

**Buffalo Niagara Convention Center
Management Corporation
Property Disposition Guidelines**

The Buffalo Niagara Convention Center Management Corporation (the "MC") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property (as defined herein). The following guidelines ("Guidelines") are adopted by the Board of Directors of the MC pursuant to such requirement and are applicable with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are entered into by the MC.

**ARTICLE I.
DEFINITIONS**

1. "Contracting Officer" shall mean an officer or employee of the MC appointed by resolution of the Board of Directors of the MC to be responsible for the disposition of Property of the MC.
2. "Dispose" or "disposal" or "disposition" shall mean the transfer of title or any other beneficial interest in Property from the MC to any third party.
3. "Property" shall mean personal property in excess of Five Thousand Dollars (\$5,000.00) in value, real property, or any other legally transferable 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" shall mean written agreements for the sale, lease, transfer or other disposition of Property from the MC to any third party.
5. "Real Property" shall mean real property and interests therein.

**ARTICLE II.
APPOINTMENT AND DUTIES OF CONTRACTING OFFICER**

A. Appointment

The Contracting Officer shall be an officer or employee of the MC appointed by the Board of Directors of the MC who is responsible for the supervision and direction over the custody, control and disposition of Property and responsible for the MC's compliance with and enforcement of these Guidelines. The Contracting Officer is the Controller of the MC.

B. Duties

The duties of the Contracting Officer shall include the following:

1. Maintaining adequate inventory controls and accountability systems for all Property under the control of the MC.
2. Periodically conducting an inventory of Property to determine which Property may be disposed of.
3. Preparing an annual written report of the MC, which report shall include a list of all Real Property of the MC, and a full description of all real and personal property disposed of during the reporting period, the price received and the name of the purchaser for all Property sold during each reporting period. Each report shall be completed and delivered to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services, the New York State Legislature and the Authorities Budget Office no later than ninety (90) days following the completion of the fiscal year of the MC.
4. Disposing of Property identified for disposition as promptly as possible in accordance with these Guidelines.

ARTICLE III.
PROPERTY DISPOSITION REQUIREMENTS

A. Method of Disposition

Subject to such exceptions and/or requirements set forth in these Guidelines, in the event that the MC determines to dispose of any of its Property, it shall endeavor to dispose of such Property for at least the fair market value of the Property. The disposition of Property may be made by sale, exchange, or transfer, for cash, credit or other Property, with or without warranty, and upon such terms and conditions as are determined by the MC to be appropriate and reasonable and consistent with these Guidelines; provided, however, no disposition of real property or any interest therein shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction; and, provided, further, that no disposition of any other property, which because of its unique nature or other 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.

B. Award and Approval of the Property Disposition Contracts

1. Compliance with Guidelines; Approval Requirements. All dispositions of Property shall be conducted in accordance with these Guidelines by or under the supervision of the Contracting Officer, subject to approval of the Board of Directors of the MC.

2. Disposition by Public Bid.

(a) All Property Disposition Contracts may be made only after publicly advertising for bids, unless the criteria set forth in Article III(B)(3) below has been satisfied for such contracts to be made by negotiation or public auction.

(b) Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or contract, 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 MC and New York State, price and other factors considered; provided, that all bids may be rejected when it is in the interest of the MC or New York State to do so.

3. Disposition by Negotiated Sale/Public Auction. The following dispositions are excepted from the public bidding requirements set forth above in Article III(B)(2) and may be consummated through a negotiated sale or by public auction:

(a) Below Fair Market Value. The MC may dispose of Property for less than the fair market value ("FMV") of the Property where:

- (i) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or
- (ii) Purpose of transfer is within the purpose, mission or governing statute of the MC; or
- (iii) Prior written notification is given to the Governor, Speaker of the Assembly, and Temporary President of the Senate as set forth below. Such notification is subject to denial by the Governor, Assembly or Senate. Denial by Governor is in the form of a certification. Denial by either house of the legislature is in the form of a resolution. Denial must be made within 60 days of receiving notification during January through June. If legislature receives the notification in July through December, then legislature may take 60 days from January 1 of the following year to adopt a denial resolution. If no such denial certification or resolution is performed within such time period, the MC may effectuate such transfer. Notwithstanding the foregoing provisions of this clause (iii), in the case of a proposed below market transfer by the MC that is not within the purpose, mission or governing statute of the MC, if the governing statute provides for the approval of such transfer by the executive and legislative

branches of the political subdivision in which the MC resides, and the transfer is of property obtained by the MC from that political subdivision, then such approval shall be sufficient to permit the proposed transfer without notice to the Governor and legislature.

If a below FMV transfer is proposed, the following information is required to be provided to the MC board and to the public:

- (1) Description of asset;
- (2) Appraisal of the FMV of the asset;
- (3) Description of the purpose of the transfer, and the kind and amount of the benefit to the public resulting from the transfer;
- (4) Value received compared to FMV;
- (5) Names of any private parties to the transaction and, if different from the information provided under clause (4), a statement of the value to the private party; and
- (6) Names of other private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.

The board of the MC must consider the information described 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.

(b) Disposition of Certain Personal Property. The MC may dispose of personal property where such 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 it were to be disposed of through public advertisement and bidding, would adversely affect the state or local market for such personal property, and the estimated FMV of such property and other satisfactory forms of disposal can be obtained by negotiations.

(c) Disposition of Low FMV Property. The MC may dispose of Property the fair market value of which does not exceed Fifteen Thousand Dollars (\$15,000.00).

(d) Disposition Following Receipt of Unacceptable Bid Prices. The MC may dispose of Property where the bid prices received by the MC after public advertising are not commercially reasonable (either as to all or some part of the

Property) as determined by the MC in its sole discretion, or have not been independently arrived at in open competition.

(e) Disposition to a Political Subdivision. The MC may dispose of Property to New York State or any political subdivision of New York State.

(f) Disposition Authorized by Law. The MC may dispose of Property where such disposition is otherwise authorized by law.

4. Reporting Requirements Regarding Negotiated Dispositions.

(a) Preparation of Written Statements. The Contracting Officer shall prepare a written statement explaining the circumstances of each negotiated disposition of Property involving any of the following:

- (i) the negotiated disposition of personal property which has an estimated fair market value in excess of Fifteen Thousand Dollars (\$15,000.00);
- (ii) the negotiated disposition of Real Property that has an estimated fair market value in excess of One Hundred Thousand Dollars (\$100,000.00);
- (iii) the negotiated disposition of Real Property that will be disposed of by lease if the estimated annual rent over the term of the lease is in excess of \$15,000;
- (iv) the negotiated disposition of Real Property or real and related personal property where the same will be disposed of in exchange for other property, regardless of value; or
- (v) the negotiated disposition of any Property any part of the consideration for which is Real Property.

(b) Submission of Written Statements. Written statements prepared pursuant to Article III(B)(4)(a) shall be submitted to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office no later than ninety (90) days prior to the date on which the disposition of Property is expected to take place. The Contracting Officer shall maintain a copy of all written statements at the MC's principal office.

ARTICLE IV.
GENERAL PROVISIONS

A. Annual Review and Submission of Guidelines

These Guidelines shall be annually reviewed and approved by the Board of Directors of the MC. On or before the 31st day of March of each year, the Contracting Officer shall file a copy of the most recently reviewed and adopted Guidelines with the New York State Comptroller, and shall post the Guidelines on the MC's website. Guidelines posted on the MC's website shall be maintained at least until the Guidelines for the following year are posted on the MC's website.

B. Effect of Awarded Contracts

These Guidelines are intended for the guidance of the officers, members, directors and employees of the MC only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof, or be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. Without limiting the generality of the preceding sentence, any deed, bill of sale, lease, or other instrument executed by or on behalf of the MC, purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with these Guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with these Guidelines prior to the closing.

Adopted by the Board of Directors of the Buffalo Niagara Convention Center Management Corporation this 2nd day of August, 2017.