LEWIS COUNTY LAND BANK CORPORATION
DISPOSITION OF REAL AND PERSONAL PROPERTY POLICY
Adopted: November 5, 2026
Resolution No. 2026-15

SECTION 1. PURPOSE

This Disposition of Real and Personal Property Policy ("Policy") establishes the principles, requirements, and procedures governing the disposition of property by the Lewis County Land Bank Corporation ("Land Bank" or "LCLBC").

The Land Bank shall dispose of property in a manner that advances its mission to return vacant, abandoned, tax-delinquent, underutilized, and other eligible properties to productive use; reduces blight; supports housing and community and economic development; strengthens municipalities and neighborhoods; and promotes the long-term productive use of property within Lewis County.

This Policy is adopted pursuant to Article 16 of the New York State Not-for-Profit Corporation Law ("N-PCL"), including N-PCL §1609.

Pursuant to N-PCL §1609(a-1), the disposition requirements of N-PCL §1609 supersede Public Authorities Law §2897 with respect to property dispositions by land banks, and Public Authorities Law §2897 shall not apply to dispositions by the Land Bank. This supersession is limited to Public Authorities Law §2897; Public Authorities Law §2896 is not superseded and continues to apply to the Land Bank as a local authority, and the Land Bank shall comply with its requirements, including the adoption of comprehensive property disposition guidelines by resolution, the designation of a contracting officer, the annual review and approval of such guidelines by the Board, and the applicable filing and reporting obligations thereunder.

Nothing in this Policy shall limit any additional requirement imposed by applicable federal or State law, the Land Bank's Certificate of Incorporation or Bylaws, the action establishing the Land Bank, a funding source applicable to a particular property, or an agreement binding upon the Land Bank.

SECTION 2. DEFINITIONS

For purposes of this Policy:

A. "Applicant" means a person or entity submitting an application, proposal, offer, or other request to acquire, lease, or otherwise obtain an interest in property from the Land Bank.

B. "Board" means the Board of Directors of the Lewis County Land Bank Corporation.

C. "Contracting Officer" means the Executive Director of the Land Bank or such other individual designated by the Board to administer this Policy.

D. "Disposition" or "Dispose" means the transfer of title or another beneficial interest in real or personal property by sale, exchange, transfer, grant, lease, or other lawful means.

E. "Fair Market Value" or "FMV" means an estimate of the value of property based upon an appraisal, broker opinion of value, assessed value, comparable sales, market analysis, or another reasonable valuation methodology appropriate to the nature and value of the property.

F. "Property" means real or personal property, or any interest therein, owned or controlled by the Land Bank and capable of being conveyed, leased, transferred, or otherwise disposed of.

G. "Qualified Buyer" means an Applicant determined by the Land Bank to satisfy the minimum eligibility requirements applicable to a particular disposition or disposition program.

H. "Strategic Disposition" means a mission-driven disposition in which the Land Bank evaluates the proposed use, purchaser qualifications, monetary and nonmonetary consideration, community benefit, redevelopment commitments, and other relevant factors rather than selecting a purchaser solely on the basis of the highest monetary offer.

SECTION 3. GENERAL DISPOSITION PRINCIPLES

The Land Bank shall administer property dispositions in accordance with the following principles:

1. Property shall be disposed of in a manner consistent with the Land Bank's mission and applicable law.
2. The Land Bank shall seek productive and sustainable reuse of property rather than disposition solely for the purpose of generating the highest immediate financial return.
3. The Land Bank may consider both monetary and non-monetary consideration when evaluating a proposed disposition.
4. The Land Bank may establish different disposition programs, eligibility requirements, priorities, pricing methodologies, and conditions based upon property type, proposed use, funding requirements, community needs, and other relevant circumstances.

5. Disposition decisions shall be documented sufficiently to establish the basis for the Land Bank's determination.
6. The Land Bank shall maintain adequate inventory controls and records concerning property owned, managed, and disposed of by the Land Bank.
7. The Land Bank shall comply with all applicable public inventory, disclosure, reporting, and record-retention requirements.
8. Nothing in this Policy creates an entitlement to acquire Land Bank property. The Land Bank reserves the right to reject any or all applications or offers, withdraw property from disposition, modify a proposed disposition, or determine that continued Land Bank ownership is in the public interest, subject to applicable contractual obligations.

SECTION 4. PROPERTY INVENTORIES AND PUBLIC DISCLOSURE

4.1 Received Property Inventory

The Land Bank shall maintain and make available for public review and inspection a complete inventory of all property received by the Land Bank as required by N-PCL §1608.

The inventory shall contain, at minimum, the information required by applicable law, including:

1. Location of the parcel;
2. Purchase price, if any;
3. Current value assigned to the property for real property taxation purposes;
4. Amount, if any, owed to the locality for real property taxation;
5. Identity of the transferor; and
6. Conditions or restrictions applicable to the property.

Each parcel received by the Land Bank shall be added to the received-property inventory within the time required by law.

No parcel shall be disposed of until it has remained on the received-property inventory for at least the minimum period required by N-PCL §1608, which is one week as of the adoption date of this policy.

4.2 Property Disposition Inventory

The Land Bank shall maintain and make available for public review and inspection a complete inventory of all real-property dispositions made by the Land Bank.

The disposition inventory shall contain all information required by N-PCL §1609, including a complete copy of the applicable sales contract and its terms and conditions and other information required by law.

Each disposition shall be added to the disposition inventory within one week of disposition and shall remain publicly available indefinitely, as required by N-PCL §1609.

4.3 Administrative Records

In addition to the statutory inventories, the Land Bank should maintain internal property files containing, as applicable:

1. Tax map number;
2. Acquisition date and method;
3. Valuation information;
4. Liens, restrictions, and encumbrances;
5. Property condition information;
6. Environmental information;
7. Proposed disposition strategy;
8. Applications and proposals received;
9. Staff analysis and recommendations;
10. Board resolutions;
11. Executed agreements and conveyance documents; and
12. Compliance and enforcement records.

SECTION 5. STRATEGIC DISPOSITION FRAMEWORK

5.1 Disposition Priorities

In determining whether and how to dispose of property, the Land Bank may consider whether the proposed disposition will:

1. Eliminate or reduce blight;
2. Stabilize neighborhoods and communities;
3. Create or preserve owner-occupied housing;
4. Support affordable, workforce, attainable, or mixed-income housing;
5. Create or improve rental housing;
6. Promote economic development, business development, or adaptive reuse;
7. Support downtown and hamlet revitalization;
8. Assist municipal projects or community facilities;
9. Preserve or enhance open space, natural resources, recreational resources, or community amenities;

10. Facilitate side-lot or adjacent-owner reuse;
11. Assemble property or establish site control necessary for redevelopment;
12. Address unsafe, abandoned, or deteriorated structures;
13. Return property to productive use and, where appropriate, the tax rolls;
14. Leverage private, nonprofit, municipal, State, or federal investment; or
15. Advance another public or community benefit consistent with the Land Bank's mission.

No single priority shall automatically control a disposition unless required by law, funding requirements, or a program specifically adopted by the Board.

5.2 Permissible Disposition Methods

Subject to applicable law and this Policy, the Land Bank may dispose of property through any lawful method determined appropriate to the property and intended outcome, including:

1. Open-market sale;
2. Negotiated sale;
3. Competitive bid;
4. Request for Proposals ("RFP") or Request for Qualifications ("RFQ");
5. Program-based application process;
6. Side-lot or adjacent-owner transfer;
7. Transfer subject to a development agreement;
8. Transfer subject to deed restrictions, covenants, enforcement mortgages, reverter rights, or other conditions;
9. Discounted or nominal-value transfer;
10. Lease, land lease, or ground lease;
11. Transfer to a municipality or other public entity;
12. Transfer to a nonprofit organization;
13. Transfer to a qualified developer or development entity;
14. Property exchange; or
15. Another disposition method authorized by law and approved by the Board.

The Land Bank is not required to use the same disposition method for all properties.

SECTION 6. CONSIDERATION AND PROPERTY VALUE

6.1 Determination of Value

Before disposition, the Land Bank shall establish a reasonable indication of the property's value using a methodology appropriate to the circumstances.

Depending upon the property, such methodology may include:

1. Independent appraisal;
2. Broker opinion of value;
3. Comparable-sales analysis;
4. Current assessed value;
5. Estimated rehabilitation, demolition, environmental, or stabilization costs;
6. Market exposure or offers received;
7. Development potential;
8. Property condition; or
9. Another reasonable valuation method approved by the Land Bank.

The Board may establish thresholds identifying circumstances in which a formal independent appraisal is required.

6.2 Consideration

Fair Market Value shall be an important consideration in evaluating a disposition but shall not, by itself, determine the appropriate disposition price or purchaser.

Consistent with N-PCL §1609, the Land Bank may accept monetary consideration and other forms of consideration determined appropriate by the Board, including:

1. Cash payments;
2. Secured financial obligations;
3. Rehabilitation or construction commitments;
4. Covenants and conditions concerning the present or future use of the property;
5. Contractual commitments of the purchaser or lessee;
6. Affordability commitments;
7. Investment in the property;
8. Demolition, remediation, or stabilization obligations;
9. Community or economic-development benefits; and
10. Other lawful forms of consideration consistent with the Land Bank's mission.

6.3 Dispositions Below Fair Market Value

The Land Bank may dispose of property for less than Fair Market Value, including for nominal monetary consideration, when the Board determines that the disposition advances the Land Bank's mission or produces sufficient public or community benefit.

In making such determination, the Land Bank may consider:

1. The condition of the property;
2. Cost of rehabilitation, demolition, remediation, or stabilization;
3. Proposed investment by the purchaser;

4. Housing or affordability benefits;
5. Economic-development benefits;
6. Community facilities or public uses;
7. Return of property to productive use;
8. Elimination of ongoing Land Bank maintenance costs;
9. Environmental or open-space benefits;
10. Development commitments and restrictions;
11. The likelihood that the proposed project will be completed; and
12. Other monetary or nonmonetary consideration.

The record of the disposition shall document the basis for accepting consideration below Fair Market Value.

SECTION 7. APPLICANT ELIGIBILITY AND SELECTION

7.1 General Eligibility

The Land Bank may establish reasonable eligibility requirements designed to ensure that property is transferred to responsible purchasers capable of completing the proposed use or redevelopment.

Eligibility considerations may include:

1. Delinquent property taxes;
2. Unpaid municipal charges, fines, or fees;
3. Outstanding code violations;
4. History of tax foreclosure;
5. History of property neglect or nuisance violations;
6. Previous default involving Land Bank property;
7. Financial capacity;
8. Development or rehabilitation experience;
9. Ability to complete the proposed project;
10. Compliance with prior agreements with the Land Bank or other public entities; and
11. Other factors reasonably related to responsible property ownership and successful completion of the proposed project.

7.2 Program-Specific Requirements

The Board may establish separate application guidelines and eligibility criteria for particular property types or programs, including:

- Owner-occupied housing;

- Residential rehabilitation;
- Rental housing;
- Side lots;
- Vacant land;
- Commercial or mixed-use redevelopment;
- Developer-led housing;
- Municipal or nonprofit transfers;
- Community facilities;
- Open-space or conservation uses; and
- Other disposition programs established by the Board.

Such program guidelines may be adopted or amended by Board resolution without amendment of this Policy, provided that they remain consistent with this Policy and applicable law.

7.3 Geographic Considerations

Residence requirements for Buyers shall be satisfied in accordance with Appendix A.

The Land Bank may, however, establish local ownership, owner-occupancy, local property management, or similar preferences when reasonably related to the objectives of a particular disposition program.

7.4 Evaluation of Competing Proposals

When multiple qualified Applicants seek the same property, the Land Bank may consider:

1. Proposed end use;
2. Alignment with Land Bank and community objectives;
3. Proposed investment;
4. Purchase price and other considerations;
5. Financial capacity;
6. Development experience and past performance;
7. Project feasibility;
8. Redevelopment timeline;
9. Housing or affordability commitments;
10. Economic and community benefit;
11. Long-term property management;
12. Ability to address environmental, demolition, rehabilitation, or stabilization needs; and
13. Other factors identified in the applicable solicitation or program guidelines.

The highest monetary offer shall not automatically be deemed the preferred proposal.

SECTION 8. REVIEW AND APPROVAL DISPOSITIONS

8.1 Staff Review

Before recommending disposition of real property, Land Bank staff or its designated administrator should prepare a written disposition recommendation addressing, as applicable:

1. Property description;
2. Property condition;
3. Valuation;
4. Proposed purchaser;
5. Proposed use;
6. Proposed disposition method;
7. Purchase price and other consideration;
8. Applicant qualifications;
9. Proposed investment or redevelopment;
10. Conditions, restrictions, or enforcement mechanisms;
11. Relationship of the disposition to Land Bank priorities; and
12. Any material risks or unusual circumstances.

8.2 Board Approval

Unless otherwise delegated by the Board in accordance with law, dispositions of real property shall require approval by resolution of the Board.

Approval shall be by the vote required under applicable law, the Certificate of Incorporation, Bylaws, or other governing requirements.

Nothing in this Policy shall prevent the Board from subsequently establishing limited delegated authority for specified routine transactions, provided such delegation is authorized by law.

8.3 Execution of Documents

Following approval of a disposition, the Chairperson, Executive Director, Contracting Officer, or other individual expressly authorized by the Board may execute purchase and sale agreements, deeds, development agreements, enforcement instruments, closing documents, and other instruments necessary to complete the transaction.

Any material change to the purchaser, consideration, proposed use, or material conditions of an approved disposition shall be returned to the Board unless the approving resolution expressly authorizes such modification.

SECTION 9. DISPOSITION CONDITIONS AND ENFORCEMENT

9.1 Conditions

The Land Bank may impose conditions appropriate to the property and intended outcome, including:

1. Rehabilitation requirements;
2. Construction requirements;
3. Project-completion deadlines;
4. Owner-occupancy requirements;
5. Affordability requirements;
6. Maintenance obligations;
7. Anti-speculation requirements;
8. Restrictions on resale or transfer;
9. Required investment;
10. Property-management requirements;
11. Deed restrictions;
12. Covenants;
13. Enforcement notes and mortgages;
14. Rights of re-entry or reversion, where appropriate;
15. Rights of first refusal;
16. Reporting requirements; and
17. Other conditions reasonably necessary to accomplish the purpose of the disposition.

9.2 Property-Specific Enforcement

Except for the minimum anti-speculation requirement established in Section 9.3, enforcement mechanisms shall be tailored to the circumstances of each disposition. The Land Bank shall not be required to impose a universal reverter, enforcement mortgage, fixed-duration resale restriction, or other enforcement mechanism on every property.

The appropriate instrument or combination of instruments shall be determined based upon the property, purchaser, consideration, proposed use, public investment, development obligations, and risks associated with the transaction. Such instruments may include deed restrictions, enforcement notes and mortgages, rights of re-entry

or reversion, rights of first refusal, resale restrictions, recapture provisions, development agreements, or other lawful enforcement mechanisms.

9.3 Anti-Speculation Measures

As a minimum anti-speculation requirement applicable to all conveyances of real property by the Land Bank, a purchaser shall not sell, assign, transfer, or otherwise convey the property until the property has been brought into compliance with all applicable building, housing, property maintenance, health, and safety codes and regulations. The applicable transaction documents shall provide for Land Bank approval or other appropriate documentation confirming satisfaction of this requirement prior to resale or transfer. This requirement shall be secured by a recorded deed restriction and/or right of re-entry running to the Land Bank, releasable upon confirmation of compliance. Where no such codes apply to the property or the property is already in compliance at conveyance, this requirement is deemed satisfied upon closing.

In addition to this minimum requirement, the Land Bank may impose additional anti-speculation protections when appropriate, including a fixed-duration restriction on resale or transfer, Land Bank approval of subsequent transfers, rights of first refusal, recapture provisions, profit-sharing requirements, or other reasonable measures.

Except for the minimum requirement established above, the nature, duration, and terms of anti-speculation protections shall be established based upon the circumstances and intended outcome of the particular disposition or disposition program rather than through a universal restriction applicable to every transaction.

9.4 Default and Remedies

Development agreements and other disposition documents shall identify:

1. Events constituting default;
2. Notice requirements;
3. Any applicable opportunity to cure;
4. Available extensions or modifications;
5. Land Bank remedies; and
6. Procedures for enforcement.

Available remedies may include enforcement of contractual obligations, foreclosure of an enforcement mortgage, recovery of amounts due, injunctive relief, termination, reacquisition or reconveyance of property where legally authorized, enforcement of deed restrictions, or other remedies contained in the applicable transaction documents.

The specific legal mechanism for enforcement shall be established in the transaction documents prepared or approved by legal counsel.

SECTION 10. COMPLIANCE MONITORING

Properties subject to continuing obligations shall be monitored in accordance with the Land Bank's Compliance and Enforcement Policy and the applicable transaction documents.

Monitoring shall be proportionate to the nature and risk of the transaction and may include:

1. Periodic purchaser reports;
2. Photographs;
3. Site inspections;
4. Building permits or certificates of occupancy;
5. Evidence of expenditures or investment;
6. Verification of occupancy or affordability requirements;
7. Property-tax status;
8. Code-compliance information; and
9. Other documentation reasonably necessary to determine compliance.

Active rehabilitation and redevelopment projects may be subject to more frequent monitoring than completed projects or transactions involving limited continuing obligations.

The Land Bank shall maintain documentation sufficient to demonstrate compliance with and enforcement of material disposition conditions.

SECTION 11. EXTENSION AND MODIFICATIONS

A purchaser may request an extension or modification of a development obligation when circumstances reasonably warrant consideration.

Requests shall:

1. Be submitted in writing;
2. Explain the circumstances supporting the request;
3. Describe progress completed to date;
4. Identify remaining work;
5. Provide a proposed revised completion schedule; and
6. Include other information requested by the Land Bank.

The Executive Director or other person designated by the Board may approve administrative or non-material extensions when expressly authorized by Board policy or resolution.

Material changes to the purpose of a disposition, development obligations, affordability requirements, purchase consideration, or other material terms shall require Board approval.

The Land Bank shall not be obligated to approve an extension or modification.

SECTION 12. CONFLICTS OF INTEREST

All Directors, officers, employees, agents, and other persons acting on behalf of the Land Bank shall comply with applicable provisions of Article 16 of the N-PCL and the Land Bank's Code of Ethics and Conflict of Interest Policy.

In accordance with the requirements of § 1614 of the N-PCL, no member of the Board or employee of the Land Bank shall acquire any interest, direct or indirect, in real property of the Land Bank, in any real property to be acquired by the Land Bank, or in any real property to be acquired from the Land Bank. No member of the Board or employee of a Land Bank shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a Land Bank.

SECTION 13. TRANSPARENCY AND RECORDS

The Land Bank shall make available to the public, as required by law:

1. This Policy;
2. Statutorily required property inventories;
3. Property disposition information;
4. Applicable disposition program guidelines and application forms;
5. Board resolutions approving dispositions;
6. Required annual reports; and
7. Other records required to be publicly disclosed.

Nothing in this section requires disclosure of records or portions of records that may lawfully be withheld under applicable law.

SECTION 14. ADMINISTRATIVE GUIDELINES

The Board may adopt and periodically amend administrative guidelines, forms, procedures, and program requirements implementing this Policy, including:

1. Property Purchase and Applicant Guidelines;

2. Side-Lot Program Guidelines;
3. Residential Rehabilitation Program Guidelines;
4. Developer or Commercial Property Guidelines;
5. Property application forms;
6. Evaluation or scoring criteria;
7. Standard development requirements;
8. Compliance and Enforcement Procedures;
9. Extension request procedures; and
10. Standard transaction documents.

Administrative procedures shall be consistent with this Policy and applicable law.

SECTION 15. POLICY REVIEW AND AMENDMENT

The Board shall periodically review this Policy and may amend it by resolution.

Land Bank staff and legal counsel should periodically review this Policy for consistency with amendments to Article 16 of the N-PCL, applicable State requirements, Land Bank funding requirements, and the operational experience of the Corporation.

SECTION 16. SEVERABILITY

If any provision of this Policy is determined to be invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions.

SECTION 17. EFFECTIVE DATE

This Policy shall become effective upon adoption by the Board of Directors of the Lewis County Land Bank Corporation.

APPENDIX A
LEWIS COUNTY LAND BANK CORPORATION
Property Purchase & Applicant Guidelines

This appendix describes the process for obtaining property from the Lewis County Land Bank Corporation, including eligibility requirements and specific requirements for certain programs.

1. **Buyer Qualifications**
   a) All disposals of Land Bank property shall be made to Qualified Buyers. A person or entity, submitting a proposal or offer to purchase property owned by the Land Bank (an "Applicant") must meet the following requirements to be considered a "Qualified Buyer." In the case of an entity comprised of one or more individuals such as a Limited Liability Corporation, this requirement pertains to all members.
      i. The Applicant's Principal Residence for the year immediately preceding the date of the Applicant's application was in Lewis County or in a neighboring County, the Applicant intends to relocate to Lewis County or a neighboring County and can provide satisfactory evidence thereof, or the Applicant has agreed to engage a property manager located in Lewis County to manage the property which is being disposed of pursuant to this Policy. The term "Principal Residence" means the property that the Applicant uses as his or her residence. If the Applicant uses more than one property as his or her residence, the Applicant's Principal Residence is the property in which the Applicant lives for the majority of the time during the year and not less than half of the year;
      ii. In the event the Land Bank requires the Applicant to complete any renovations or repairs with regard to the property being disposed of pursuant to this Policy, the Applicant has submitted satisfactory evidence that he or she has a feasible plan and adequate financing to complete the necessary renovations or repairs;
      iii. If requested by the Land Bank, the Applicant has completed a homebuyer education or related course from a provider approved by the Land Bank; and
      iv. The Applicant has completed an application in accordance with this Policy.
   b) An Applicant is ineligible if:
      i. At the time of the Applicant's application, there are unpaid and past due taxes with respect to any real property owned by the Applicant;

ii. A property owned by the Applicant has been foreclosed upon or subject to a judgment for tax delinquency by Lewis County within the past five (5) years;

iii. At the time of the Applicant's application, the Applicant owes amounts for past due bills, fines, or fees with respect to any real property owned by the Applicant;

iv. There are open code violations or unremedied citations or a history of code violations with respect to real property owned by the Applicant;

v. Multiple nuisance abatement cases or proceedings have commenced with respect to real property owned by the Applicant; or

vi. The Applicant, as an individual or entity, was the owner of property at the time of tax foreclosure by Lewis County. For the purposes of this policy, ineligible parties include shareholders, partners, members, officers of the entity and immediate family members of the individual owners (including, but not limited to spouse, parent, sibling, or child of the Applicant).

The Board of Directors may consider deviating from this criterion if the property in question is the Applicant's principal residence, adjacent to a property owned by the Applicant, and/or the principal source of income, and the Applicant:

i) presents compelling evidence excusing their failure to redeem the property prior to its foreclosure for unpaid real property taxes; and

ii) demonstrates that they have sufficient funds to pay in full:

(1) the real property taxes that were due at the time of foreclosure,

(2) any other liens that were extinguished by the foreclosure (or the ability to reinstate such liens), and

(3) the Land Bank's expenses associated with the acquisition and maintenance of the property, along with any related fees required by the Land Bank; and

iii) makes all repairs necessary to bring the property into compliance with applicable health, building and zoning laws, rules and regulations, and

vii. demonstrates that they have sufficient income to remain tax-current if they are granted title to the property.

viii. In addition, an Applicant may be disqualified if the Applicant and/or the Applicant's business or a business in which the Applicant has an ownership interest has one or more judgments currently filed against the Applicant or the business and/or has had at least one judgment taken and filed against the Applicant and/or the business.

ix. The Applicant, as an individual or entity, was previously approved to purchase a property from the Land Bank but failed to complete the transaction without good cause.

x. The Applicant, as an individual or entity, previously purchased a property from the Land Bank and failed to satisfactorily complete or allow access for proper documentation by the Land Bank of any renovation, development or compliance monitoring requirements agreed to as a condition of purchase.

xi. The Applicant does not provide a completed purchase Application, inclusive of all required materials and documentation by the property purchase deadline and/or fails to demonstrate financial resources sufficient to achieve the Applicant's proposed redevelopment plan.

2. Purchase Applications

Land Bank staff shall develop purchase application forms which Applicants shall be required to complete, so that the Land Bank can evaluate the qualifications of Applicants pursuant to the Buyer Qualifications and select Applicants with development plans that are consistent with the Land Bank's mission and purpose. The information requested in such applications may vary depending on the type of property that the Land Bank is intending to sell. The Land Bank may require Applicants to submit redevelopment plans and/or management plans as part of the application process.

3. Acceptable Consideration for Property (All Purchases)

In accordance with the terms and conditions of the Land Bank's discount/preference programs, the Land Bank may accept monetary payments, secured financial obligations, covenants and conditions related to the present and future use of any property being disposed of pursuant to this Policy, contractual commitments of the buyer or lessee, and such other forms of consideration deemed appropriate by the Board of Directors.

APPENDIX B – ENFORCEMENT AND COMPLIANCE POLICY

1) Purpose and Background

This policy outlines the process by which Lewis County Land Bank Corporation (Land Bank) will monitor and enforce enforcement notes, deed restrictions, and other related instruments employed by the Land Bank to ensure productive and successful outcomes of real estate transactions and rehabilitation projects. The primary purpose of the Lewis County Land Bank Corporation is to facilitate the process of acquiring, improving, and redistributing vacant properties, eliminate the harms and liabilities caused by such properties, and return properties to productive use in a manner consistent with local redevelopment and comprehensive plans. The Land Bank acquires tax-foreclosed vacant or abandoned properties from Lewis County and disposes of them to responsible buyers through an application process that includes a multi-layered review and approval process. All property sales are approved by the Land Bank's Board of Directors. Properties purchased from the Land Bank typically require improvements which are the responsibility of the buyer. As part of the Land Bank's property purchase application, buyers are required to provide a scope of work, proposed budget and rehabilitation timeline. Land Bank staff review these aspects of the application to ensure that the buyer has a fundamental understanding of the level of rehabilitation, timeframe and associated costs in order to increase the likelihood of a successful outcome for the Land Bank, the buyer and the surrounding neighborhood. Property sales requiring significant improvements may be subject to an enforcement mortgage or other appropriate enforcement mechanism that secures a lien against the property. Depending on the buyer's proposal and the desired outcome of a property transaction, the Land Bank may decide to place deed restrictions and/or reverter clauses in a property sale. In some cases, deed restrictions may be applied in conjunction with an enforcement note and mortgage.

2) Enforcement Tools and Definitions

Enforcement Note and Mortgage. Property sales requiring significant renovation or improvement may be subject to an enforcement note and mortgage that secures a lien against the property when the Land Bank determines that such an enforcement mechanism is appropriate based upon the circumstances of the disposition. When an enforcement note and mortgage is utilized, the Land Bank shall execute a "Development Enforcement Note and Mortgage Agreement" ("Development Agreement") establishing the applicable lien terms and development obligations. As part of this Agreement, the buyer agrees to improve,

develop and/or repair the property in accordance with a redevelopment plan, which addresses the scope of the renovations needed. Once the required renovations or improvements are completed to the Land Bank's satisfaction, the Land Bank will discharge the mortgage and the property is deemed to be back to productive use. Pursuant to the Development Agreement, buyers agree to complete any agreed-upon work on the property within the agreed-upon timeframe from the closing date of the sale ("Completion Date"). On or before the Completion Date, the buyer must provide the Land Bank with a Certificate of Occupancy from the respective local government's Code Enforcement (or equivalent) Office showing that the property meets code requirements. Upon receipt of the Certificate, the Land Bank must inspect the property to determine if the buyer has met the terms of the Development Agreement and completed the redevelopment plan. If the agreed-upon improvements have been made, the Land Bank issues the buyer a Certificate of Substantial Compliance, and the Discharge-of-Mortgage is filed with the County Clerk. If a buyer does not achieve substantial compliance by the required Completion Date, the Land Bank may give the buyer a 10-day written notice to correct any deficiencies. If a notice is issued and insufficient action is taken by the buyer within the 10 days of the notice, the Development Agreement is considered in default, and the Land Bank may exercise its right of reversion of the property and/or begin foreclosure proceedings. If the Land Bank determines, at its sole discretion, that the Land Bank must commence foreclosure proceedings, the buyer waives any right to offset for improvements already made to the property and will be required to deliver to the Land Bank a Deed-in-Lieu of Foreclosure. The Land Bank understands that the rehabilitation of vacant and abandoned properties can present significant known and unknown challenges that may impact the buyers' original Development Agreement. It is paramount that buyers notify the Land Bank of any events encountered by the buyer during the project that would impact the buyers' ability to satisfy the Development Agreement. In some cases, buyers may be able to request an extension of time to satisfy the Development Agreement; however, the Land Bank is under no obligation to grant an extension of time to complete the Development Agreement.

Deed Restrictions are private agreements that restrict the use of the real estate in some way, and are listed in the deed. Deed Restrictions may limit the use of land and may impose a duty upon the landowner. The Land Bank may place Deed Restrictions in a sale to ensure an agreed-upon outcome such as merging two adjoining tax parcels or preserving open space. In some cases, deed restrictions may be applied in conjunction with an enforcement note and mortgage. All conveyances of real property by the Land Bank shall be subject to the minimum

anti-speculation requirement established in Section 9.3 of the Disposition Policy, which prohibits resale or transfer of the property until the property is in compliance with all applicable building, housing, property maintenance, health, and safety codes and regulations. The applicable transaction documents shall provide for Land Bank approval or other appropriate documentation confirming satisfaction of this requirement prior to resale or transfer. This requirement shall be secured by a recorded deed restriction and/or right of re-entry running to the Land Bank, releasable upon confirmation of compliance. Where no such codes apply to the property or the property is already in compliance at conveyance, this requirement is deemed satisfied upon closing.

The Land Bank may impose additional deed restrictions or anti-speculation measures, including a fixed-duration no-flip period, when appropriate based upon the circumstances of the particular disposition. Such additional restrictions shall be determined on a property-specific or program-specific basis and may be utilized in conjunction with an enforcement note and mortgage, Right of Reversion, Development Agreement, or other enforcement mechanism.

A “Reverter” (also called a “Right of Reversion”) in the context of real property, is an enforcement mechanism that may provide for property to revert or be reconveyed to the Land Bank upon the occurrence of specified conditions or the purchaser's failure to satisfy specified obligations.

The Land Bank may require a Right of Reversion when appropriate based upon the circumstances of a particular disposition, including the condition and intended use of the property, purchaser obligations, consideration, public investment, redevelopment requirements, and risks associated with the transaction. A Right of Reversion may be utilized, for example, when a purchaser fails to complete improvements required by a Development Agreement within the applicable Completion Date.

When utilized, the specific terms, conditions, duration, release provisions, and remedies associated with a Right of Reversion shall be established in the applicable deed, Development Agreement, or other transaction documents. A purchaser may request modification or release of a Right of Reversion; however, the Land Bank shall not be obligated to approve such request unless the applicable conditions have been satisfied or the Land Bank otherwise determines that modification or release is appropriate.

A Right of Reversion shall not be required solely because the property conveyed is vacant land. Any development, maintenance, code-compliance, construction,

merger, or other requirements applicable to vacant land shall be established based upon the intended use and circumstances of the particular disposition.

3) Enforcement Procedures

Adequate procedures to effectively monitor compliance with the Agreements help secure the buyers' completion of their redevelopment plans and help the Land Bank meet its mission to eliminate vacant and abandoned properties, lessen the burdens they pose to local governments and communities, improve quality of life for surrounding residents, and grow the local property tax base. The following measures will be taken to ensure timely and effective enforcement:

a) Monitoring

i) Land Bank Staff shall proactively monitor progress for each Development Agreement and Deed Restriction. Each quarter, Land Bank staff shall contact each buyer via phone and/or email to check in on progress and identify any issues/concerns that may cause an applicant to miss the Completion Date. Record of contact and outcome of engagement shall be recorded in the Land Bank's files to document the outcome of each interaction. Nonresponsive buyers will be considered in default on the terms of the enforcement note and mortgage and are subject to all further actions available to the Land Bank. Development Agreements, Deed Restrictions, Reverters and related documents may also be subject to monitoring by the New York State Authorities Budget Office and the New York State Attorney General's Office.

b) Reporting

i) Each quarter, Land Bank staff shall produce a report summarizing the outcome of the quarterly monitoring. Such report shall be submitted to the Executive Director and/or Chairperson of the Board for review and direction on any additional actions as he/she may deem necessary.

c) Inspection

i) Under the terms of sale, the Land Bank has the right to inspect properties sold to buyers during rehabilitation. Each quarter Land Bank staff shall select, at its sole discretion, a representative sample of properties to inspect. The properties may be selected at random and/or based on concerns identified from field observations, reports from, but not limited to, residents, community groups, municipalities, or discussions with buyers during routine monitoring.

d) Modification of Completion Dates

i) In some cases, Completion Dates may be modified by the Land Bank. Any request to modify a Completion Date must be submitted to the Land Bank in writing for consideration by the Executive Director or Chairperson of the Board. If approved, the Land Bank may grant a modification to the Completion Date at its sole discretion and issue notification of any such extension to the buyer. The Land Bank is under no obligation to grant an extension of the Completion Date. All owners must submit an extension request on the proper form and pay any fees, if applicable, at least Sixty (60) days prior to the expiration of the timeline set forth in the Enforcement Note and Mortgage.

e) Project Completion

i) Upon the completion of an agreed-upon Development Agreement and/or action governed by a deed restriction, the buyer must notify the Land Bank and provide satisfactory evidence of completion. In the event of a Development Agreement, such evidence shall include the Residential Occupancy Permit, Certificate of Occupancy - or acceptable equivalent document depending on municipality or project - and schedule a walk-through inspection with Land Bank staff. Upon satisfactory outcome of walk-through, the Land Bank will initiate the discharge of the appropriate enforcement on the subject property in a timely manner. Documentation of the walk-through and evidence of project completion from the buyer will be retained in the Land Bank's records. The project will be deemed complete upon discharge of the enforcement mortgage.