officer (CFO) 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 disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. Designation of Depositories

The banks and trust companies authorized for the deposit of monies up to the following maximum amounts are:

<u>Depository Name</u>	<u>Maximum Amount</u>
<u>Keybank</u>	<u>Unlimited subject to adequate collateral</u>
<u>Bank of America</u>	<u>\$250,000</u>
<u>Hudson Valley Federal Credit Union</u>	<u>\$250,000</u>

VIII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, Sec. 10, all deposits of NIDA, including certificates of deposit and special time deposits, in excess of the amount of \$250,000 insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value", or provide by General Municipal Law, Sec. 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business

in New York State, whose claims paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

IX. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by (the depository and/or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government 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 local government to exercise its rights against the pledged securities.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, 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 local government a perfected interest in the securities.

X. Permitted Investments

As authorized by General Municipal Law, Sec. 11, the Newburgh Industrial Development Agency authorizes the Treasurer or Secretary and CFO 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 Sec. 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Newburgh Industrial Development Agency;
- 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.
- Certificates of Participation (COPs) issued pursuant to GML, Sec. 109-b;
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML, Sec. 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m or 6-n.

All investment obligations shall be payable or redeemable at the option of the Newburgh Industrial Development Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Newburgh Industrial Development Agency within two years of the date of purchase.

XI. Authorized Financial Institutions and Dealers

The Newburgh Industrial Development Agency shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Newburgh Industrial Development Agency. 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 Treasurer or Secretary, and Chief Financial Officer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. Purchase of Investments

The Treasurer or Secretary, and Chief Financial Officer 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 tracking partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of NIDA, 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 transactions shall be confirmed in writing to the Newburgh Industrial Development Agency 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, Sec. 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, 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 local government a perfected interest in the securities.

XIII. Repurchase Agreements

Repurchase agreements are authorized subject 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 of agencies of the United States of America where principal and interest are guaranteed by the United States of America.
- No substitutions of securities will be allowed.
- The custodian shall be a party other than the trading partner.

Approved and adopted this 27th day of September, 2010.

Re-adopted February 19, 2013.

For 2014: Reviewed and Re-adopted December 9, 2013

APPENDIX A

Schedule of Eligible Securities

- _____ (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- _____ (ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.
- _____ (iii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the obligation that represents the amount of the insurance or guaranty.
- _____ (iv) Obligation 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 which under a specific State statute may be accepted as security for deposit of public moneys.
- _____ (v) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- _____ (vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- _____ (vii) 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.
- _____ (viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- _____ (ix) 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.
- _____ (x) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- _____ (xi) Zero coupon obligations of the United States government marketed as "Treasury strips".

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY
("Agency")

UNIFORM TAX EXEMPTION POLICY

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the City of Newburgh Industrial Development Agency may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds or by participation in straight lease transactions. The Agency has adopted this Uniform Tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

A. Real Property Taxes.

1. The Agency does not enter into Payment-in-Lieu-of-Tax ("PILOT") Agreements.
2. The project applicant must negotiate with each affected tax jurisdiction (which includes each municipality, and school district in which the project is located which will fail to receive real property tax payments because of the Agency's involvement in the project regarding:
 - a) the assessment of the property;
 - b) the rights to protest the assessment;
 - c) the percentage and term of abatement (provided, however, that the term of any PILOT Agreement may in no event extend beyond the time the Agency has possession, ownership or control of the property;
 - d) the procedures regarding billing for and non-payment of taxes; and
 - e) all other terms relating to such payments-in-lieu-of-taxes.
3. An executed PILOT Agreement between the project applicant and each affected tax jurisdiction must be provided to the Agency before the issuance of any bonds or, in the case of straight lease transactions, before the Agency takes title, possession or control of the property.
4. After the Agency adopts the Inducement Resolution for a project, the Agency will provide the project applicant with a model PILOT Agreement to be used as a basis for negotiation with affected tax jurisdictions.

B. Sales and Use Tax Exemptions.

1. The Agency's policy is to permit project applicants, as agents of the Agency, to claim exemption from sales and use taxes to the full extent permitted by New York State Law.
2. All project applicants must agree in writing to timely file with the New York State Department of Taxation an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility in full

compliance with Section 874(8) of the New York General Municipal Law, in the form and at the times required thereby.

C. Mortgage Recording Tax Exemptions.

1. The Agency's policy is to permit mortgage recording tax exemptions on all project-related financings to the full extent permitted by New York State Law.
2. The Agency may, in its sole discretion, permit mortgage recording tax exemption on non-profit related financings. In determining whether to permit such exemptions on non-profit related financings, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of employment, and the economic condition of the area in which the facility is located.

D. Deviations.

In addition to, or in lieu of the foregoing, the Agency may determine, on a case-by-case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviation from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdiction. The Agency considers the following factors in making such determination, no single one of which is determinative:

1. The nature of the proposed project (e.g., manufacturing, commercial, civic);
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings);
3. The economic condition of the area at the time of the application;
4. The extent to which a project will create or retain permanent, private sector jobs;
5. The estimated value of tax exemptions to be provided;
6. The impact of the project and the proposed tax exemptions on affected tax jurisdictions;
7. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity;
8. The amount of private sector investment generated or likely to be generated by the proposed project;
9. The likelihood of accomplishing the proposed project in a timely fashion;
10. The effect of the proposed project upon the environment;
11. The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services;
12. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located;
13. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located;
14. (Civic Facility Projects Only) The extent to which the proposed project encourages charitable entities to locate within the municipality in which the project is located.

6. Failure to provide any other information concerning the project or the project application or any project operator requested by the Agency.

Upon the occurrence of any of the events listed in this Paragraph F, the Agency will, upon at least 10 calendar days written notice to the project applicant hold a hearing at which the project applicant will have the opportunity to provide, or explain its failure to provide, the information requested by the Agency. Within 30 calendar days after the hearing, the Agency will issue a determination whether and to what extent it will require recapture of the value of tax exemptions granted with respect to the project by virtue of the Agency's involvement.

G. This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after December 31, 1993 and all refinancings of any project induced or closed before December 31, 1993.

Reviewed and Readopted for 2014 on December 9, 2013

*"municipality" is defined in the General Municipal Law as including Orange County and the affected city, village or town in which the prospective project is to be located.

E. Recapture of Benefits.

The Agency, in its sole discretion and on a case-by-case basis, may determine with respect to a particular project to require the project applicant to agree to the recapture by the Agency of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include, but shall not be limited to, the following:

1. Sale or closure of facility;
2. Significant change in use of facility;
3. Significant employment reduction;
4. Significant change in business activities of project applicant or operator; or
5. Material non-compliance with or breach of terms of Agency transaction documents.

If the Agency determines to provide for recapture with respect to a particular project, the Agency also shall, in its sole discretion and on a case-by-case basis, determine the timing and the percentage of recapture.

F. Additional Recapture Provisions.

In addition to the provisions for recapture set forth in Paragraph E, the Agency may, in its sole discretion and on a case-by-case basis, require recapture of benefits with respect to any project or project applicant for:

1. Failure to respond to Agency inquiries concerning payments of principal and interest;
2. Failure to respond to Agency inquiries concerning insurance coverage or failure to provide insurance certificates when and as required by the Agency transaction documents;
3. Failure to respond to Agency inquiries regarding payment of monies in lieu of taxes, insurance premiums;
4. Failure to respond to Agency inquiries or to provide facts requested by the Agency in connection with any proceedings or determinations, pursuant to Paragraphs D or E of this Policy;
5. Failure to respond to Agency inquiries or failure to provide the Agency with any information or documents requested by the Agency in order to provide any federal, state or local agency with information or reports required under any applicable law, rule or regulation;

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

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 Newburgh Industrial Development Agency (the "Agency") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Agency 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

Board shall mean the members of the Agency.

Budget Director shall mean the Director of the Division of Budget of the State.

Commissioner shall mean the Commissioner of General Services of the State.

Comptroller shall mean the State Comptroller.

Contracting Officer shall mean the Executive Director/Chief Executive Officer.

Dispose, Disposal 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.

Legislature shall mean the State Legislature.

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. Notwithstanding the foregoing, Property shall include only such property in which the Agency shall have a beneficial interest, and only to the extent of such beneficial interest; and Property shall not include property in which the Agency holds legal title solely for the purpose of extending financial assistance to the beneficiary of a Project under the New York State Industrial Development Agency Act (General Municipal §§ 850 et seq.), as amended (the "Act"), and which the Agency is required to convey or reconvey to such beneficiary upon the termination of such Project under the terms and conditions of the Project agreements between the Agency and the beneficiary.

State shall mean the State of New York.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Agency shall be responsible for the Agency's compliance with this Property Disposition Policy and the supervision and control of all Property Disposed of by the Agency. In addition, the Contracting Officer shall have the responsibility to insure the Agency 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 Agency and periodically inventorying such property to determine which, if any, property should be Disposed by the Agency. The Contracting Officer shall recommend to the Board any Property he or she deems suitable for Disposal.

Disposition of Property

Unless otherwise authorized by this Policy, the Agency 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 Contracting Officer 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 Agency 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 Agency. The Agency shall award the contract with reasonable promptness to the most responsible bidder whose bid, conforming to the invitation for bids, is most advantageous to New York State (the "State"), price and other factors considered; provided, however, that Agency reserves the right to reject all such bids when it is in the public interest to do so.

The Agency 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 the personal property involved is of a nature and quantity which, if Disposed of under the first two (2) paragraphs of this section, would adversely affect the state or local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negotiation;

- (i) the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00);
- (ii) 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;

(iii) the Disposal is to the State or any political subdivision of the State, or to a public benefit corporation of the State (including, without limitation, an Industrial Development Agency created pursuant to the Act), and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiation;

(iv) 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, 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

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

The Agency shall file an explanatory statement with the Comptroller, the Budget Director, the Commissioner and the Legislature not less than ninety (90) days before the Agency Disposes the Property if the Property is personal property in excess of \$15,000, or real property that has a fair market value in excess of \$100,000. When the Property is Disposed by lease (or exchange), then the Agency 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 (\$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 (\$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 Agency shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Agency. 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 Agency for the Property, in addition to the name of the purchaser for all such Property sold by the Agency during such period covered by the Annual Report.

The Agency shall deliver copies of the Annual Report with the Comptroller, the Budget Director, the Commissioner and the Legislature, and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Agency shall review and approve this Property Disposition Policy annually by resolution of the Board at its annual meeting. On or before March 31 of each year, the Agency shall file with the Comptroller a copy of its then-current Property Disposition Policy, including the name of the

Contracting Officer appointed by the Agency. Upon such filing with the Comptroller, the Agency shall post its Property Disposition Policy on its website.

Approved and adopted this 27th day of September, 2010.

Re-Adopted February 19, 2013.

Reviewed and Re-adopted December 9, 2013.

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY
PROCUREMENT POLICY

A. Preamble

1. Scope — In accordance with Section 2824 of the Public Authorities Law and Sections 858-a and 104-b of the General Municipal Law (the "GML"), the City of Newburgh Industrial Development Agency (the "Agency") is required to adopt procurement policies which will apply to the procurement of goods and services paid for by the Agency for its own use and account. Purchases made for the benefit of a third party and for which payment is to be made from funds provided by such third party (or by another third party) shall not be subject to the requirements of this Procurement Policy.

While the Agency is not obligated pursuant to the GML to require competitive bidding on its contracts, the Agency finds that its policy is advanced by requiring public bidding under certain circumstances.

2. Purpose — Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of the City of Newburgh (the "City"), 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.

B. Procurement Policy

1. Determination Required — Prior to commencing any procurement of goods and services, the Chairman or the EXECUTIVE Director or an authorized designee shall prepare a written statement setting forth the basis for (1) any determination made that competitive bidding is not required for such procurement, and if applicable (2) any determination made that such procurement is not subject to any requirements set forth in this policy. Such written statements shall be maintained by the EXECUTIVE Director or an authorized designee in a specially designated procurement file.

2. Procedure for determining whether Procurements are subject to Competitive Bidding -- The procedure for determining whether a procurement of goods and services is subject to competitive bidding shall be as follows:

a. The Chairman or the Executive Director or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on Section 103 of the GML, which requires competitive bidding for expenditures by a political subdivision of (1) more than \$20,000 for the performance of any public works contract (services, labor or

construction), and (2) more than \$10,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment).

b. The Chairman or the Executive Director or such authorized designee shall review the purchase request against prior years' expenditures and a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate purchases of a similar nature will exceed the above. If so, competitive bidding procedures shall be followed for said expenditure.

c. The Chairman or the Executive Director or such authorized designee shall present any legal issues regarding the applicability of the competitive bidding requirements stated herein to the Agency's Counsel.

3. Procedures to be used where Competitive Bidding is Required — Where the Chairman or the Executive Director or such authorized designee shall have determined that Competitive Bidding is required pursuant to paragraph 2 above, then the procedures set forth in Section 103 of the GML shall be followed in respect of such procurement.

4. Methods of Competition to be used for Non-Bid Procurements and Procurements Exempt by Statute — Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes of this Section except for items excepted herein (see 7 below) or procurements made pursuant to:

- a. GML, Section 103 (3) (through City contracts), or
 - b. GML, Section 104 (through state contracts), or
 - c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or
 - d. Correction Law, Section 186 (articles manufactured in correctional institutions).
5. Procedures for the Purchase of Commodities, Equipment or Goods under \$10,000.

- a. Up to \$500 The discretion of the Chairman or the Executive Director or authorized designee.
- b. \$501 - \$3,000 Documented verbal quotations from at least three vendors.
- c. \$3,001 - \$10,000 Written/fax quotations from at least three vendors.

6. Procedures for the Purchase of Public Works or Services under \$20,000.

- a. Up to \$1,000 The discretion of the Chairman or the Executive Director or authorized designee.
 - b. \$1,001 - \$5,000 Documented verbal quotations from at least three vendors.
 - c. \$5,001 - \$20,000 Written/fax quotations from at least three vendors.
7. Basis for the Award of Contracts -- Contracts will be awarded to the lowest responsible vendor who meets the specifications.
8. Circumstances justifying an Award to other than the Lowest Cost quoted.
- a. Delivery requirements
 - b. Quality requirements
 - c. Past vendor performance
 - d. The unavailability of three or more vendors who are able to quote on a procurement.
 - e. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.
9. Documentation
- a. For each purchase made the Chairman or the Executive Director or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
 - b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the Chairman or the Executive Director or such authorized designee, and filed with the purchase order or contract therefore.
 - c. For those items not subject to competitive bidding such as professional services, emergencies, purchased under City contracts or procurements from sole sources, documentation should include a memo to the files which details why the procurement is not subject to competitive bidding and includes, as applicable:
 - (1) a description of the facts giving rise to the emergency and that they meet the statutory criteria, or
 - (2) a description of the professional services; or
 - (3) written verification of City contracts; or
 - (4) opinions of Counsel, if any; or
 - (5) a description of sole source items and how such determinations were made.

- d. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained in the procurement file.
 - e. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.
10. Exceptions to Bidding and Alternative Methods of Competition
- a. Emergency Situation — An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality or of the citizens. With approval by the Chairman or the Executive Director such emergency shall not be subject to competitive bidding or the alternative procedures stated above.
 - b. Resolution Waiving Bidding Requirements — The Agency may adopt a resolution waiving the competitive bidding requirements whenever it is determined to be impracticable.
 - c. Sole Source — Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waiving bidding requirements, as described above, is required.
 - d. True Lease — Prices will be obtained through quotations whenever possible. The award shall be made on the basis of goods and/or services to be provided, ability to meet the specifications desired and price.
 - e. Insurance — All insurance policies shall be procured in accordance with the following procedures:
 - (1) Premium less than \$10,000 — documented telephone quotations from at least three agents (if available).
 - (2) Premium over \$10,001 — written quotations/fax or proposals from at least three agents (if available)
 - f. Professional and Creative Services — This category includes services which require special education and/or training, license to practice or are creative in nature. It is the intent of the Agency that this category be co-extensive with the category of services which are exempt from the requirements of competitive bidding under Section 103 of the GML. Examples of professional and creative services are: (i) legal counseling and representation (including general and bond counsel); (ii) medical services; (iii) engineering and architectural services; (iv) lobbying, legislative and intergovernmental relations advice and representation; (v) public relations services; (vi) marketing and promotional services

(including real estate brokerage). Professional services agreements are not required to be awarded to the lowest responsible bidder, but rather the Agency may base its determination upon a review of such information as the Agency shall deem appropriate. All contracts for professional services shall be awarded by resolution of the Agency based upon a consideration of cost, experience, expertise, reputation, location and suitability for the needs of the Agency, in accordance with the following procedures:

(1) For any procurement specified in this subsection f, the Chairman or the Executive Director shall solicit quotations, statements or other information regarding their experience, qualifications, and capability to perform the proposed services from no fewer than three firms or persons customarily performing such services. If the procurement is expected to cost \$20,000 or more, such quotations, statements or information shall be in writing, and if more than \$75,000, a request for qualifications or a request for proposals shall be issued and qualification statements or proposals shall be received. The Chairman or the Executive Director shall recommend in writing to the members of the Agency approval of a contract with the person or firm whose quotation or proposal is determined by such procuring officer to be the most advantageous to the Agency.

(2) If oral quotations or statements are obtained, the procuring officer shall record the names and addresses of all persons and firms from whom quotations or statements were sought, the names of the individuals and firms submitting quotations or statements, and the date and a summary of each quotation or statement.

g. Marketing — Contracts for marketing, promotional advertising and sponsorship of charitable and civic events shall not be subject to the requirements of Competitive Bidding or the alternative methods of competition set forth above, provided that the Agency shall determine by resolution that such contract is in furtherance of the purposes of the Agency.

11. Minority and Women Business Enterprises — The Agency shall comply with all applicable legal requirements relating to the hiring of such businesses.

C. Alternate Procurement by City

1. Notwithstanding the procedures set forth in Section B above, any purchase by the City of public works or services, or of commodities, equipment or goods, for the use or benefit of the Agency, pursuant to a written agreement between the City and the Agency for the provision of goods and services by

the City to the Agency, shall be deemed to be in compliance with the Procurement Policy of the Agency provided that such purchase is made by the City in compliance with law and with the Procurement Policy of the City as if such purchase were made for the City's own benefit or account.

2. The Agency hereby adopts and incorporates by reference the Procurement Policy of the City as may be amended from time to time as applicable to any purchase by the City of public works or services, or of commodities, equipment or goods, for the use or benefit of the Agency, pursuant to a written agreement between the City and the Agency for the provision of goods and services by the City to the Agency.

D. General Provisions

1. Input from members of the Agency — Comments concerning the procurement policy shall be solicited from the members of the Agency from time to time.
2. Annual Review — the Agency shall annually review its procurement policies and procedures.
3. Unintentional Failure to Comply — The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Agency or any officer thereof.

Approved and adopted the 19th day of December, 2011,

and Re-adopted on February 19, 2013.

Reviewed and Re-adopted on December 9, 2013.

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

CODE OF ETHICS

Statement of Purpose:

The Code of Ethics (the "Code") is a public statement by the City of Newburgh Industrial Development Agency (the "Agency") that sets clear expectations and principles to guide practice and inspire professional excellence. The Agency believes a commonly held set of principles can assist in the individual exercise of professional judgment. This Code speaks to the core values of public accountability and transparency. The purpose of having a code of ethics and practices is to protect the credibility of the Agency by ensuring high standards of honesty, integrity and conduct to staff. To that end, this Code of Ethics attempts to accomplish this by articulating the ethical standards observed by the Agency in pursuing and implementing economic development initiatives, and setting rules and policies that prevent conflicts of interest.

Rule with respect to conflicts of interest:

No officer, Member of the Board or employee of the Agency should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her or her duties in the public interest.

Standards:

- a. No officer, Member of the Board or employee of the Agency should accept other employment which will impair his or her or her independence of judgment in the exercise of his or her or her official duties.
- b. No officer, Member of the Board or employee of the Agency should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
- c. No officer, Member of the Board or employee of the Agency should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
- d. No officer, Member of the Board or employee of the Agency should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others.
- e. No officer, Member of the Board or employee of the Agency should engage in any transaction as representative or agent of the Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

f. An officer, Member of the Board or employee of the Agency should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

g. An officer, Member of the Board or employee of the Agency should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her, or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Nothing contained within this Policy however, shall prohibit an officer, member of the board, or employee of the Agency from obtaining interests in mutual funds which may include within its investment portfolio, bonds, debentures, notes or other evidence of indebtedness of the Agency, provided however, that the Agency's bonds, debentures, notes or other evidence of indebtedness may not make up more than ten percent (10%) of the mutual fund's total portfolio and the officer, Member of the Board, or employee of the Agency may not exercise any discretion with respect to the investments made by the mutual fund company.

h. An officer or employee of the Agency should endeavor to pursue a course of conflict which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

i. No officer or employee of the Agency employed on a full-time basis, nor any firm or association of which such an officer or employee is a member, nor any corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, member of the board of employee, should sell goods or services to any person, firm, corporation or association which receive financial assistance from the Agency.

j. If any officer, Member of the Board or employee of the Agency shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is the subject of an Agency Project (as such term is defined in Article 18-A of the General Municipal Law), he or she must file with Agency a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

k. No officer, Member of the Board or employee of shall accept or arrange for any loan or extension of credit from the Agency or any affiliate of the Agency.

Violations:

In addition to any penalty contained in any other provision of law any such officer, member of the board or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.

Originally approved & adopted the 27th day of September, 2010,
Re-Affirmed February 19, 2013,
Reviewed and Re-adopted December 9, 2013.

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

Whistle-Blower Protection/Code of Conduct Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, the City of Newburgh Industrial Development Agency (the "Agency") will investigate any suspected Fraudulent or Dishonest Conduct by an employee, board member or agent of the Agency. The Agency 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 Agency, (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 Agency should be reported to the Chief Executive Officer of the Agency. If for any reason a person finds it difficult to report his or her concerns to the Chief Executive Officer, the person may report the concerns directly to any 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.

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 Agency, 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 Agency, including a deliberate act or 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 Agency's Conflict of Interest Policy, misappropriation or misuse of the Agency'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 the 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 Chief Executive Officer, any board member, or Public Body pursuant to the provisions of this policy about an activity relating to the Agency which that person believes to be Fraudulent or Dishonest Conduct.

Rights and Responsibilities

Supervisors

The Chief Executive Officer is required to report suspected Fraudulent or Dishonest Conduct to the Chair 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 Chief Executive Officer, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow up steps on his or her own. Accordingly, when the Chief Executive Officer becomes aware of suspected Fraudulent or Dishonest Conduct he or she:

- 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, 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. 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.

Whistle-Blower Protection

The Agency will protect Whistle-Blowers pursuant to the guidelines set forth below.

- The Agency will use its best efforts to protect Whistle-Blowers against all Retaliatory Personnel Actions. Whistle-Blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that Whistle-Blower complaints will only be shared with those who have a need to know so that the Agency can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (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 right to know the identity of the Whistle-Blower.);
- Employees, board members, consultants and agents of the Agency may not engage in any Retaliatory Personnel Action against a Whistle-Blower for (i) disclosing or threatening to disclose to the Chief Executive Officer 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. Whistle-Blowers who believe that they have been the victim of a Retaliatory Personnel Action may file a written complaint with the Chief Executive Officer or board member, as applicable. Any complaint of a Retaliatory Personnel Action will be promptly investigated and appropriate corrective measures 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 Agency 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 Whistle-Blowers who disclose or threaten to disclose any Fraudulent or Dishonest Conduct to a Public Body are not covered under this policy unless he or she first brings the allegation of Fraudulent or Dishonest Conduct to the attention of the Chief Executive Officer or board member, as applicable, and has afforded the Agency a reasonable opportunity to correct and or remedy such Fraudulent or Dishonest Conduct, and
- Whistle-Blowers must be cautious to avoid Baseless Allegations.

Approved and adopted this 27th day of September, 2010 and

Re-Adopted on February 19, 2013.

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY
(“Agency”)

UNIFORM TAX EXEMPTION POLICY

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the City of Newburgh Industrial Development Agency may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds or by participation in straight lease transactions. The Agency has adopted this Uniform Tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

A. Real Property Taxes.

1. The Agency does not enter into Payment-in-Lieu-of-Tax (“PILOT”) Agreements.
2. The project applicant must negotiate with each affected tax jurisdiction (which includes each municipality” and school district in which the project is located which will fail to receive real property tax payments because of the Agency’s involvement in the project regarding:
 - a) the assessment of the property;
 - b) the rights to protest the assessment;
 - c) the percentage and term of abatement (provided, however, that the term of any PILOT Agreement may in no event extend beyond the time the Agency has possession, ownership or control of the property;
 - d) the procedures regarding billing for and non-payment of taxes; and
 - e) all other terms relating to such payments-in-lieu-of taxes.
3. An executed PILOT Agreement between the project applicant and each affected tax jurisdiction must be provided to the Agency before the issuance of any bonds or, in the case of straight lease transactions, before the Agency takes title, possession or control of the property.

4. After the Agency adopts the Inducement Resolution for a project, the Agency will provide the project applicant with a model PILOT Agreement to be used as a basis for negotiation with affected tax jurisdictions.

B. Sales and Use Tax Exemptions.

1. The Agency’s policy is to permit project applicants, as agents of the Agency, to claim exemption from sales and use taxes to the full extent permitted by New York State Law.
2. All project applicants must agree in writing to timely file with the New York State Department of Taxation an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility in full

compliance with Section 874(8) of the New York General Municipal Law, in the form and at the times required thereby.

C. Mortgage Recording Tax Exemptions.

1. The Agency’s policy is to permit mortgage recording tax exemptions on all project-related financings to the full extent permitted by New York State Law.
2. The Agency may, in its sole discretion, permit mortgage recording tax exemption on non-profit related financings. In determining whether to permit such exemptions on non-profit related financings, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of employment, and the economic condition of the area in which the facility is located.

D. Deviations.

In addition to, or in lieu of the foregoing, the Agency may determine, on a case-by-case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviation from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdiction. The Agency considers the following factors in making such determination, no single one of which is determinative:

1. The nature of the proposed project (e.g., manufacturing, commercial, civic);
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings);
3. The economic condition of the area at the time of the application;
4. The extent to which a project will create or retain permanent, private sector jobs;
5. The estimated value of tax exemptions to be provided;
6. The impact of the project and the proposed tax exemptions on affected tax jurisdictions;
7. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity;
8. The amount of private sector investment generated or likely to be generated by the proposed project;
9. The likelihood of accomplishing the proposed project in a timely fashion;
10. The effect of the proposed project upon the environment;
11. The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services;
12. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located;
13. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located;
14. (Civic Facility Projects Only) The extent to which the proposed project encourages charitable entities to locate within the municipality in which the project is located.

6. Failure to provide any other information concerning the project or the project application or any project operator requested by the Agency.

Upon the occurrence of any of the events listed in this Paragraph F, the Agency will, upon at least 10 calendar days written notice to the project applicant hold a hearing at which the project applicant will have the opportunity to provide, or explain its failure to provide, the information requested by the Agency. Within 30 calendar days after the hearing, the Agency will issue a determination whether and to what extent it will require recapture of the value of tax exemptions granted with respect to the project by virtue of the Agency's involvement.

G. This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after December 31, 1993 and all refinancings of any project induced or closed before December 31, 1993.

Reviewed and Readopted for 2014 on December 9, 2013

**"municipality" is defined in the General Municipal Law as including Orange County and the affected city, village or town in which the prospective project is to be located.

E. Recapture of Benefits.

The Agency, in its sole discretion and on a case-by-case basis, may determine with respect to a particular project to require the project applicant to agree to the recapture by the Agency of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include, but shall not be limited to, the following:

1. Sale or closure of facility;
2. Significant change in use of facility;
3. Significant employment reduction;
4. Significant change in business activities of project applicant or operator; or
5. Material non-compliance with or breach of terms of Agency transaction documents.

If the Agency determines to provide for recapture with respect to a particular project, the Agency also shall, in its sole discretion and on a case-by-case basis, determine the timing and the percentage of recapture.

F. Additional Recapture Provisions.

In addition to the provisions for recapture set forth in Paragraph E, the Agency may, in its sole discretion and on a case-by-case basis, require recapture of benefits with respect to any project or project applicant for:

1. Failure to respond to Agency inquiries concerning payments of principal and interest;
2. Failure to respond to Agency inquiries concerning insurance coverage or failure to provide insurance certificates when and as required by the Agency transaction documents;
3. Failure to respond to Agency inquiries regarding payment of monies in lieu of taxes, insurance premiums;
4. Failure to respond to Agency inquiries or to provide facts requested by the Agency in connection with any proceedings or determinations, pursuant to Paragraphs D or E of this Policy;
5. Failure to respond to Agency inquiries or failure to provide the Agency with any information or documents requested by the Agency in order to provide any federal, state or local agency with information or reports required under any applicable law, rule or regulation;

City of Newburgh Industrial Development Agency

Employee Code of Conduct (to be attached to service contracts.)

The City of Newburgh Industrial Development Agency (Agency) conducts its business on a part-time basis in space leased in the municipal building of the City of Newburgh. Its employees provide their services under service contracts, working on an hourly basis either in the office of the Agency or in their home offices.

The purpose of employees' Code of Conduct is to standardize expectations for behavior and performance and encourage positive effort, engagement and professional pride. The Code also establishes guidelines for ethical work, cooperative teamwork and individual representation. The goal of the Code of Conduct is to ensure a professional workplace.

- The Agency's Executive Director is responsible for the day to day management of the Agency and its employees.
- Work tasks, assignments and attendance are established by service contracts approved by the Agency; unless otherwise noted employees answer to the Executive Director.
- The Agency, as a whole, or by Committee is responsible for oversight and performance of the Executive Director and employees on an annual basis.
- The work of the Agency, at times, may require interaction with officials and staff of the City of Newburgh as well as private or other public representatives involved the work of the Agency. The Executive Director or other staff may seek assistance or information from these individuals by phone or email or by appointment, as appropriate. It is the policy of the Agency that its employees and Members interact effectively and appropriately, with courtesy, with City officials and employees, and with all public and private contacts from the public.
- The employees of the Agency should report any lapses in behavior by public or private contacts to the Executive Director. Upon such a complaint, the Executive Director will document the complaint in writing to the Agency for action.
- Employees of the Agency often work independently. Therefore all requests for reimbursement should detail the undertaken task and the amount of time spent on the task. Billing for time in the Agency's offices may not exceed seven hours per day. Time spent traveling to and from the Agency's office cannot not be charged for reimbursement.
- The Employee Code of Ethics must be executed as a component of the service contract.
- The Agency will review employee performance annually.

Agreed to by _____ Date _____

Adopted December 9, 2013