
Troy Community Land Bank Corporation

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Troy Community Land Bank Corporation

Board of Directors

Policy on Conflict of Interest

Introduction:

Troy Community Land Bank Corporation was approved by New York State Urban Development Corporation d/b/a Empire State Development, pursuant to Article 16 of the New York State Not-for Profit Corporation Law in May 2014. Troy Community Land Bank Corporation is a not-for-profit formed in 2014 by the Troy City Council to facilitate the return of vacant and abandoned properties to productive use. The Land Bank's work will include the acquisition and resale of properties to qualified buyers/investors, Land Bank-managed renovation of properties to sell in move-in or rehab ready condition, and long-term holding and assembly of certain properties to facilitate future development projects.

Definitions

- a. Board of Directors – also known as Board Members or the body responsible for the governance of the Land Bank.
- b. Financial Interest – a person has a financial interest if the person has, directly or indirectly, through business, investment or family relative:
 - 1.) an ownership or investment interest in any entity with which the Land Bank has a transaction or arrangement; or
 - 2.) A compensation arrangement with the Land Bank or with any entity or individual with which the Land Bank has a transaction or arrangement; or
 - 3.) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Land Bank is negotiating a transaction, agreement or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

- c. Interested Person – any Director, Principal Officer, Key Employee or member of a committee with board delegated powers who has a direct or indirect financial interest, is an interested person.
- d. Key Employee – a Key Employee is a person who is in a position to exercise substantial influence over the affairs of the Land Bank. This includes, but is not limited to:
 - 1.) Voting members of the Board;
 - 2.) Presidents, Officers or employees of any other title with similar responsibilities;
 - 3.) Treasurers, Officers or employees of any other title with similar responsibilities; or
 - 4.) An employee who is in a position to exercise substantial influence over the affairs of the Land Bank.
- e. Officer – A person designated as such in the Land Bank by-laws.
- f. Related Party – Persons who may be considered a Related Party of the Land Bank under this Policy include:
 - 1.) Directors, Officers or Key Employees of the Land Bank;
 - 2.) Relatives of Directors, Officer or Key Employees of the Land Bank;
 - 3.) Any entity in which a person in (1) or (2) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.
- g. Related Party Transaction – any transaction, agreement or any other arrangement with the Land Bank in which a Related Party has a Financial Interest. Any Related Party Transaction will be considered a conflict of interest for the purposes of this Policy.
- h. Relative – a Relative is a spouse, ancestor, child (whether natural or adopted), grandchild, great grandchild, or sibling (whether whole or half-blood).
- i. Independent Board Member as defined by Section 2825(2) of the Public Authorities law - A board member is considered to be independent if all of the following criteria are met:

- (1) The board member is not currently an employee of the public authority in an executive position, nor was an employee of the public authority in an executive position in the past two years;
- (2) The board member is not or has not been in the previous two years, employed by an entity that received a payment valued at more than fifteen thousand dollars for goods and services provided to the public authority, as well as any other form of financial assistance valued at more than fifteen thousand dollars from the public authority;
- (3) The board member is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate;
- (4) The board member is not a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or affiliate.

Responsibilities:

The individual Director is responsible for disclosure to the Board of any potential conflict of interest. The President of the Board has the responsibility of informing each Director-elect of such policy and receiving assurance of compliance should such Director-elect agree to serve as a member of the Board.

Purpose:

The purpose of this policy is to provide a systematic and ongoing method of assisting members of the Board of Directors in disclosing and resolving potential conflicts of interest, thus assuring the community and the public at large of the good faith and integrity of the officers and members of the Board of Directors in the management of the Land Bank. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

General Conflict of Interest Procedure:

1. Each newly-elected Director, prior to taking his/her position on the Board, and all present Directors as soon as practicable after the adoption of this policy, shall disclose, in writing, on the Disclosure Statement, which is attached, to the Audit Committee of the Board of Directors, the nature of any external interests that potentially conflict with his/her interest as a Director. Such conflict of interest includes, but is not limited to, directorship, management, consultation, or material

business with the Land Bank, or where there is great likelihood that such concern will be doing business with the Land Bank. Such conflict of interest also includes financial interests, defined as any person having directly or indirectly, through business, investment, or family: a) an ownership or investment interest in any entity with which the Land Bank have a transaction or arrangement, or b) a compensation arrangement with the Land Bank or with any entity or individual with which the organization has a transaction or arrangement, or c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Land Bank is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. Other areas requiring disclosure include the purchase or sale of property or property rights and interests potentially in competition with the Land Bank, and/or the involvement with organizations providing services similar to the Land Bank.

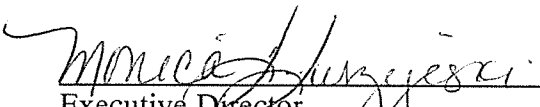
2. Whenever a Director assumes new external interests that potentially conflict with his/her role as a Director of the Land Bank, such individual will disclose, in writing, the nature of such external interests to the Audit Committee.
3. Questions relating to the possible existence of a conflict of interest may be directed to the Land Bank's legal consultant for his/her review and determination.
4. Whenever a matter being deliberated by the Board of Directors, or any committee or subcommittee of the Board, creates a potential conflict of interest for any Director, such Director will neither vote nor influence the decision of the Board or committee, nor be counted in determining the quorum for the meeting. The foregoing will not be construed as preventing any Director from stating his position on any Board matter, nor from providing information to other Directors on any Board matter. It is expected that following a Director's statement of his position on a given issue, that he/she will leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest. The minutes of the meeting will record the name of the person(s) who disclosed conflicting interests, the nature of the conflicting interests and note their abstention from the discussion and vote. The minutes of the meeting will also reflect the justification for determining the quorum.
5. If the Audit committee has reasonable cause to believe that a director has failed to disclose actual or possible conflicts of interest, it shall inform the director of the basis for such belief and afford the director an opportunity to explain the alleged failure to disclose.

6. If, after hearing the response of the director and making such further investigation as may be warranted under the circumstances, the Audit committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

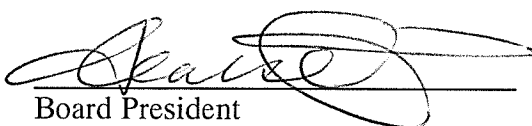
7. If the Audit committee has reasonable cause to believe that a director has failed to disclose an actual or possible conflict of interest, then the Audit committee shall consider whether another discussion and/or vote on the matter is necessary or appropriate, and management/the Board of Directors shall refrain to the extent practical from acting on the basis of the initial Audit committee action until such reconsideration has occurred.

Related Party Transaction and Whistleblower Policy

The board of the Land Bank also requires that all directors of the Land Bank review and acknowledge corresponding policies to this conflict of interest policy which include the Land Bank's Whistleblower Policy (Appendix A), the Land Bank's Related Party Transaction Policy (Appendix B), and the Land Bank's Code of Ethics Policy (Appendix C). Copies of Said Policies are attached hereto and are intended to be incorporated herein.


Executive Director
Troy Community Land Bank Corporation

8/19/2015
Date


Board President

8/19/2015
Date