

Guidelines For Disposition of Assets

I. PURPOSE

United Nations Development Corporation (the "Corporation") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines, to be annually reviewed and approved by the Corporation's Board of Directors (the "Board"), regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property. The following guidelines (the "Guidelines") are adopted pursuant to such requirement and apply to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are entered into by the Corporation. These guidelines shall not apply to space leases made by the Corporation to the United Nations and other parties in accordance with the Corporation's enabling statute.

II. DEFINITIONS

1. "Contracting Officer" shall mean the officer or employee of the Corporation who shall be appointed by resolution of the Board to be responsible for the disposition of Property.
2. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property.
3. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
4. "Property Disposition Contracts" mean written agreements for the sale, lease, transfer or other disposition of Property, excluding leases entered into by the Corporation in accordance with its enabling statute.
5. "Real Property" shall mean real property and interests therein.
6. "Surplus Property" shall mean personal property with a value of five thousand dollars (\$5,000) or less.

III. PRINCIPAL DUTIES OF CONTRACTING OFFICER

The Contracting Officer shall be an officer of the Corporation appointed by the Board who is responsible for the supervision and direction over the custody, control and disposition of Property and responsible for the Corporation's compliance with these Guidelines. The Contracting Officer shall: (a) maintain adequate inventory controls and accountability systems for all Property under the Corporation's control; (b) periodically inventory such Property to determine which Property shall be disposed of; (c) produce a written report of such Property at least annually in accordance with Section V of these Guidelines, which must be delivered to the Office of the State Comptroller, the Director of the Budget, the Commissioner of General Services, the State legislature, and the

Authorities Budget Office; and (d) transfer or dispose of such Property as promptly as possible in accordance with these Guidelines.

IV. PROPERTY DISPOSITION CONTRACTS

A. Reason(s) for Use of Property Disposition Contracts

Property Disposition Contracts may be entered into for the purpose of disposing of Property which is no longer necessary or useful for the operations of the Corporation, if the disposition of such Property will result in cost savings or other benefits to the Corporation and/or the disposition thereof will result in the receipt of valuable consideration or other benefits by the Corporation.

B. Method of Disposition

The Corporation may dispose of Property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other Property, upon terms and conditions determined by the Contracting Officer and in accordance with these Guidelines and the Corporation's enabling statute. No disposition of any Real Property shall be made unless an appraisal of the value of such Real Property has been made by an independent appraiser and included in the record of the transaction, and no disposition of any other Property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

C. Award of Property Disposition Contracts

1. All sales or other dispositions of Property shall be conducted in accordance with these Guidelines and the Corporation's enabling statute by or under the supervision of the Contracting Officer.
2. All Property Disposition Contracts shall be made after publicly advertising for bids except as provided in subparagraph 3 below. Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or execution of a contract for such 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; (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and (iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
3. Property Disposition Contracts may be negotiated or made by public auction without regard to the criteria set forth in subparagraph 2 above but subject to obtaining such competition as is feasible under the circumstances, if: (i) the personal Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic

quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal Property is to be sold in such quantity that, if disposed of by publicly advertising for bids, would adversely affect the state or local market for such Property, and the estimated fair market value of such Property and other satisfactory terms of disposal can be obtained by negotiation; (ii) the fair market value of the Property does not exceed fifteen thousand dollars; (iii) bid prices after advertising therefor 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 will be to the state or any political subdivision, and the estimated fair market value of the Property and other satisfactory terms of disposal are obtained by negotiation; (v) under those circumstances described in paragraph D below; or (vi) such action is otherwise authorized by law.

4. The Contracting Officer shall provide a statement explaining the circumstances of the negotiated disposition of Property by at least ninety days (90) prior to such disposal to each of the State Comptroller, the Director of the Budget, the Commissioner of General Services, the State legislature, and the Authorities Budget Office, and a copy thereof shall be preserved in the files of the Corporation. Such a statement shall be prepared in connection with a negotiated disposition of Property of any of the following: (i) any personal property which has an estimated fair market value in excess of fifteen thousand dollars, (ii) any Real Property that has an estimated fair market value in excess of one hundred thousand dollars, (iii) any Real Property or related personal property disposed of by exchange, regardless of value, or any Property any part of the consideration for which is Real Property.

5. To the extent that Property Disposition Contracts are competitively awarded, such awards shall be made upon receipt and evaluation of bids or proposals or other information obtained from persons/firms responding to a request for proposals or other form of solicitation on the basis of the criteria specified in the request for proposals or other solicitation. The Contracting Officer shall document the processes by which Property is sold or otherwise disposed of, by making a record summarizing the nature and scope of the Property disposed, the name of each person or organization submitting, or requested to submit, a bid or proposal, the price or other consideration bid and received, and the basis for selection of both the purchaser and method of disposition of the Property.

D. Disposal of Property for Less than Fair Market Value

1. No asset owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its fair market value except if: (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity; (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or (iii) in the event the

Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer.

2. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation's board and the public: (i) a full description of the asset; (ii) an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board; (iii) a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer; (iv) a statement of the value to be received compared to the fair market value; (v) the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and (vi) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

3. Before approving the disposal of any property for less than fair market value, the board of the Corporation shall consider the information described in subparagraph 2 above and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

V. SURPLUS PROPERTY

A responsible officer of the Corporation will determine if there are any potential purchasers for the Surplus Property in question. If so, the Corporation will sell such Surplus Property for the highest price it can obtain within a reasonable amount of time.

If no purchaser can be found for the Surplus Property, said property will be donated to a recognized and pre-qualified charitable organization selected by the Contracting Officer.

If no appropriate charity is found to accept the Surplus Property, or if said property is either obsolete or too worn or damaged to be used by a recipient organization, said property will be discarded as appropriate as determined by the Contracting Officer.

VI. REPORTS

On or before the thirty-first day of March in each year, the Corporation shall file a report with the Office of the State Comptroller, the Director of the Budget, the Commissioner of General Services, the State legislature, and the Authorities Budget Office including:

1. the Guidelines most recently reviewed and approved by the Corporation, including the name of the Corporation's designated Contracting Officer. At the time of the filing of the Guidelines with the Comptroller, the Corporation shall post the Guidelines on the Corporation's internet website.
2. a list of all Real Property of the Corporation
3. a list and description of all real and personal property disposed of during such period, including the price received and the name of the purchaser.
4. a list and description of all real property of the Corporation having an estimated fair market value in excess of \$15,000 that the Corporation intends to dispose of, including an estimate of fair market value for all such property held by the Corporation at the end of the period covered by the report.