

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE NEW YORK STATE HOUSING FINANCE AGENCY
AND THE NEW YORK STATE HOUSING FINANCE AGENCY
EMPLOYEES ASSOCIATION, UNITED AUTO
WORKERS LOCAL 2110, AFL-CIO**

The following Memorandum of Understanding ("Memorandum") is entered into by the New York State Housing Finance Agency ("Agency") and the New York State Housing Finance Agency Employees Association, United Auto Workers Local 2110, AFL-CIO ("Union"), which represents the employees of the Agency, and the Agency and the Union being sometimes hereinafter collectively referred to as the "parties" and individually referred to as a "party."

1. This Memorandum sets forth amendments ("Amendments"), negotiated by the parties in collective negotiations, to the Agency-Union Agreement having an effective date of June 11, 2008 ("Agreement"). It is expressly understood and agreed that this Memorandum is subject to, and conditioned upon, approval, in its entirety, by the Members of the Agency and the Union.

2. The Agency and the Union agree to enter into a contract incorporating the terms and conditions of the Agreement, as amended by this Memorandum, for the period May 1, 2007 through April 30, 2011.

3. Article 4 ("TERM OF AGREEMENT") of the Agreement shall be modified to read as follows:

"A. The Agency and the Union agree that, except as otherwise provided in this Agreement, all benefits accruing under this Agreement shall be effective as of May 1, 2007. Each benefit of this Agreement shall be for a period commencing on the effective date of such benefit, as provided in this Agreement, and ending on April 30, 2011. In the event a new Agreement has not been signed by April 30, 2011, the terms of this Agreement shall remain in effect until a new Agreement has been signed.

B. Unless specifically stated to the contrary in this Memorandum, the Union and the Agency agree that all Amendments incorporated into the Agreement by this Memorandum shall have an effective date of June 11, 2008 and shall apply prospectively only from that date."

4. Paragraph A. of Article 12 ("SALARY AND PAY PLAN") shall be deleted from the Agreement in its entirety and replaced with a new paragraph A. as follows:

"A. Unless specifically agreed to the contrary by the parties, subject to all limitations contained in this Article, eligible employees shall receive:

(1) Greater of 3.0% or \$1,200 general wage increase in annual base salary effective May 1, 2007, retroactive for base wage only to May 1, 2007, payable within thirty (30) days following approval and ratification of the Memorandum to current employees (employed as of May 1, 2007) who were in the bargaining unit on May 1, 2007, and otherwise meet the requirements of this Agreement. (The retroactive increase in this 12.A(1) does not apply to anything other than base salary, except overtime worked for the period May 1, 2007 to April 30, 2008);

(2) Greater of 3.0% or \$1,200 general wage increase in annual base salary, effective May 1, 2008, retroactive for base wage only to May 1, 2008, payable within thirty (30) days following approval and ratification of the Memorandum to current employees (employed as of May 1, 2008) who were in the bargaining unit on May 1, 2008, and otherwise meet the requirements of this Agreement. (The retroactive increase in this 12.A(2) does not apply to anything other than base salary, except overtime worked for the period May 1, 2008 to the date on which the retroactive increase is paid);

(3) Greater of 3.0% or \$1,200 general wage increase in annual base salary effective May 1, 2009, payable commencing on May 1, 2009, to Agency employees who are in the bargaining unit on May 1, 2009, and otherwise meet the requirements of this Agreement;

(4) Greater of 4.0% or \$1,200 general wage increase in annual base salary effective May 1, 2010, payable commencing on May 1, 2010, to Agency employees who are in the bargaining unit on May 1, 2010, and otherwise meet the requirements of this Agreement;"

5. "Exhibit B" (PAY PLAN) attached to the Agreement, and incorporated by reference therein, shall be deleted in its entirety and replaced with the "Exhibit B" (PAY PLAN dated June 11, 2008) attached hereto as "Attachment 1" and specifically incorporated by reference herein which Attachment 1 shall reflect the minimum and maximum base salary for each salary band of the current PAY PLAN dated on or about April 13, 2005 adjusted by the general wage increase percentages provided for in paragraph 4 hereof.

6. Article 11 ("NO DISCRIMINATION") shall be deleted from the Agreement in its entirety and replaced with a new Article 11 as follows:

"Neither the Agency nor the Union shall discriminate on the basis of race, creed, color, religion, national origin, age, sex, physical or mental handicap, marital status, citizenship status, veteran status, or sexual orientation.

There shall be no discrimination against any employee because such employee has formed, joined, or chosen to be represented by the Union.

With the sole exception of claims alleging adverse employment action involving multiple employees, claims of discrimination shall not be subject to review under the provisions of Article 46 of this Agreement ("GRIEVANCE PROCEDURES")."

7. Article 17 ("VACATION LEAVE") shall be amended by deleting the third sentence of the second paragraph of Article 17 and replacing it with the following language:

"Vacation requests (or combined vacation day(s) and personal day(s) requests) of two calendar weeks or more must be submitted at least thirty (30) days prior to the start date of the leave except in extenuating circumstances and such leave shall not be unreasonably denied."

8. Article 19 ("SICK LEAVE") shall be amended to add the following language at the end of Article 19:

"It is the employee's responsibility to let his or her supervisor know the reason for the employee's absence. A physician's note may be required for absences of three (3) or more consecutive days or for an employee who has been warned of possible abuse of sick leave.

The Human Resources Department shall audit absences and identify, monitor and report potential abusers (i.e. absences occurring on Mondays, Fridays, before or after holidays or taking the same day off every week) of the sick leave policy. An attendance record for each employee shall be kept by the Human Resources Department. Information on an employee's attendance shall be taken off his/her time sheet and recorded biweekly. At the end of each quarter, supervisors will be informed in writing by the Human Resources Department of employee(s) who may be potential abusers of the policy and in need of counseling.

In the event of illness, lateness or other emergency, the employee must telephone the supervisor or the appropriate senior staff member by 9:30 a.m.

All employees shall have on file with the Human Resources Department the name, address and telephone number of a person to contact in the event of an emergency."

9. Article 15 ("HOURS OF WORK") shall be amended to add the following paragraph at the end of Article 15:

"Employees taking partial days off must actually work at least 3.5 hours of the work day in order to be entitled to a paid lunch break."

10. Article 59 ("FAMILY AND MEDICAL LEAVE (without pay)") shall be deleted from the Agreement in its entirety and replaced with the new Article 59 entitled "LEAVES WITHOUT PAY; LEAVE OF ABSENCE" attached hereto as "Attachment 2" and specifically incorporated by reference herein.

11. Article 35 ("DEATH AND RETIREMENT BENEFITS") shall be amended to add the following paragraph at the end of Article 35:

"Within 18 months of actual retirement from the Agency, an employee who will become eligible for such retirement shall be entitled to a one-time non-chargeable day off for the sole purpose of visiting the State Retirement Office."

12. Article 31 ("OPTICAL/HEARING/PODIATRIC PLAN") shall be amended to delete the last paragraph of Article 31 and replace it with the following paragraph:

"It is further understood and agreed by the parties that reimbursement by the Agency under this Article is not available for either co-pays or deductibles under the Agency's health insurance coverage for optical, hearing or podiatric expense."

13. Article 38 ("OVERTIME MEAL ALLOWANCE") shall be deleted from the Agreement in its entirety and replaced with a new Article 38 as follows:

"An overtime meal allowance shall be paid to an employee, Agency Band 5 or under, when, at the request or direction of such employee's supervisor or an Agency executive, such employee has worked:

(1) At least nine (9) hours on a regular workday. Such employee shall receive an overtime meal allowance of \$18.00; or

(2) At least four (4) hours of overtime on a Saturday, Sunday or Holiday. Such employee shall receive an overtime meal allowance of \$18.00. In addition, after at least nine (9) hours, an employee shall receive another such \$18.00 allowance.

An overtime meal allowance shall not be available to employees in Travel Status."

14. Article 39 ("TRAVEL AND TRANSPORTATION EXPENSES") shall be amended to delete subparagraph 39.1 in its entirety and replace it with the following language:

"39.1. Meals and Lodging:

A. The Agency agrees to reimburse employees for expenses incurred while in travel status in the performance of their official duties in accordance with the following:

B. Employees who are in travel status are allowed a maximum of \$55.00 per day for meals. Maximum reimbursement will be allowed only with respect to any days when the employee is in Travel Status ("Full Day" travel).

C. For any travel status periods that are not included within a Full Day (partial day periods) the maximum allowance per meal shall be as follows:

Breakfast	\$ 10.00
Lunch	15.00
Supper	30.00

D. Actual lodging costs will be paid on the submission of receipted bills by employees.

E. An employee shall also be entitled to be reimbursed for other itemized, reasonable and necessary expenses."

15. Article 39 ("TRAVEL AND TRANSPORTATION EXPENSES") shall be amended to delete subparagraph 39.3. in its entirety and replace it with the following language:

"39.3. Mileage Allowance

Effective June 11, 2008, the mileage allowance rate shall be the federal rate published periodically by the Internal Revenue Service."

16. Article 45 ("RESIGNATION AND DISCIPLINE") shall be deleted from the Agreement in its entirety and replaced with a new Article 45 attached hereto as "Attachment 3" and specifically incorporated by reference herein. It is agreed that in no event shall an employee's civil service rights be modified by the terms of this Memorandum.

17. The Agency and the Union agree to execute the side-letter attached hereto as "Attachment 4" and specifically incorporated by reference herein.

18. Article 41 ("STANDARD OFFICE PROCEDURES") shall be amended to add the following sentence at the end of Article 41:

"Effective June 11, 2008, employees may be entitled to the replacement, at no cost to the employee, of a second lost or destroyed employee identification access card during the employee's employment with the Agency if the loss is due to extenuating circumstances."

19. Article 42 ("PAYROLL") shall be amended to add the following sentence at the end of Article 42:

"Effective June 11, 2008, there shall be no early release of paychecks."

20. Article 36 ("TUITION") shall be deleted from the Agreement in its entirety and replaced with a new Article 36 attached hereto as "Attachment 5" and specifically incorporated by reference herein.

21. The Union agrees to cooperate in the issuance of an updated Employee Handbook by the Agency.

22. The Agency and the Union agree to forthwith take all necessary actions to withdraw or cause to be withdrawn with prejudice, upon the approval of this Memorandum by the Agency's Members and ratification by the Union, all pending grievances, improper practice charges, court actions, arbitrations or actions or proceedings of any nature pending as of the date of this Memorandum, including without limitation, the following actions or proceedings:

None

23. Upon the approval by the Agency's Members of this Memorandum and ratification by the Union, the Agency agrees to forthwith take all necessary steps to process the payroll and pay the wage increases provided for in this Memorandum, including all retroactive payments due to employees hereunder, as soon as reasonably possible.


24. The Agency and the Union agree that the written terms of this Memorandum constitute the complete and entire agreement between the parties with respect to the collective negotiations resulting in this Memorandum, and both the Agency and the Union, respectively, hereby confirm and acknowledge the withdrawal of all other demands, proposals, modifications and matters not specifically addressed in this Memorandum.

25. Except as modified by the terms of this Memorandum, all terms and conditions of the Agreement shall remain in full force and effect for the period May 1, 2007 through April 30, 2011.

26. IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS MEMORANDUM OF UNDERSTANDING OR THE AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OR LAW OR BY PROVIDING THE ADDITIONAL FUNDS THEREFORE SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be signed by their respective representatives on June 11, 2008.

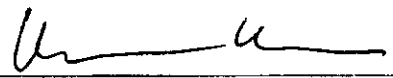
NEW YORK STATE HOUSING FINANCE AGENCY

By: 
Priscilla Almodovar, President/CEO

NEW YORK STATE HOUSING FINANCE AGENCY EMPLOYEES' ASSOCIATION

By: 
Henry Hauk, President

UNITED AUTO WORKERS LOCAL 2110, AFL-CIO

By: 
Maida Rosenstein, President

UNITED AUTO WORKERS, REGION 9A, AFL-CIO

By: _____
Robert Mador, Director, UAW Region 9A, AFL-CIO

ATTACHMENT 2

ARTICLE 59 - LEAVES WITHOUT PAY; LEAVE OF ABSENCE

A. Limitation on Leave. An employee may not take more than a total of four (4) months leave, or combinations of leave, of any kind, in any twelve (12) month period with the sole exception of child-care leave set forth in section C of this Article. An employee taking child-care leave may not take more than a total of seven (7) months leave, or combinations of leave of any kind, in any twelve (12) month period, of which no more than a total of four (4) months leave may be for anything other than child-care leave. To the extent allowed by law, all leave provided by the Agency, whether paid or unpaid, is to be considered leave provided by the Family and Medical Leave Act and shall be taken concurrently with any Family and Medical Leave Act leave so that the maximum leave allowances of four (4) or seven (7) months as hereinabove described in this paragraph A above are not exceeded. The Agency agrees to continue to make health insurance contributions in accordance with the terms of this Agreement during all periods an employee is on authorized leave pursuant to this Article.

(1) A regular employee on an approved leave of absence will be considered to have voluntarily terminated employment if he/she:

(a) Fails to report to work at the conclusion of the leave; or

(b) Refuses to accept the position offered by the Agency upon his/her return to work.

B. Disability Leave Of Absence. The Agency agrees to grant eligible employees a leave of absence, without pay, not to exceed four (4) months, provided, however, the following qualifications for eligibility are met:

(1) The employee must be a regular salaried employee;

(2) The employee must use any accrued personal leave, vacation leave, sick leave and any sick leave at half pay (if eligible) before the disability leave commences;

(3) The employee must fully complete and submit to the Human Resources Department a completed disability leave of absence request form within five (5) working days from the onset of the disability; and

(4) Along with the fully completed disability leave of absence request form, the employee must provide medical documentation and support, confirming the existence of the disability; that the employee is temporarily completely unable to work; and an estimate of the date the employee will be able to return to work and perform his/her usual work. The Agency also reserves the right to have the employee examined by an Agency physician;

(5) The employee shall not be totally disabled. In the event that the employee becomes totally disabled while on disability leave of absence, said leave shall automatically terminate on the date of total disability. Upon return from an approved disability leave, the employee must present to the Human Resources Department a written authorization acceptable to the Agency from the employee's physician stating that he/she is fully able to work. The employee shall not be permitted to return to work without such authorization. The Agency reserves the right to have the employee examined by an Agency physician. When the employee wishes to return from approved disability leave, the shall place the employee in the position held by the employee prior to the leave of absence or in an equivalent position for which he/she is qualified.

C. Child-care Leave (without pay). The Agency agrees to grant to employees who have been employed for at least one (1) year, and upon the approval of the President/CEO, child-care leave, without pay, of not more than seven (7) consecutive months. This leave shall only be granted to employees who wish to care for their minor children. This leave shall only be granted once for each child and must be taken in consecutive months.

(1) Sick and annual leave credits may be used by the employee prior to the commencement of child care leave. All accruals cease on the date the leave commences. Prior to commencement, the Personnel Status Change Form must be completed and signed by the President/CEO, indicating the change in employment status.

(2) When the employee wishes to return from approved child care leave, the Agency shall place the employee in the position held by the employee prior to the leave of absence or in an equivalent position for which he/she is qualified.

(3) Notwithstanding anything to the contrary contained in this Article, Child-Care Leave in excess of the employee's FMLA leave maximum entitlement shall be granted by the Agency only upon demonstration by the employee of the birth of a child, adoption, foster care placement or other appropriate need as determined by the Agency.

D. Emergency Personal Leave (without pay). Upon completion of an employee's probationary period, regular employees are eligible to request a leave of absence without pay for compelling and valid reasons.

(1) If an employee shall require an emergency leave, the department head and President/CEO may approve a period up to one (1) month's leave of absence without pay for compelling and valid reasons. Additional time requested for cases of extreme emergency shall be reviewed by the Agency on an individual basis.

(2) All requests for leave shall be in writing, stating the reason for the requested leave, date of beginning and expected date of return. Annual leave credits must be used until exhausted prior to commencement of Emergency Personal Leave. Leave accruals shall not be affected by use of Emergency Personal Leave except that leave shall not accrue during all periods that the employee is on Emergency Personal Leave.

E. Family and Medical Leave (without pay). Employees who have been employed by the Agency for twelve (12) months and have been employed for at least 1250 hours during those twelve (12) months are eligible to take up to twelve (12) weeks of unpaid leave in a twelve (12) month period as provided by the Family and Medical Leave Act for the following reasons: the birth or placement of a child for adoption or foster care; to care for the serious health condition of the employee or the employee's spouse, child or parent.

(1) A "rolling date" shall be the method of calculation of the twelve (12) month period during which the Family and Medical Leave Act leave may be taken. Upon an employee's request for leave under the Family and Medical Leave Act, the Human Resources Department will review that employee's leave taken during the preceding twelve (12) month period to determine the amount of Family and Medical Leave Act leave to which the employee is entitled.

(2) An employee is not required to, but may use all, or any part, of accrued annual, personal and sick leave before receiving unpaid Family and Medical Leave Act leave such that the total length of the leave does not exceed twelve (12) weeks. For example, if the employee has two (2) weeks of accrued leave and is eligible for a Family and Medical Leave Act leave, the employee will receive twelve (12) weeks of leave - 2 paid and 10 unpaid.

(3) An employee seeking leave due to the serious health condition of the employee, the employee's spouse, domestic partner (as defined in paragraph 7 below), child (including adopted child) or parent should complete a physician's statement a copy of which is available at the Human Resources Department.

(4) Upon an employee's return from Family Medical Leave Act leave, when appropriate in the determination of the Agency, the employee must present to the Human Resources Department a written authorization from the doctor stating that he/she is able to return to work. The employee will not be allowed to return to work without written authorization.

(5) Upon return from the leave, the Agency will place the employee in the position the employee held prior to the leave or in an equivalent position for which the employee is qualified.

(6) During the leave, an employee must inform the Human Resources Department (at least once a month) of his/her status.

(7) Effective May 1, 2008, the Agency shall extend the equivalent of this FMLA leave to Certified Domestic Partners of eligible employees who qualify under the eligibility and other requirements and rules and regulations issued currently and from time to time by the State Department of Civil Service or similar State authority concerning eligibility of domestic partners for health and dental insurance benefits.

ATTACHMENT 3

ARTICLE 45 - RESIGNATION AND DISCIPLINE

The following disciplinary procedure for incompetence or misconduct shall apply to all eligible employees as provided for herein in lieu of any other procedure provided by statute or regulation. No employee shall be disciplined except for just cause.

I. Employee Rights.

A. An employee shall be entitled to representation by the Union or (at the employee's expense) by an attorney at each step of the disciplinary procedure.

B. No employee shall be required to submit to interrogation concerning alleged misconduct before a service of notice of discipline or a request for resignation, or after a notice of discipline has been served upon him or her, unless such employee is notified in advance, in compliance with the provisions hereinafter set forth, and afforded the opportunity of having a Union representative present, and apprised in writing of all rights as provided herein.

C. No employee shall be requested to sign any statement regarding incompetence or misconduct unless a copy of the statement is supplied to the employee; any statements or admissions signed by such employee without his or her having been supplied a copy may not subsequently be used against such employee.

D. No recording devices or stenographic or other transcript shall be used during an interrogation unless the employee is advised in advance that a transcript is being made; a copy of such transcript shall be thereafter supplied to the employee.

E. In all disciplinary proceedings, the employee shall be presumed innocent until proven guilty, and the burden of proof on all matters shall rest upon the employer. Such burden of proof, even in serious matters which might constitute a crime, shall be a fair preponderance of the evidence on the record and shall in no case require proof beyond a reasonable doubt.

F. An employee shall not be coerced, nor be intimidated nor suffer any reprisals either directly or indirectly that may adversely affect such employee's hours, wages or working conditions as the result of the exercise of rights under this Article. Reassignment to other responsibilities, close supervision or like measures pending disposition of disciplinary charges effectuated by the Agency for good faith reasons shall not be considered to violate this paragraph.

G. If an employee has requested representation pursuant to this Article, and representation is not provided within a reasonable time, the interrogation, signing of a

statement or resignation, or as the case may be an Arbitration or hearing may proceed without such representation.

H. Any notice provided to any employee shall be simultaneously provided to the Union.

II. Resignation.

A. An employee who is advised that he or she is *alleged* to have been guilty of misconduct or incompetence and is therefore requested to resign shall be given such request in writing together with a statement stating:

(1) An employee has a right to consult a representative of the Union or an attorney before executing a resignation and a reasonable period of time will be afforded for such purpose;

(2) An employee may decline the request to resign and, in that event, a notice of discipline must be served before any disciplinary action or penalty may be imposed pursuant to the procedure provided in the Agreement between the Agency and the Union;

(3) The disciplinary procedure may result in a hearing;

(4) In the event a notice of discipline is served, an employee has the right to object to such notice by filing a grievance;

(5) An employee has the right to representation at every step of the grievance procedure; and

(6) An employee has the right to refuse to sign a resignation and that refusal cannot be used against the employee in any subsequent proceeding.

B. A resignation which is procured in a manner inconsistent with this procedure shall be null and void.

C. A written resignation, once submitted by an employee, shall be irrevocable.

III. Disciplinary Procedure.

A. The disciplinary procedure shall be commenced by a notice of discipline as hereinafter provided.

B. Any act which may be performed by the President under this Article 45 may be performed by a designee of the President, which designation shall be in writing and a copy of which shall be provided to the Union in the same manner as set forth below for advising the Union of service of a notice of discipline. Such designee may be an employee of the Agency, but shall (to the extent possible) not be the direct supervisor of the employee sought to be

disciplined, nor (to the extent possible) shall such designee have any personal involvement in the acts leading to the notice of discipline.

C. The President may seek the imposition of a written reprimand, suspension without pay, a fine not to exceed .9% of annual base salary, reduction in band, demotion, dismissal from service, or a probationary period of up to one year where any reoccurrence, during probationary period, of the conduct charged may result in termination from employment without further proceedings. Only employees covered by paragraph "J." hereof affecting employees in Bands I-V of the HFA Pay Plan shall have the right to have such determination reviewed by the original arbitrator solely for a determination of whether the alleged conduct actually occurred.

D. Notice of such discipline shall be made in writing and served upon the employee by registered or certified mail at the home address of the employee or by personal delivery at such address or such other place as the employee may be found. The notice shall specify the reason for disciplinary action, including a brief statement of the conduct forming the basis of the disciplinary action and the proposed penalty.

E. The Union shall be advised, by registered or certified mail to the Union address set forth above or by personal delivery to an officer of the Union, that the notice of discipline has been served.

F. Where service is by personal delivery, it shall be deemed complete upon delivery. Where service is by certified or registered mail, it shall be deemed complete upon the earlier of (1) delivery as reflected by the return receipt; (2) giving of the first notice by the Postal Service as reflected by notation upon the envelope upon its return to the Agency; or (3) ten (10) calendar days after mailing to the last home address on file with the Agency.

G. The notice of discipline served on the employee shall include a written statement that:

(1) An employee has a right to object to a notice of discipline by filing a grievance within the time limits applicable to the employee specified in this Article 45.

(2) The grievance procedure provides for a hearing.

(3) An employee is entitled to representation by the Union or by an attorney at every stage of the proceeding;

(4) If an employee timely files and prosecutes a grievance, no penalty can be implemented until a determination has been rendered at the final step of the procedure. A copy of this Article will be supplied to an employee upon request made to the Agency's Director of Human Resources.

H. A penalty may not be implemented (1) until the employee has failed to file a timely grievance; (2) until the employee has failed to file a timely appeal as provided below; or (3) until and to the extent that it is upheld by an arbitrator or the President/CEO at the final step of this procedure, as the case may be, or a different penalty is determined, or the matter is settled.

I. An employee may object to a notice of discipline by filing a grievance. Such grievance shall be in writing and shall state that the employee objects to the notice of discipline, whether such objection is only to the penalty proposed and whether a hearing before the President is requested. It shall also state the nature of the objection. Such grievance shall be served upon the President by registered or certified mail at the Agency's address set forth above or by personal delivery to the Human Resources Department. Where service is by personal delivery, it shall be deemed complete upon delivery. Where service is by registered or certified mail, it shall be deemed complete upon mailing. Where service is by any other means, it shall be deemed complete only upon receipt.

J. Procedure For Employees in Bands I - V (Or Their Successors) Only. The following procedure set forth in this paragraph J shall apply only to disciplinary actions brought against employees holding titles or positions set forth in Bands I-V of the Pay Plan attached hereto as "Exhibit B".

(1) The notice of discipline may be the subject of a hearing before the President, provided such hearing shall be requested by the employee within ten (10) working days of completion of service of the notice of discipline. Such hearing shall occur within ten (10) working days of service of the request, and a written decision shall be rendered within seven (7) working days of such hearing. Such decision shall be served in accordance with paragraph D hereof, and the Union shall be notified in accordance with paragraph E hereof.

(2) If the disciplinary grievance is not resolved, it may be appealed to independent arbitration by serving a notice thereof upon the President in accordance with paragraph I hereof within ten (10) working days of service of the President's or designee's decision.

(3) The disciplinary arbitrator shall hold a hearing as soon as practicable after selection, and a decision shall be rendered within thirty (30) working days of the date of the hearing.

(4) Disciplinary arbitrators shall confine themselves to determinations of just cause for the disciplinary action. Disciplinary arbitrators shall not add to, subtract from, nor modify the provisions of this Agreement. The disciplinary arbitrator's decision shall be final and binding upon the parties, and the disciplinary arbitrator may approve, disapprove or take any other appropriate action warranted under the circumstances, including, but not limited to, ordering reinstatement and back pay for all or part of any period of suspension. If the disciplinary arbitrator, upon review, finds probable cause for the suspension, he or she may consider such suspension in determining the penalty to be imposed. The disciplinary arbitrator is not restricted by the limits on penalties which may be proposed by the Agency.

He or she shall have full authority, if the remedy proposed by the Agency is found to be inappropriate, to devise an appropriate remedy including an increase or decrease in the penalty sought by the Agency, but limited to a penalty which the Agency could have proposed.

(5) The disciplinary arbitrator shall confine himself or herself to the precise issue submitted for arbitration and shall have no authority to determine any other issues not so submitted nor shall he or she submit observations or declarations of opinion which are not essential in reaching the determination.

(6) The disciplinary arbitrator shall be selected from the hearing officers named in Subparagraph III. R. below on a rotating basis.

K. Procedure For Employees Not in Bands J - V (Or Their Successors) Only. The following procedure set forth in this paragraph K shall apply only to disciplinary actions brought against employees holding titles or positions set forth in salary bands other than Bands I-V of the Pay Plan attached hereto as "Exhibit B."

(1) The notice of discipline may be the subject of a hearing before a disciplinary hearing officer selected on a rotating basis from the panel hereinafter set forth in Subparagraph III. R. below provided such hearing shall be requested by the employee within ten (10) working days of completion of service of the notice of discipline. Such hearing shall occur within ten (10) working days of service of the request or as soon thereafter as practicable, and a written non-binding recommendation to the President/CEO shall be rendered by the hearing officer within five (5) working days of such hearing. Such non-binding recommendation of such hearing officer shall be forthwith forwarded to the President/CEO; a copy served on the employee in accordance with paragraph D hereof; and the Union shall be notified in accordance with paragraph E hereof.

(2) The recommendation of the hearing officer shall be reviewed by the President/CEO of the Agency as soon as possible. The President/CEO, in his sole discretion, may accept, reject or modify the recommendation of the hearing officer and render a final written determination. The determination of the President/CEO shall be final and binding upon all of the parties.

(3) In lieu of proceeding directly to the hearing officer pursuant to subparagraph K. (1) above, an employee may within five (5) working days of completion of service of the notice of discipline, request in writing an informal hearing with the Chief Operating Officer of the Agency or his/her designee. Such hearing shall be held within five (5) working days of receipt of the request by the Agency, and a written decision shall be served on the employee in accordance with paragraph D hereof, and the Union shall be notified in accordance with paragraph E hereof. The employee shall have five (5) working days from service of the decision of the Chief Operating Officer or his/her designee to request in writing a hearing before the hearing officer pursuant to paragraph K (1) hereof. Such hearing shall be held within ten (10) working days of the request. In the event that the

employee fails to timely request the paragraph K (1) hearing within five (5) working days, the decision of the Chief Operating Officer or his/her designee shall be final and binding.

L. A grievance may be settled at any stage of the disciplinary grievance procedure. The terms of the settlement shall be agreed to in writing. An employee executing such a settlement shall be offered a reasonable opportunity to have an attorney or a Union representative present before execution of such a settlement. The Union shall be advised of the settlement within 24 hours after execution.

M. Notwithstanding anything to the contrary contained herein, prior to exhaustion or institution by an employee of the grievance procedure applicable to discipline, such employee may be suspended without pay: (1) pending determination of the charges where the penalty of termination is sought by the Agency and the President determines that such suspension is in the best interests of the Agency for a period not to exceed 120 days; or (2) if the President determines that there is probable cause to believe that an employee's continued presence on the job represents a potential danger to persons or property or would severely interfere with the Agency's operations.

(1) In the case only of employees covered by the procedure set forth in paragraph J hereof (Employees in titles or positions in Bands I-V or their successors), such suspension shall be reviewable by the disciplinary arbitrator for probable cause in accordance with paragraph M of this Article. In the event that an employee is exonerated of the charges and specifications at any step of the grievance procedure, or if the disciplinary arbitrator so determines, the employee shall be entitled to recover from the Agency lost salary for the period of the suspension except that the period of any delay in the proceedings at the request of the Union or the employee or the Agency must be considered by the arbitrator in determining the amount of a back pay award, if any.

(2) The Union shall be notified in writing within 24 hours of any such suspension. A notice of discipline shall be served in accordance with paragraph D of this Article no later than 72 hours following any such suspension, although service need not be complete within such time.

(3) Any employee suspended without pay pursuant to this paragraph shall continue to receive the health insurance benefit provided for in this Agreement.

N. All fees and expenses of the disciplinary arbitrator or hearing officer, as the case may be, if any, shall be divided equally between the Agency and the Union, or the employee if not represented by the Union. Each party shall bear the costs of preparing and presenting its own case. The Union's or employee's portion of estimated disciplinary arbitrator's or hearing officer's fees and estimated expenses may be collected in advance of the hearing if advance payment is required by the arbitrator or hearing officer, as the case may be.

O. Either party wishing a transcript of a disciplinary hearing or arbitration, as the case may be, may provide for one at its own expense and shall provide a copy to the disciplinary arbitrator or the hearing officer and the other party.

P. In the case of an employee who speaks only a foreign language, the written statements required by this Article shall also be translated into the appropriate foreign language.

Q. Except for recurring or continuing acts relating to other subsequent acts for which an employee is charged an employee shall not be disciplined for acts which would not constitute a crime which occurred more than twelve months prior to the notice of discipline or twelve months from the time that the acts could reasonably have been discovered by the Agency, whichever is later.

R. Hearing officers and disciplinary arbitrators for proceedings held pursuant to this Article 45 for the term of this Agreement shall be Robert Douglas, Deborah Gaines and Jay Nadlebach who shall serve on a rotating basis.

IV. Applicability.

A. This Article shall apply to all non-probationary regular salaried bargaining unit employees, who have at least one (1) year and two (2) months of continuous non-probationary employment with the Agency.

B. The procedure set forth in paragraph III.J. above shall apply to eligible employees in Bands I-V (or their successors) except as otherwise provided in this paragraph IV.

C. The procedure set forth in paragraph III.K. above shall apply to eligible employees not in Bands I – V (or their successors) except as otherwise provided in this paragraph IV.

D. Notwithstanding anything to the contrary elsewhere in this Article, the procedure set forth in Article 45.3 of the predecessor collective bargaining agreement, a copy of which is set forth in Addendum 1 to this Agreement, shall apply to any employee regardless of band who is currently or at the time of the notice of discipline subject to Sections 75 and 76 of the State Civil Service Law and, in addition, those non-competitive class employees described in Section 75(1) (c) who, since last entry into State and/or Agency service, have completed at least two (2) years continuous service in the non-competitive class and those persons in the labor class who, since last entry into State and/or Agency service, have completed at least two (2) years of continuous service in the labor class, except that disciplinary arbitrators for proceedings held pursuant to this paragraph shall be selected in accordance with paragraph 45.3 R. above. It is the intention of the Agency and the Union that employees eligible for the procedure set forth in this subparagraph IV.D. shall not suffer any diminution of rights set forth in such Article 45.3.



New York State Housing Finance Agency

641 Lexington Avenue, New York, NY 10022

(212) 688-4000 • Fax: (212) 872-0789

PRISCILLA ALMODOVAR
President/Chief Executive Officer

ATTACHMENT 4

SIDE LETTER

June 11, 2008

Mr. Henry Hauk, President
NYSHFAEA, Local 2110, UAW, AFL-CIO
641 Lexington Avenue
New York, NY 10022

Ms. Maida Rosenstein, President
United Auto Workers Local 2110, AFL-CIO
113 University Place 5th Floor
New York, NY 10003

**Re: HFA - HFAEA, Local 2110, UAW,
AFL-CIO Collective Negotiations**

Dear Ms. Rosenstein and Mr. Hauk:

This letter shall confirm our mutual understanding and agreement concerning the following:


1. The Union agrees that it shall not challenge or commence any legal action including, without limitation, commencement of an improper practice charge, challenging, contesting or otherwise objecting to the adoption and/or implementation by the Agencies of the attached uniform "Code of Conduct" ("Code") which is applicable to all employees covered by the Agreement and replaces and supersedes the existing codes of conduct set forth in the HFA and SONYMA employee handbooks.

The Agency agrees that nothing contained in this side letter shall preclude or otherwise limit the right of the Union to contest specific provisions of the implemented Code alleged to have been violated by an employee in a disciplinary proceeding held pursuant to Article 45 ('RESIGNATION & DISCIPLINE') of the Agreement.

2. The Union and the Agency agree that nothing contained in Article 45 of the Agreement, as revised by the recently completed collective negotiations for a 2007-2011 collective bargaining agreement, shall be deemed a waiver or shall foreclose or alter the right of the Union to claim constructive discharge of a bargaining unit employee and seek review of same pursuant to Article 45 and the Union specifically reserves all such rights.


3. The Union and the Agency agree that nothing contained in Article 45.1 of the Agreement, as revised by the recently completed collective negotiations for a 2007-2011 collective bargaining agreement, shall be deemed a waiver of the Union's right to claim violations of Article 45.1 F including the right to contest reassignment to other responsibilities, close supervision or like measures pending disposition of disciplinary charges pursuant to the just cause standard set forth in Article 45 and the Union specifically reserves all such rights.

NEW YORK STATE HOUSING FINANCE AGENCY


By: 
Priscilla Almodovar, President/CEO

Agreed To As Stated Above:

**NEW YORK STATE HOUSING FINANCE
AGENCY EMPLOYEES' ASSOCIATION**

By: 
Henry Hank, President

UNITED AUTO WORKERS LOCAL 2110, AFL-CIO

By: 
Maida Rosenstein, President

UNITED AUTO WORKERS, REGION 9A, AFL-CIO

By: _____
Robert Mador, Director, UAW Region 9A, AFL-CIO

The following "Employee Code of Conduct" is intended to govern the conduct of all officers, non-unionized employees, interns and temporary employees of the Agency at all times while engaged in the Agency's business whether or not such business is being conducted in an Agency workplace. Unionized employees are subject to existing policies, practices and procedures governing employee conduct, including, but not limited to, those set forth in the Agency's employee handbook and the following "Employee Code of Conduct" to the extent that it is not inconsistent with those practices, policies and procedures.

Employee Code of Conduct

It is the responsibility of each employee to maintain a professional work environment at all times when present at any of the Agency's facilities or otherwise engaged in the conduct of the Agency's business. Employees are expected to consistently exercise the highest level of professionalism and to exhibit the highest ethical standards. All employees are expected, at a minimum, to consistently perform at a satisfactory level in their position.

Employees are required to treat all other employees with dignity and respect and always to conduct themselves in a courteous and professional manner at all times. Employees are never to harass or verbally abuse other employees or those with whom the Agency does business including, without limitation, vendors, service representatives and the general public. Employees are required to adhere to all policies adopted by the Agency and carry out the reasonable directives of their supervisors.

In recognition of the fact that time and attendance is a fundamental underpinning of any professional organization, it is the policy of the Agency that all employees, including the Chief Executive and Senior Management, adhere to the "NYS Department of Civil Service Rules of Attendance and Leave, the State "Time and Attendance Supervisor/Certifier's Guide" and the Agency's own time and attendance procedures. It is required that all employees timely submit properly executed true and accurate timesheets that fully account for all absences or time away from work during the normal workday and that all such time, including lateness, is properly charged to appropriate leave accruals in accordance with established Agency policies, rules, regulations and procedures governing the use of leave accruals.

The Agency maintains a professional work environment. Employees must dress in a manner appropriate for the conduct of the Agency's business. Outlandish or overly casual attire is prohibited. Smoking is prohibited in all enclosed areas of the Agency. Personal use of communication and information systems must be minimized.

Employees are prohibited from taping work-related conversations, whether such conversations are by telephone, in person or by any medium without the written permission of the Agency's Counsel.

Sexual harassment and/or other illegal discriminatory acts including, but not limited to, creating or contributing to a hostile work environment are expressly prohibited. All employees have the right to a work environment free from illegal intimidation and harassment. The Agency prohibits any form of illegal physical, verbal or visual harassment. Employees who are found to have sexually harassed others; conducted themselves in a sexually improper manner; engaged in any form of illegal discrimination; or otherwise violated the Agency's policies and procedures prohibiting sexual harassment and other forms of illegal discrimination in the workplace will be subject to strict discipline, up to and including discharge from employment.

Certain other types of conduct may result in disciplinary action against the employee up to and including termination from employment. This type of conduct includes, but is not limited to, the following:

1. Insubordination defined as refusing to follow the reasonable direction of the supervisor, defiance of or disrespect for the authority of a supervisor or other representative of management, or refusal or failure to follow Agency rules, procedures or regulations;
2. Poor or unsatisfactory work performance including, but not limited to, lack of productivity or poor quality work;
3. Fighting, instigating a fight, threatening violence, disruptive behavior, harassment or verbally abusing co-workers, supervisors, managers or those with whom the Agency does business;
4. Use of or possession of illegal drugs, alcohol or other controlled substances on Agency property or being under the influence of same at work;
5. Possession of firearms or other weapons on Agency property;
6. Abuse or misuse of Agency property or equipment including, but not limited to, the Agency's information or communication systems;
7. Theft or attempted theft of Agency property, information (proprietary or otherwise) or time or the property of another employee or removing or attempting to remove Agency property or information from the premises without proper authorization;
8. Falsification of pre-employment documents or any other misleading information on documents or records including but not limited to timesheets;
9. Providing false information in an official Agency investigation or inquiry or willfully failing to cooperate with such investigation;

10. Any actions that cause or contribute to an unsafe condition or health hazard or any lack of due and proper care that may affect the employee, fellow employees or others;
11. Violations of any laws, rules, regulations, rulings or alike governing the conduct of public employees and/or public officers;
12. Non-compliance with all conflict-of-interest and ethics laws, rules, regulations, rulings or alike applicable to Agency employees including, but not limited to, the appearance of impropriety;
13. Any illegal or unethical behavior, whether in the course of the employee's employment or not, that creates potential liability to the Agency by continuing to employ the employee or which projects an unfavorable image of the Agency to the public;
14. Unauthorized use of the Agency's names, stationeries and/or logos for any purpose outside its normal course of business;
15. Unauthorized use of an employee's Agency title, position or stationery for the purpose of or in furtherance of personal business or beliefs.
16. Conviction of a crime that creates potential liability to the Agency if the Agency continues to employ the convicted employee or which projects an unfavorable image of the Agency to the public;
17. Unauthorized dissemination of information in violation of Agency policy and procedures including, without limitation, those pertaining to outside contacts;
18. Unauthorized absence from work;
19. Excessive absenteeism;
20. Excessive tardiness.

ATTACHMENT 5

ARTICLE 36 - TUITION

To encourage Agency employees to broaden their educational background through participation in courses at any accredited college, university or professional or technical school licensed by a State licensing department, the Agency agrees to continue the employee Tuition Assistance Program.

The Agency will reimburse any active employee who has been in the employ of the Agency for a minimum of six (6) months, for the following:

1. The full tuition cost of any course taken at the direction of the Agency, and all necessary expenses including but not limited to books and fees. The requirement of six months employment shall not apply to this provision.

2. Effective June 11, 2008, the full tuition cost, plus any necessary books and fees related thereto, of any job-related courses taken by the employee on the employee's own initiative at any accredited college, university or professional or technical school licensed by a State licensing department shall be reimbursed; provided, however, that prior Agency approval has been obtained and that the employee provides evidence of satisfactory course completion; and provided further, that the total amount of such reimbursement to any employee shall not be in excess of \$1,875 per semester or \$3,750 per calendar year. Effective June 11, 2008, academic courses that are requirements for a matriculating course of study that result in a recognized degree will be deemed job-related for purposes of reimbursement maximum.

3. Effective June 11, 2008, the full tuition cost, plus any necessary books and fees related thereto, for any courses not job related taken by the employee on the employee's own initiative at any accredited college, university, or professional or technical school licensed by a state licensing department, shall be reimbursed, provided however, that prior Agency approval has been obtained and that the employee provides evidence of satisfactory course completion; that the course is related to the primary functions of the Agency or is academic in nature; and provided further, that the total amount of such reimbursement to any employee shall not be in excess of \$500 per semester or \$1,000 per calendar year. Academic in nature is not intended to include courses which are not part of a degree program; do not involve book study or classroom study or instruction (e.g. defensive driving); or courses which are, in large part, recreational in nature or are for entertainment or the like, such as golf, swimming, piano, or if it is not part of a degree program, the study of a foreign language.

The appropriate Agency executive shall determine whether a particular course is job-related or otherwise. To qualify for tuition reimbursement, the employee must submit a completed tuition reimbursement form approved by the Department Head to the Human Resources Department for pre-approval by the Human Resources Director and the Chief Operating Officer for the course before the employee registers.

If an employee is entitled to educational benefits for tuition and/or related expenses covered by this Article from any other source, the benefits under this Article shall be reduced such that the total of all benefits from all sources do not exceed the full charges incurred.