

OPERATION OSWEGO COUNTY, INC.
BOARD OF DIRECTORS MEETING
Lake Ontario Event and Conference Center
26 East First Street, Oswego, New York
March 9, 2020

PRESENT:

ANDERSON
BEHLING
EGAN
GALLOWAY
GILSON

HARDY
HOLST
JOYCE
LOBDELL
MURPHY

PETER-CLARK
SHARKEY IV
SOLAZZO
TASCARELLA
TURNER

Counsel: Kevin Caraccioli, Esq.

Staff: Wheelock, LaMontagne, Woolson, LiVoti and Perwitz

Ex-Officio: Toth

Guests: Christina Ondrako

Vice President Holst called the meeting to order at 3:03 p.m. at 26 East First Street in Oswego. President Bateman reported that the Notice of the Meeting was posted in the Palladium Times on February 20, 2020.

Vice President Holst listed the items in the Consent Agenda and asked if there were any reports in the Consent Agenda that anyone would like pulled out for further discussion. There were none.

CONSENT AGENDA

On a motion by Mr. Tascarella, seconded by Ms. Peter-Clark, the Consent Agenda Items were approved, as follows: Board of Directors Minutes of December 16, 2019; Real Estate Development Committee Minutes of January 10, 2020; and Executive Committee Minutes of January 23, 2020.

Grossman St. Amour, CPAs PLLC

Christina Ondrako of Grossman St. Amour provided copies of the draft financial statements and presented the organization's Audited Financial Reports for the year ended December 31, 2019. **On a motion by Mr. Solazzo, seconded by Mr. Tascarella, the Audited Financial Statements were approved.**

2020 Action Plan

Following a discussion, **on a motion by Mr. Galloway, seconded by Ms. Peter-Clark, the 2020 Action Plan was approved.** A copy is attached.

SBA 504 Updates

Mr. LaMontagne reviewed the SBA 504 Loan Credit Policy Manual approved and recommended by the Executive Committee. **On a motion by Mr. Gilson, seconded by Mr. Murphy, the SBA 504 Loan Credit Policy Manual was approved.** A copy is attached.

Mr. LaMontagne gave an update on the four pending 504 Loans and reported that rates are the lowest they've ever been for SBA debentures.

Internal Controls Policy

Mr. LaMontagne reviewed the amendments to the Internal Controls Policy which was an outcome of the SMART Review by SBA and recommended by the Executive Committee. **On a motion by Mr. Turner, seconded by Mr. Lobdell, the Internal Controls Policy was approved.** A copy is attached.

Policies for Annual Review

Mr. Caraccioli noted that there were no changes to the Governance Committee Charter, annual reaffirmation was required. **On a motion by Mr. Egan, seconded by Mr. Solazzo, the Governance Committee Charter was approved.** Mr. Caraccioli noted that there were no changes recommended for the Disposition of Property Guidelines, **on a motion by Mr. Anderson, seconded by Mr. Galloway, the Disposition of Property Guidelines was approved.** Copies are attached.

New Policies

Ms. LiVoti provided a summary of the need for some new policies, which were approved and recommended by the Executive Committee. **On a motion by Mr. Turner, seconded by Mr. Tascarella, the Accessibility Statement was approved. On a motion by Mr. Galloway, seconded by Mr. Egan, the Privacy Policy was approved. On a motion by Mr. Lobdell, seconded by Mr. Gilson, the Data Security Breach Policy & Procedure was approved. On a motion by Mr. Galloway, seconded by Mr. Behling, the Written Information Security Plan was approved.** Copies are attached.

Financial Statements

Mr. Joyce apologized for arriving late. **On a motion by Mr. Behling, seconded by Mr. Solazzo, the OOC Financial Reports for the period October through December 2019 were approved.** Mr. Joyce reviewed the Financial Statements for OOC Foundation. **On a motion by Mr. Tascarella, seconded by Ms. Peter-Clark, the OOC Foundation Financial Reports for the period October through December 2019 were approved.**

2019 Fund Drive

Ms. LiVoti reported that the 2019 Fund Drive total was \$30,702 which was 68% of the Goal, similar to 2018 which was 69%. 83% of the board members contributed. Ms. LiVoti noted that a National Grid grant of \$10,000 has been secured this year for marketing.

Fulton DRI

Mr. Wheelock provided an update on the Fulton DRI, noting that there are 25 projects submitted to the state. The focus in Fulton is on the downtown, waterfront and Nestle site areas. Approval is anticipated to be announced in July.

REDI Loan Fund

Mr. LaMontagne gave an overview of the Resiliency and Economic Development Initiative for business properties along the Lake Ontario shoreline. The REDI Grant would be for up to \$200,000 or 50% of a project with a 5% local match. The number of applicants nor amount of requests is unknown. Mr. LaMontagne outlined the proposal sent to the State for a Bridge Loan Fund with OOC, waiving fees and defer payments to make up the 5% local match. Funds would be requested from COIDA as a grant. The Loan Fund would be a term loan, which would provide working capital for the businesses. Mr. LaMontagne is requesting authorization to create the loan fund with COIDA funds. **On a motion by Mr. Turner, seconded by Mr. Gilson, it was approved with a condition of State approval.**

Economic Development Projects/Initiatives

Mr. LaMontagne provided an update on the following projects: Brown Dog Wood Products, Spectrum Nestle Site Building – Fay St., and The Maples Assisted Living Facility. Mr. Wheelock provided updates on the following: COIDA Start-Up Manufacturing Building, Village of Phoenix NY Main Street Project, Port of Oswego Performing Arts Center Feasibility Study, Town of Oswego Lakeshore Sewer Construction, Town of Oswego & Town of Sandy Creek Waterfront Revitalization Studies, Litatro Building, Harborview Square, East Lake Commons and the Indoor Water Park.

Other Business

Mr. Toth provided information on an upcoming IDA Presentation to the County Legislature for next month. He noted that OOC Members and businesses would be invited.

Mr. Toth provided a history of Upstate Energy Jobs Coalition and noted that the Federal Energy Regulatory Commission may move to eliminate the three Tiers of subsidies in New York State. He noted that an alternative would be needed if that happens. Mr. Toth noted that the IDA is on board and that advocacy would be needed. **On a motion by Mr. Solazzo, seconded by Mr. Behling, it was approved to support UEJ efforts to support any action taken by the FERC to mitigate the subsidies in Upstate New York.** Mr. Murphy abstained. Ms. LiVoti noted that we have the UEJ website and can control the messages.

Mr. Toth and Vice President Holst thanked the staff for their work in Mike's absence.

ADJOURNMENT

On a motion by Ms. Turner, seconded by Mr. Joyce, the meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Eric Behling
Secretary



Operation Oswego County

*An Economic and Job Development Corporation
Serving Oswego County, NY*

2020 ACTION PLAN



*Litatro Building
City of Oswego*

*Bella Fattoria
Town of Hannibal*



*LeRoi
City of Oswego*

*Burritt Motors
City of Oswego*



*Great Bear Childcare
Village of Phoenix*



*Lindsey Aggregates
Town of Palermo*



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OPERATION OSWEGO COUNTY, INC.

I. AUTHORITY

Operation Oswego County, Inc. is a private non-profit economic and job development corporation. Its service territory encompasses all of Oswego County.

II. MISSION STATEMENT

The mission of Operation Oswego County, Inc. is to establish and implement sound economic development strategies in order to enhance the economic vitality of Oswego County's businesses, industries, and citizens, leading to an overall better quality of life.

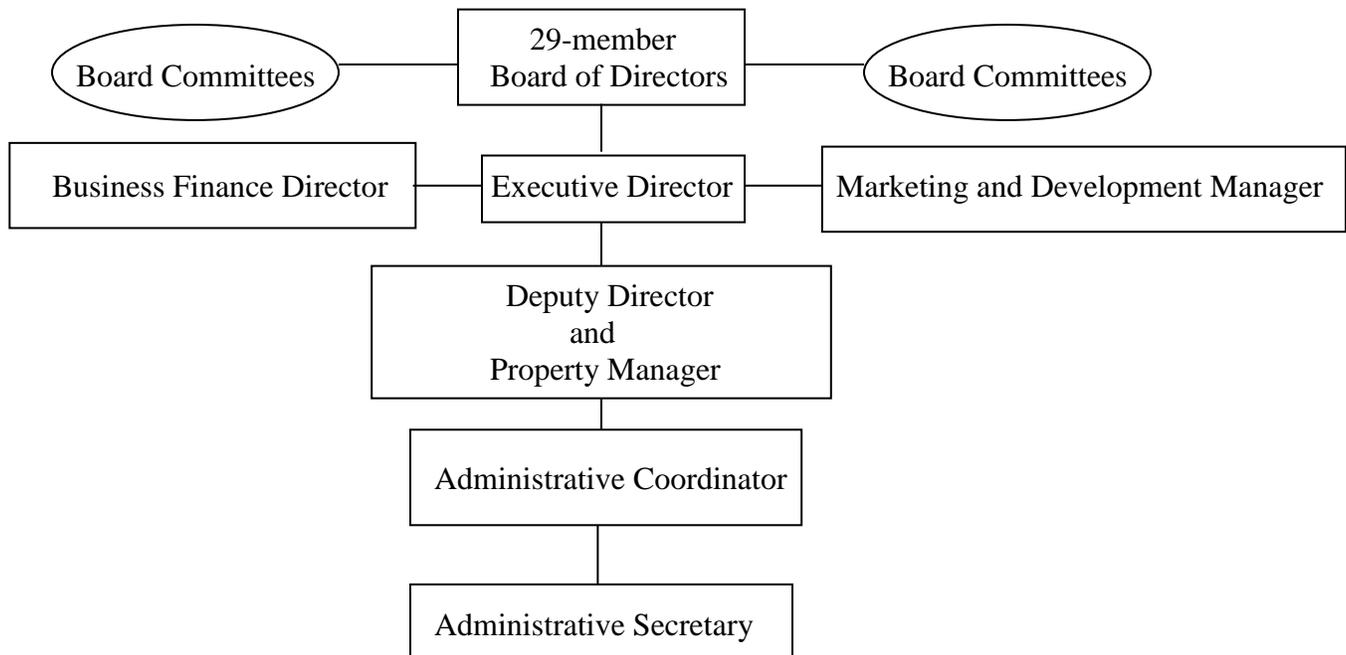
Key to our mission is the creation and retention of job opportunities, diversification and strengthening of our economic base, and developing the local economy in a planned, organized and environmentally-friendly atmosphere.

III. VISION STATEMENT

Oswego County has a wide range of employment opportunities, active businesses, strong rural communities, a sustained manufacturing and agricultural base, and an international reputation as a good place to live, and a good place to invest.

IV. ORGANIZATION AND MANAGEMENT

An elected, 24-member Board of Directors provides strategic oversight and planning, along with 5 Ex-Officio members: Chair of the County Legislature, Chair of the County Economic Development and Planning Committee, the County Administrator, SUNY Oswego President, and the County of Oswego IDA Chair.



OPERATION OSWEGO COUNTY, INC.

A. 2020 BOARD MEETING SCHEDULE

DATE	TIME	TYPE
January 23 (Thursday)	8:30 a.m.	Executive Committee
February 24 (Monday)	3:00 p.m.	Full Board
April 16 (Thursday)	8:30 a.m.	Executive Committee
May 11 (Monday)	3:00 p.m.	Full Board
June 5 (Friday)	8:00 a.m.	Annual Meeting
August 20 (Thursday)	8:30 a.m.	Executive Committee
September 14 (Monday)	3:00 p.m.	Full Board
November 12 (Thursday)	8:30 a.m.	Executive Committee
December 14 (Monday)	3:00 p.m.	Full Board

B. BOARD COMMITTEES

There are four standing committees comprised of appointed board members, which govern specific operational areas.

➤ **Executive Committee**

Responsible for corporate business; acts as the finance, audit and governance committees; acts on behalf of Board of Directors; and develops strategies to enhance economic development.

➤ **Real Estate Development Committee**

Responsible for oversight of industrial parks and incubators including review and approval of tenants, capital improvements, property acquisition and disposition, and development of strategies to implement infrastructure improvement.

➤ **Marketing & Development Committee**

Responsible for reviewing marketing and public relations strategies including promotional materials and the development of fundraising initiatives.

➤ **Business Outreach Committee**

Responsible for developing strategies for early warning detection and assistance in retention and expansion initiatives and oversight and coordination of workforce development with appropriate training agencies.

2020 COMMITTEE MEETING SCHEDULE

DATE	TIME	TYPE
January 10 (Friday)	9:00 a.m.	Real Estate Development Committee
March 20 (Friday)	9:00 a.m.	Real Estate Development Committee
March 24 (Tuesday)	9:00 a.m.	Business Outreach Committee
April 1 (Wednesday)	9:00 a.m.	Marketing & Development Committee
September 11 (Tuesday)	9:00 a.m.	Real Estate Development Committee
October 21 (Wednesday)	9:00 a.m.	Marketing & Development Committee

C. STAFFING

The Executive Director reports directly to the Board of Directors. The organization's staff reports directly to the Executive Director for their respective oversight areas.

Teamwork and flexibility are essential ingredients for the effectiveness of this organization, particularly due to its small staff size. While assignments vary on a day-to-day basis depending upon prospect activity, the *primary* responsibilities for each employee are outlined below.

➤ **Executive Director – L. Michael Treadwell**

- represents County economic development at local, state and federal levels;
- prepares and oversees all contracts and budgets;
- responsible for reporting to SBA, USDA, ESDC, NYSOSC, NYSABO and the County Legislature;
- serves as CEO of the County of Oswego IDA and Oswego County Civic Facilities Corporation (OCCFC);
- responsible for business outreach/prospect development/deal closings;
- oversees human resource functions; and
- serves on the CNY REDC.

➤ **Deputy Director and Property Manager – Austin Wheelock**

- assists with providing technical support for economic development projects;
- assists with the necessary research regarding sites, buildings and parks, including engineering studies, RFP responses and zoning related issues;
- coordinates maintenance and contractor activities at all OOC and IDA buildings, incubators and industrial parks;
- assists with business outreach/prospect development;
- oversees OOC and IDA properties and buildings;
- oversees available sites and building profiles;
- assists the Executive Director on OOC management issues; and
- serves as organizer for Real Estate Development Committee.

➤ **Business Finance Director – Kevin LaMontagne**

- assists with financial underwriting for loan applicants;
- responsible for packaging SBA loans;
- serves as CFO of the County of Oswego IDA and OCCFC;
- monitors loans with OOC, the County of Oswego IDA and SBA;
- works as liaison to the banking community; and
- serves as organizer for Business Outreach Committee.

➤ **Marketing and Development Manager – Evelyn LiVoti**

- develops marketing strategies and implements the annual marketing plan;
- develops and implements annual fund drive efforts;
- maintains websites and implements necessary infrastructure updates as needed;
- develops social media strategies for brand recognition and business outreach;
- assists with coordination of special events, including announcements, ribbon cuttings, groundbreakings, annual meeting;
- develops and coordinates public relations initiatives including the UEJ Coalition;

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- coordinates business marketing aspects of the County’s Economic Advancement Plan;
- produces and distributes OOC’s E-News;
- coordinates the development of all promotional materials; and
- serves as organizer for Marketing & Development Committee.

➤ **Administrative Coordinator – Teresa Woolson**

- responsible for OOC, OOCFI, IDA and OCCFC record keeping and reporting;
- acts as recording secretary for OOC and OOCFI board meetings;
- oversees OOC and IDA financing portfolio;
- provides administrative support for SBA 504 and USDA IRP programs;
- coordinates PARIS reporting for OOC, IDA and OCCFC; and
- coordinates efforts related to the annual audits for OOC and the IDA.

➤ **Administrative Secretary – Karen Perwitz**

- responsible for reception;
- assists with record keeping and clerical activities for all staff;
- assists with monthly EDAR reports;
- assists in coordination of meetings and special events;
- provides administrative support assistance for the SBA 504 program; and
- responsible for office supplies procurement.

D. HUMAN RESOURCES DEVELOPMENT

- ❖ *Continue to research health care plan options and employee benefit options.*
- ❖ *Review employee handbook and revise as needed.*
- ❖ *Identify and implement appropriate professional development training/educational initiatives.*
- ❖ *Continue to review succession planning.*
- ❖ *Evaluate internship opportunities and implement as appropriate.*

E. OPERATING PROCEDURES

- ❖ *Conduct monthly staff meetings to monitor action plan.*
- ❖ *Coordinate interaction on project development.*
- ❖ *Ongoing development of OOC/IDA operational policies.*
- ❖ *Review and administer compliance requirements for grants and/or other government reporting requirements.*
- ❖ *Comply with reporting to the NYS Authority Budget Office, NYS Comptroller’s Office, U.S. SBA, USDA, and the County Legislature.*
- ❖ *PAL and ABO compliance including board member training.*
- ❖ *Provide assistance with efforts to monitor, report and modify the Oswego County Economic Advancement Plan.*

V. FINANCIAL PLAN

EXPENDITURES	2019	2020
• PERSONNEL		

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Salaries	474,500	491,000
Fringe Benefits		
Wk.Comp/UIB/SS	42,730	44,200
Health Ins.	92,940	105,000
Life Ins.	3,200	3,200
Disability Ins.	1,300	1,400
Pension	55,500	61,375
Total Fringe Benefits	195,670	215,175
Total Personnel	670,170	706,175
• CONTRACTUAL SERVICES		
Building Maintenance & Office Equipment	18,500	18,500
Liability Insurance	16,000	16,000
Property Insurance	8,000	8,000
Property Taxes	6,900	8,700
Telephone	8,000	7,000
Utilities	5,000	5,000
Travel	16,500	16,500
Automobile Expense	11,000	12,000
Office Supplies	17,000	16,300
Printing & Photography/Promotional Material	4,000	4,000
Subscriptions, Publications, Research Material	4,000	3,000
Marketing/Advertising/PR	45,000	50,000
Legal	9,000	8,000
Accounting/Audit	14,000	14,000
Community Relations	4,000	3,500
Real Estate (Park Expenses, Maintenance, etc.)	5,000	6,000
Professional Services (Eng; Arch; Surv; Cons; Payroll)	5,000	8,000
Economic Dev. Initiatives	100,000	100,000
• TOTAL CONTRACTUAL SERVICES	296,900	304,500
• TOTAL EXPENDITURES	967,070	1,010,675

SOURCES OF REVENUES	2019	2020
County of Oswego	417,100	417,100
Private Sector Contributions	45,000	45,000
County of Oswego IDA	345,000	350,000
City of Fulton	10,000	10,000
Fees/Interest/Other Income	149,970	188,575
TOTAL REVENUES	967,070	1,010,675

VI. PROGRAMS AND SERVICES

Operation Oswego County provides and coordinates the following programs and services in order to enhance growth and economic development in the County of Oswego.

➤ **PROMOTION AND MARKETING**

Oswego County's vast resources are publicized on OOC's web site, in various trade magazines and similar advertising media. OOC also contacts potential clients at exhibitions, trade shows and through direct prospecting. OOC also collaborates with its economic development allies and partners to maximize outreach to enhance marketing outcomes. OOC will align its marketing strategies with the Oswego County Economic Advancement Plan. Electronic/digital presentations and specialized publications assist OOC in its prospecting efforts.

- ❖ *Implement 2019 Marketing Plan on pages 13-15.*
- ❖ *Continue to spotlight and market positive business accomplishments.*
- ❖ *Promote news-related items via OOC e-newsletter.*
- ❖ *Participate in state and regional marketing initiatives.*
- ❖ *Participate with CNY REDC marketing initiatives.*
- ❖ *Participate with UEJ Coalition initiatives.*
- ❖ *Target marketing for food processing, advanced manufacturing, tourism, agri-business and energy projects, including the next generation nuclear facilities.*
- ❖ *Continue redesigning and upgrading OOC website.*
- ❖ *Targeted goal of generating 125 new contacts and ongoing follow-up with 175 contacts.*
- ❖ *Develop a strategy to launch an "Outdoor Oswego County" effort to leverage tourism assets for attraction of outdoor recreation equipment and supplies manufactures and distributors.*
- ❖ *Promote workforce training as a business attraction.*
- ❖ *Continue post project PR strategy.*
- ❖ *Continue utilizing social media venues.*
- ❖ *Targeted metrics and goals for the 2018 Marketing Plan are summarized below:*
 - *Placing 300 online ads with OswegoCountyToday.com, create 3 new banner ads*
 - *Placing 100 radio ads with WRVO*
 - *Placing 17 print ads and maximize editorial coverage*
 - *20,000 website visitors*
 - *Create 2 new print ads, including 1 general ad for local placement*
 - *Update 3 existing ads and corresponding editorial*
 - *40 news releases, editorials, articles or interviews combined*
 - *10 presentations to professional and community groups*
 - *Attend 5 trade shows/conferences*
 - *Produce 30 OOC E-News issues*
 - *Identify and create 3 site selection consultant marketing initiatives*
 - *Provide (35) public relations assistance/coordination to businesses or organizations*
 - *Secure 3 testimonials and photos from past/current clients to use on website and in ads*
 - *Place 3 case studies on the NYSEDC website*
 - *Implement targeted marketing campaign on LinkedIn*
 - *Create 2-5 short (up to 2 minutes) videos that we can post on our website, all our current social media channels and in our E-News*
 - *Maintain StateBook mini-website, maintain ChartIT on OOC website*
 - *Update aerial photos of 3 OOC industrial parks*

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- *Incorporate website updates to meet accessibility and privacy standards*
- *Coordinate the Business Marketing aspects of the County's Strategic Economic Advancement Plan*

➤ **SITE SELECTION ASSISTANCE**

An inventory of industrial sites and available buildings enables OOC to effectively find potential locations for new and expanding businesses.

- ❖ *Maintain links to available, commercial properties in Oswego County on OOC web site.*
- ❖ *Promote/market existing available commercial and industrial buildings with a special focus on the Riverview Business Park, former Nestle site, as well as OOC and COIDA owned properties.*
- ❖ *Partner with National Grid and CNYRPDB to market and develop comprehensive site profiles (manual and digital) for selected industrial or commercial sites.*
- ❖ *Continue to develop site profiles on quality industrial and commercial sites throughout the County.*
- ❖ *Work cooperatively with real estate community to obtain quality listings for OOC available property database for commercial and industrial sites.*
- ❖ *Market available properties via OOC E-News.*
- ❖ *Target and enhance capabilities to effectively respond to RFIs and RFPs for qualified projects.*
- ❖ *Enhance search capabilities for online available property database.*
- ❖ *Build strategically located spec buildings to enhance potential for business attraction.*
- ❖ *Improve the updating protocol on available properties by developing a quarterly plan.*
- ❖ *Continue to identify available properties within Oswego County Opportunity Zones.*

➤ **FINANCIAL PACKAGING**

OOC can help firms access financing from the U.S. Small Business Administration, USDA, the NY Job Development Authority, the Empire State Development Corporation, the County of Oswego Industrial Development Agency, regional and other federal and state programs, as well as traditional bank financing.

- ❖ *Continue to prioritize access to all local, state and federal funding sources.*
- ❖ *Administer the USDA Intermediary Relending Program in cooperation with the COIDA to expand working capital and M&E financing.*
- ❖ *Continue to utilize NYSERDA and National Grid programs to enhance energy efficiencies.*
- ❖ *Utilize leasing options working in cooperation with the COIDA's PILOT EDF.*
- ❖ *Target specialized financing associated with renewable and alternative energy projects as well as "green" projects.*
- ❖ *Continue to provide conduit funding for state and federal grants.*
- ❖ *Provide financial assistance to eligible not-for-profits through the Oswego County Civic Facilities Corporation.*

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- ❖ *Effectively package loans for eligible businesses utilizing EDFs administered by the COIDA.*
- ❖ *Continue to evaluate opportunities for establishing an EDF targeted for agri-business, advanced manufacturing and other high-priority industry clusters.*
- ❖ *Assist in helping to utilize financing available through the CNY REDC and the CFA and URI process.*
- ❖ *Continue to evaluate alternative financing programs that could be used by the COIDA and OOC to expand the capacity to finance businesses, such as the USDA and SBA Micro Enterprise Programs.*
- ❖ *Continue to administer the Advanced Manufacturing Initiative EDF.*
- ❖ *Promote the Syracuse Cooperative Federal Credit Union Business Opportunity Fund loan program to businesses that meet the program's criteria.*

➤ **SMALL BUSINESS ADMINISTRATION (SBA) LENDING**

As an SBA-Certified Development Company, OOC is working with borrowers and banks in packaging SBA loans to create jobs and help businesses expand.

- ❖ *Provide SBA 504 loan packaging services to help finance 3-5 projects annually.*
- ❖ *Continue to evaluate 504 services beyond Oswego County on a project-by-project basis.*
- ❖ *On-going participation in SBA 504 lending training.*
- ❖ *Help to facilitate, as needed, assistance to local banks on SBA 7(a) packaging.*
- ❖ *Conduct post loan annual field audits as required by SBA.*
- ❖ *Work cooperatively with NADCO to monitor technical and legislative changes in SBA 504 program.*
- ❖ *Continue to market the SBA 504 program to local and regional banks.*
- ❖ *Utilize the SBA 504 loan program to help refinance eligible projects.*
- ❖ *Work cooperatively with other SBA 504 lenders in order to protect the service territory, Oswego County, from losing 504 loans due to outside encroachment.*
- ❖ *Partner with COIDA on providing guarantees to participating banks for interim financing for 504 loans.*
- ❖ *Conduct, as required by SBA, Independent Loan Reviews by a qualified third party.*

➤ **INCENTIVE PACKAGING**

OOC works directly with business and industry in developing special incentive packages, which fit their needs. Power reductions, property and sales tax abatements and mortgage recording tax exemptions, and training grants are just a few of the incentives which have been offered to eligible Oswego County businesses.

- ❖ *Continue to work with the Business Development Committee of Workforce Development Board in identifying access to funding for training and expanding training opportunities through collaboration with CCC, CiTi and SUNY Oswego.*
- ❖ *Coordinate the use of COIDA incentives for new and expanding businesses.*
- ❖ *Evaluate utilization of incentives for historic preservation, renewable energy and green projects, as well as for mixed-use development projects.*
- ❖ *Work with ESDC to utilize the Excelsior Program.*
- ❖ *Work with National Grid to utilize access to NG's incentives.*

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- ❖ *Market New York Power Authority's discount power initiatives utilizing the Recharge NY Program to Oswego County businesses.*
- ❖ *Start-Up NY, partner with SUNY Oswego to effectively utilize the program.*
- ❖ *Assist companies with the CFA application process for State funding and for URI funding.*
- ❖ *Assist companies with utilizing the NY JDA loan programs.*
- ❖ *Utilize the Federal designated Opportunity Zones to encourage and enhance economic development in four census tracts located in the Cities of Fulton and Oswego, Village of Pulaski and Town of Richland.*
- ❖ *Coordinate with the CNY EDC on maximizing utilization of this financing program.*

➤ **INDUSTRIAL DEVELOPMENT AGENCY ADMINISTRATION**

OOC provides via a contract for professional service the administration of the County of Oswego COIDA, which provides financing for eligible projects through the issuance of tax-exempt Industrial Development and taxable Industrial Development Bonds, as well as financing from the Agency's EDFs.

- ❖ *Utilize the Uniform Tax Exempt Policy to enhance economic development.*
- ❖ *Prioritize use of COIDA financing and process financing for 15-25 projects.*
- ❖ *Provide COIDA-authorized benefits (sales tax, mortgage tax exemptions, PILOTs, and bond financing) to 4-8 projects.*
- ❖ *Use COIDA incentives to enhance Brownfield site redevelopment.*
- ❖ *Operate two USDA Intermediary Relending Programs (IRP).*
- ❖ *Promote State legislation that would allow IDAs to issue Civic Facility Revenue Bond Financing for financing 501 (c)(3) projects.*
- ❖ *Promote State Legislation that would allow IDAs to participate in a loan and grant program utilizing its own funds.*
- ❖ *Comply with requirements of Public Authorities Accountability Act of 2005 as amended.*
- ❖ *Monitor status of financing and job creation.*
- ❖ *Comply with reporting requirements of NYS Comptroller and NYS Authority Budget Office.*
- ❖ *Collaboration with OOC on implementing financial assistance initiatives.*
- ❖ *Review Agency's fee policies for administration, loans and leases.*
- ❖ *Continue lease financing structure using the PILOT EDF.*
- ❖ *Effectively utilize the Agency's Interest Rate Policy based on performance, investment, use of local labor and targeted initiatives.*
- ❖ *Provide technical assistance and marketing for COIDA-owned real estate.*
- ❖ *Evaluate expanding its financing portfolio with a USDA or SBA Micro Enterprise Program.*
- ❖ *Livestream IDA meetings and Public Hearings, post and archive videos on the IDA website per ABO requirement.*
- ❖ *Support initiatives that help to further progress in accordance with the Oswego County Economic Advancement Plan.*

➤ **OSWEGO COUNTY CIVIC FACILITIES CORPORATION**

- ❖ *Established in order to issue Civic Facility Bonds to help finance eligible 501*

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(c)(3) not-for-profit corporations. The corporation can issue both tax-exempt and taxable Civic Facility Bonds. Created by the County Legislature under 1411 of the Not-for-Profit Law and in cooperation with the County of Oswego IDA, the corporation will provide a venue that will allow access to financing for the not-for-profit sector.

- ❖ *Market the financing services to eligible not-for-profits.*
- ❖ *Comply with the reporting requirements of the PAL and the NYS Authority Budget Office.*
- ❖ *Coordinate all potential eligible projects with the Board for the OCCFC and provide administrative support services.*

➤ **RETENTION/EXPANSION OF BUSINESS**

Retention and expansion of Oswego County-based firms is a priority economic development initiative.

- ❖ *Targeted goal of 400 outreach efforts annually to assist with retention and expansion projects in the county.*
- ❖ *Market and coordinate utilization of all available financing and incentive programs.*
- ❖ *Utilize outreach initiatives to identify and address business concerns and/or opportunities.*
- ❖ *Maintain and update the online Oswego County Industrial Directory.*
- ❖ *Collaborate, assist and support the OCBM's publication of the Oswego County Business Guide to highlight business success.*
- ❖ *Evaluate CRM software for the purpose of facilitating BRE Program.*
- ❖ *Establish and enhance Business Retention and Expansion protocol.*

➤ **ENTREPRENEURSHIP**

OOC serves as a catalyst for small business development and growth.

- ❖ *Partners with the SUNY Oswego SBDC and the cities of Fulton and Oswego to provide training and support to individuals interested in starting or expanding a small business.*
- ❖ *Provide incubator space for non-retail, industrial and service businesses at the Business Expansion Center (BEC).*
- ❖ *Evaluate opportunities to expanding incubator capacity in Oswego County.*
- ❖ *Coordinate with the Fulton CDA, Oswego CDO and the SUNY Oswego SBDC to support entrepreneurs.*
- ❖ *Plan the Next Great Idea (NGI) Oswego County Business Plan Competition for 2020.*
- ❖ *Support women and minority business owners seeking MWBE federal and state certification.*
- ❖ *Support women and minority business owners seeking financing.*
- ❖ *Support and participate in SUNY Oswego's Minor in Entrepreneurship Program.*

➤ **INDUSTRY AND GOVERNMENT LIAISON**

OOC serves as a liaison between firms and governmental agencies.

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- ❖ *Participate with ESDC on implementation of regional development strategies.*
- ❖ *Participate on NYS Economic Development Council's Marketing Committee and IDA Committee.*
- ❖ *Participate with the Northeast Economic Developers Association (NEDA) to assist with promotion of economic development.*
- ❖ *Participate with the CenterState CEO on programs and initiatives that support competitiveness.*
- ❖ *Coordinate joint business outreach calls with ESDC as necessary.*
- ❖ *Participate on the CNY REDC including serving on the Executive Committee, CFA Scoring Committee, the Outreach to Local Government Committee, the Tourism Advisory Committee and the Writing Committee.*

➤ **PLANNING AND COORDINATING**

OOO assists firms in permitting, zoning and coordinating activities with state and local agencies as well as working in concert with planning organizations on developing sound land use policies.

- ❖ *Targeted annual goal of 500 collaborations/stakeholder meetings to facilitate economic development.*
- ❖ *Assist developers with renewable and alternative energy projects in Oswego County.*
- ❖ *Evaluate economic development strategies for the I-81 Corridor.*
- ❖ *Implement, in cooperation with SBDC, "The Next Great Idea," (NGI) 2020 Oswego County Business Plan Competition.*
- ❖ *Assist the Port of Oswego Authority on enhancing water transportation and expanding capacity by rendering assistance and support toward funding opportunities.*
- ❖ *Participate on the Oswego County Airport Advisory Council.*
- ❖ *Participation on the Oswego and Fulton Brownfield Opportunity Area committees.*
- ❖ *Work collaboratively to support and enhance infrastructure improvements to support economic development growth and potential as outlined in the Oswego County Economic Advancement Plan.*
- ❖ *Align OOC's strategies with the CNY REDC when appropriate.*
- ❖ *Continue to collaborate with Onondaga County on the Alternative Site Framework for FTZ 90 that includes Oswego County.*
- ❖ *Collaboration and support in implementing the Economic Advancement Plan for Oswego County. Actively participate in the annual monitoring and reporting associated with the Economic Advancement Plan.*
- ❖ *Assist the Oswego County Land Bank, as appropriate, with redevelopment of commercial properties.*
- ❖ *Support and coordinate with Oswego & Fulton DRI projects.*
- ❖ *Support efforts to compete for a 2020 DRI award from communities in Oswego County.*
- ❖ *Executive Director to serve as co-chair of the Fulton DRI Local Planning Committee.*

➤ **RESEARCH AND TECHNICAL ASSISTANCE**

OOO provides businesses with statistical information and data to assist their decision-

making capabilities.

- ❖ *Continue to investigate current economic impact software available.*
- ❖ *Continue to conduct feasibility research of commercial and industrial development on I-81 corridor.*
- ❖ *Develop statistical profiles for Oswego County targeted for industrial prospects.*
- ❖ *Continue to provide one-on-one business assistance as needed.*
- ❖ *Actively partnering in the implementation of a published performance dashboard associated with the Economic Advancement Plan in cooperation with the County of Oswego, COIDA and CenterState CEO.*

➤ **INCUBATOR MANAGEMENT/DEVELOPMENT**

New businesses have received special care at the Business Expansion Center (BEC) in Oswego. Opportunity to expand incubation in Oswego County is vital to economic development.

- ❖ *Continue to enhance marketing of incubator facilities in an effort to recruit new tenants.*
- ❖ *Pursue alternative facilities and/or locations for a mixed-use incubator.*
- ❖ *Evaluate the potential of the Start-Up NY with an alignment to business incubators and properties owned by OOC and the COIDA.*
- ❖ *Continue to operate the BEC for incubation purposes.*
- ❖ *Make appropriate improvements to the facility to enhance incubation capacity.*
- ❖ *Establish the COIDA Manufacturing Start-Up Facility on the Nestle site.*

➤ **MICRO-ENTERPRISE PROGRAM**

OOC works closely with the cities of Fulton and Oswego and the SUNY Oswego SBDC to provide training and support to individuals interested in starting or expanding a small business.

- ❖ *Sponsor (3) classes.*
- ❖ *Market incubator space and OOC financial services to graduates.*
- ❖ *Provide scholarship opportunities for low/moderate income students.*
- ❖ *Effectively utilize the COIDA's MEP EDF.*

➤ **ECONOMIC DEVELOPMENT GRANT ADMINISTRATION**

OOC provides support staff for administering local, state and federal grant programs that assist business and industry in areas such as research and development, capital improvements, waste reduction/prevention, and employee training.

- ❖ *Utilize the OOC Foundation's 501(c)(3) status for grant funding efforts.*
- ❖ *Seek and secure federal, state and private grant funding for 8 projects.*
- ❖ *Provide conduit financing administration to assist not-for-profit entities.*
- ❖ *Procure governmental support for operating expenses.*

OPERATION OSWEGO COUNTY, INC.

VII. 2020 MARKETING PLAN

Strategy	Elements	Audience
LOCAL AND REGIONAL PROMOTION AND ADVERTISING	Develop new OOC general information/quality of life brochure	1,000+
	Create and distribute 2019 OOC Annual Report and 2019-20 COIDA Annual Report	1,300
	Develop 40 news releases	326,000 +
	Administer OOC website	15,000 visitors per year
	Utilize signage to identify participation at locations of OOC, IDA and SBA 504 projects	150,000+
	Hold OOC Annual Meeting - June 2020	140+ guests
	Maintain available property portfolio	15,000 visitors
	Continue development of economic development print advertising campaign	200,000+
	Continue to support UEJ Coalition initiatives	
	Market website by advertising, press releases and search engine registration	400,000
	Update 3 existing ads & corresponding editorial; create a series of small business ads	
	Place (6) ½ pg ads in Oswego County Business Magazine and 150 copies	6,000 per issue
	Create/Place 3 new banner ads on OswegoCountyToday.com for 52 weeks	160,000 per month
	Create new incubator brochure and promote business incubator facilities through distribution of brochures to new start-up businesses and real estate agencies	150
	Retain clipping service to track local/regional marketing efforts	326,000+
	Sponsorship of WRVO's Morning Edition program	70,000 listeners
	Sponsorship, 1/2 page ad, and 200 copies of Oswego County Business Guide 2020	3,500 total
	Establish 15 trackable contacts from print ads/website	200,000+
Write 6 articles/columns for Oswego County Business Magazine	6,000 per issue	
DIRECT MARKETING TO LOCAL BUSINESS AND	Promote economic development via post-project update reports	326,000+

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INDUSTRY	Distribute 30 E-News bulletins annually; utilize email marketing software to increase deliverability/tracking	700
	Business outreach to existing business and industry; obtain 3 testimonials plus photos for ads/website	400

NY STATE, NATIONAL AND INTERNATIONAL PROMOTION AND ADVERTISING	Marketing award submissions	2,500
	SBA Small Business Resource ad	
	Participation in (5) business/trade shows	3,000 - 25,000 each
	Place (1) ads in Business Facilities magazine plus digital package	40,500 per issue
	Place (3) ads in Expansion Solutions magazine; 3 editorials	20,000 per issue
	Place (3) ads in Trade & Industry Development magazine plus editorials	8,400 per issue
	Direct mail campaign targeted to industries aligned with CNY REDC strategy	1,000
	Sponsorship of NYEDC annual meeting	900

MARKETING VIA INTERNET, DIRECT E-MAIL, SOCIAL MEDIA	Develop (3) direct e-mail initiatives to site selection consultants for business attraction	1,000
	Continue to develop site profiles for available property/OOC website	15,000 visitors per year
	Continue to promote area economic development assets and OOC news on Facebook, LinkedIn, Twitter and YouTube; create 2-5 short videos	500+
	Place 3 case studies on the NYSEDC website	
	Maintain StateBook mini-website to promote Oswego County to Site Selectors; maintain ChartIT on OOC website	

CREATE PARTNERSHIPS WITH STAKEHOLDERS	Hold orientation and education sessions for new and existing board members and elected officials.	10
	Update Oswego County Industrial Directory and maintain on website	15,000 visitors per year
	Maintain Web site listing of available commercial property	15,000 visitors per year
	Collaboration with County in developing the common brand portal that will enhance and maximize OOC's marketing potential for economic development.	15,000 visitors per year

OPERATION OSWEGO COUNTY, INC.

	Provide marketing technical assistance to Micro Enterprise Program, Next Great Idea Business Plan Competition and CNY REDC	300
	Solicit \$45,000 in private sector funding; utilize Bloomerang fundraising software to organize and track fundraising efforts	680
	Administer IDA and OCCFC websites	600
	Participate in stakeholders meetings (municipalities, banks, real estate agencies, clubs, organizations)	500

VIII. PROPERTY IMPROVEMENT PLAN

Operation Oswego County manages the following properties in an effort to promote business growth and development in the County of Oswego.

- ❖ *Provide ongoing revenue and expense information, as well as profit and loss analyses to Real Estate Development Committee.*
- ❖ *Contract to have OOC-owned buildings inspected according to Building Maintenance Checklist every 6 months.*

➤ OSWEGO COUNTY INDUSTRIAL PARK

Town of Schroepel

182 Acres Total / 135 Acres Available

- ❖ *Continue marketing of site in which a comprehensive site profile was completed in 2007.*
- ❖ *Develop comprehensive site profile including geotechnical studies and topographic evaluations on one specific site within the park.*
- ❖ *Continue to maintain leases with farmers for balance of undeveloped property.*
- ❖ *Continue to evaluate potential for the implementation of railroad crossing.*
- ❖ *Evaluate options to expand wastewater treatment capacity.*
- ❖ *Evaluate access to Co. Rt. 57.*
- ❖ *Evaluate extending Co. Rt. 59 into adjacent Lombardi site.*
- ❖ *Develop strategies for needed repair to sewer infrastructure on OOC properties.*
- ❖ *Marketing of site in which a study was completed for a 10,000-15,000 sf light industrial project.*
- ❖ *Evaluate opportunities for value-added agribusiness.*
- ❖ *Evaluate speed limit and traffic-calming initiatives.*
- ❖ *Evaluate strategies to expand the industrial park.*

➤ AIRPORT INDUSTRIAL PARK

Town of Volney

170 Acres Total / 117 Acres Available

- ❖ *Continue to work cooperatively with Oswego County, the City of Fulton and the Town of Volney with extending sewer services.*
- ❖ *Marketing of site in which a comprehensive profile was completed in 2011.*
- ❖ *Review potential for developing an access road.*
- ❖ *Review opportunities to attract business to BVLOS (Beyond Visible Line of Sight) Drone*

Corridor.

➤ **LAKE ONTARIO INDUSTRIAL PARK**

City of Oswego

60 Acres Total / 50 Acres Available

- ❖ *Clearing of selected acreage and annual landscaping maintenance.*
- ❖ *Marketing of site in which a comprehensive site profile was completed in 2012.*
- ❖ *Maintain gated fencing and develop new fencing at side access road.*
- ❖ *Marketing the site as an Opportunity Zone site.*
- ❖ *Continue to evaluate site for future mixed-use incubator.*

➤ **CiTi PHOENIX CENTER**

Town of Schroepfel

7,150 s.f.

- ❖ *Ongoing routine maintenance.*
- ❖ *Evaluate sidewalks for repair.*
- ❖ *Evaluate window systems.*

➤ **DISCOVERY DAY CARE**

Town of Schroepfel

6,500 s.f.

- ❖ *Ongoing routine maintenance.*
- ❖ *Tree maintenance.*
- ❖ *Evaluate sidewalks for repair.*
- ❖ *Evaluate window systems.*

➤ **BUSINESS EXPANSION CENTER**

City of Oswego

20,000 s.f.

- ❖ *Ongoing routine maintenance.*
- ❖ *Paint and re-carpet interior, as necessary.*
- ❖ *Evaluate long-term sewer upgrades.*
- ❖ *Develop strategies for possible disposition of BEC.*
- ❖ *Conduct an appraisal for the building.*
- ❖ *Evaluate file shredding and digitization.*

➤ **ADMINISTRATIVE OFFICE BUILDING**

City of Oswego

4,000 s.f.

- ❖ *Develop and implement a plan to make significant interior improvements to the building.*
- ❖ *Address space utilization that would allow for space for an additional administrative employee and/or intern.*

OPERATION OSWEGO COUNTY, INC.

- ❖ *Continue to evaluate potential relocation to address space demands and to improve functionality.*
- ❖ *Develop strategy for the possible disposition of the Administrative Office Building.*
- ❖ *Continue ongoing vegetative and water damage repair.*
- ❖ *Evaluate file shredding and digitization.*
- ❖ *Evaluate alternatives for secure document storage.*

➤ **COLUMBIA MILLS REDEVELOPMENT - COIDA**

Town of Minetto

90 Acres Total / 87 Acres Available

- ❖ *Investigate costs in collaboration with the County Office of Planning and Tourism to add landscaping at entrance per Master Development specifications.*
- ❖ *Marketing of a site for which a comprehensive site profile was completed in 2013.*
- ❖ *Market 5 acres that has been rezoned to commercial use.*
- ❖ *Evaluate cost of removal of construction debris.*

➤ **PECK ROAD/CENTERVILLE ROAD SITE - COIDA**

Town of Richland

14 Acres Total / 14 Acres Available

- ❖ *Evaluate zone change.*
- ❖ *Market for commercial/industrial use.*
- ❖ *Marketing of site in which a comprehensive profile was completed in 2011.*
- ❖ *Marketing the site as an Opportunity Zone site.*
- ❖ *Continue to landscape and mow annually to enhance marketability.*

➤ **FORMER RIVERVIEW WWTP PROPERTY - COIDA**

Town of Volney

215 Acres

- ❖ *Evaluate options for enhanced WWT services..*
- ❖ *Marketing of property for economic development use.*
- ❖ *Ongoing repair and routine maintenance on fencing.*
- ❖ *Evaluate lighting and security enhancements.*
- ❖ *Continue to monitor and secure site as needed.*

➤ **11 NORTHSTAR BLVD. - COIDA**

Town of Oswego

8 Acres

- ❖ *Identify ways to utilize the vacant property.*
- ❖ *Market the property as appropriate.*

Operation Oswego County, Inc.

SBA 504 Loan Policy Manual

March 9, 2020

SECRETARY'S CERTIFICATION

The undersigned, being the duly elected Secretary of the Board of Directors of Operation Oswego County, Inc. ("OOC"), does hereby certify that, at its meeting held on March 9, 2020, the Board of Directors of OOC, reviewed, discussed and approved the SBA 504 Loan Policy Manual ("Manual") dated March 9, 2020. A vote was held and the Manual was approved by a majority of the Board Members present and constituting a quorum.

IN WITNESS WHEREOF, I have hereto subscribed my name as Secretary.

Eric Behling, Secretary

Date

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I. OBJECTIVE

In order to further the economic development of Oswego County, New York, Operation Oswego County, Inc. ("OOC") shall offer services for the structuring, packaging, closing, and servicing of SBA 504 loans to small businesses.

The SBA 504 loan program is an economic development program designed to finance fixed assets for small businesses on reasonable terms and to stimulate employment through a job retention/creation goal. A 504 project has three main partners and generally: a Third Party Lender provides 50% or more of the financing; a Certified Development Company (CDC) provides up to 40% of the financing through a 504 debenture (guaranteed 100% by SBA); and an applicant (borrower) injects at least 10% of the financing.

OOC, founded in 1953, a designated and certified CDC, shall operate an SBA-504 loan program in accordance with OOC's Bylaws, Policies and The U.S. Small Business Administration's ("SBA") Standard Operating Procedures ("SOPs"). The territory in which we shall make 504 loans shall be designated by or according to the policies of SBA.

It is the policy of OOC to follow all rules and regulations provided by the Small Business Administration in their Standard Operating Procedures Manuals and in any subsequent amendments thereto.

Because of frequent changes in the federal regulations, a circumstance may occur where this written internal policy of OOC is contradictory to SBA. Without exception, any federal regulation or SBA Standard Operating Procedure that contradicts with OOC's policy overrules OOC's policy. OOC's written policy will be changed to coincide with the policies of SBA as internal policy updates occur.

Exceptions to the policies outlined herein may be granted from time to time by the Executive Director or Board of Directors as long as the exceptions do not contradict federal regulations.

II. AREA OF OPERATIONS

OOC offers and services SBA-504 loans throughout Oswego County, New York.

III. EMPLOYEES, TRAINING AND PREPARATION FOR LOAN PROCESSING

Staff members will attend SBA, NADCO or other applicable training courses on an as-needed basis. Depending on the task assignments, OOC's employees shall receive training as directed by the Executive Director or interim Executive Director. All new employees will be supervised in all tasks until the Executive Director is comfortable that the task(s) can be completed successfully by the new employee. The following items shall be routed to each member of the OOC staff as received and discussed at staff meetings as needed: SBA Procedural Notices, and other publications or announcements from related trade associations. All updates shall be recognized immediately by the OOC staff and shall be complied with as applicable.

IV. PRE-APPLICATION PROCEDURES

Each pre-application situation shall be handled appropriately and on a case-by case basis. Generally, the following procedures should be followed for all SBA 504 loans.

- a. The Executive Director, Business Finance Director ("BFD"), Deputy Director or other staff members shall meet in person or by phone with banker and/or borrower to discuss

eligibility, project costs, and overall loan program(s) offered by OOC and determine if any of our loan programs may assist them based on the location of their project and circumstances. A fact sheet on the program may be presented, discussed, or emailed at that time.

- b. The BFD shall request the following from the borrower as the loan application. (This list may vary from loan to loan depending on the specifics of the business applicant and program). The borrower will be presented with a list pertaining to loan the borrower is requesting. The items required may include but not be limited to:
- Resume or summary of management of all principals and borrowers.
 - Personal financial statements of all borrowers, any 20% or more owner of a corporate applicant, and any guarantors.
 - Copies of most current tax returns for all guarantors and borrowers. At a minimum one and sometimes as many as three years personal tax returns may be required based on the facts of the business.
 - Real estate purchase contract if applicable.
 - Contract or bids for all remodeling/construction/equipment.
 - Financial projections (if a new business).
 - Past two years' balance sheets and profit and loss statements (existing businesses) for each borrower/guarantor, tax returns may suffice for this item.
 - A commitment letter or term sheet from a participant lender stating the reason they are unwilling to provide financing under reasonable terms and conditions. The term offered must comply with SBA policies.
 - An appraisal acceptable to OOC and SBA, if required.
 - An environmental report if needed.
 - All other documentation required by SBA.
 - Any other information the BFD feels is necessary from the borrower.

The BFD may, in some instances, provide the borrower a written assessment of the projected sources and uses of funds and fees that will be charged in conjunction with the respective loan.

V. APPLICATION PROCEDURES

OOC will process SBA 504 Loan applications via the following procedures:

SBA provides business loan assistance only to applicants for whom the desired credit is not otherwise available on reasonable terms from non-Federal sources. SBA requires the Lender or CDC to certify or otherwise show that the desired credit is unavailable to the applicant on reasonable terms and conditions from non-Federal sources without SBA assistance, taking into consideration the prevailing rates and terms in the community in or near where the applicant conducts business, for similar purposes and periods of time. Submission of an application to SBA by a Lender or CDC constitutes certification by the Lender or CDC that it has examined the availability of credit to the applicant, has based its certification upon that examination, and has substantiation in its file to support the certification.

When all of the documents required are received by the BFD and eligibility and credit issues have been satisfied (as evidenced by the submission of the SBA Form 1244, analysis of eligibility statement, and credit worthiness), the loan shall be packaged in accordance with all SBA SOP's concerning 504 lending. The Loan Management System software shall be utilized to package all SBA 504 loans in order to ensure that all documents are up to date and checklists are completed.

VI. CREDIT POLICIES

OOC's credit analysis for every loan will include:

1. A financial analysis of the applicant's proforma balance sheet. The proforma balance sheet must reflect the loan proceeds, use of the loan proceeds, and any other adjustments such as required equity injection or stand-by debt.
2. A financial analysis of repayment ability based on historical income statements, tax returns (if an existing business) and projections, including the reasonableness of the supporting assumptions.
3. A ratio analysis of the financial statements including comments on any trends and a comparison with industry averages.
4. A discussion of the owners' and managers' relevant experience in the type of business, as well as their personal credit histories.
5. An analysis of collateral adequacy, including an evaluation of the collateral and lien position offered as well as the liquidation value.
6. A discussion of the applicant's credit experience, including a review of business credit reports and any experience the CDC may have with the applicant. Credit reports are only required for the small business concern applying for the loan and its owners and affiliates who are guarantors. Credit reports are not required on non-guarantor affiliates.
7. Other relevant information (for example, if the application involves a franchise, the success of the franchise).

OOC shall require that the business and personal credit history of any applicant and any affiliate or owner of more than 20% of the business to be satisfactory. This determination shall be made as a part of the loan processing and approval process. As a general rule, credit will be deemed unsatisfactory in the following circumstances: (i) the applicant (or its affiliates or owners) has a previous loss to OOC; (ii) has been chronically delinquent on a previous loan to OOC; (iii) has a previous loss to the federal government; (iv) has past due taxes which a satisfactory repayment plan is not in place; (v) has been bankrupt in the previous seven (7) years; (vi) is past due on loans at the time of application; (vii) has outstanding unsatisfied judgments (leniency may be given if judgments are for medical collections); (viii) or has an unsatisfactory personal credit report containing numerous past delinquencies. Leniency on credit weaknesses may be granted by the Board in rare circumstances for projects that have a strong public benefit, that are located in an area in strong need of business development, or that meet another justifiable cause to the satisfaction of the Board. The Board may establish from time to time policies on specific industries that have been more problematic (i.e., convenience stores, carwashes, old exterior entrance motels or hotels, and weaker franchises). Prudent portfolio risk management requires that

concentrations of credit be actively diversified and managed. It is the goal of the CDC to have no more than 20% of the number of loans outstanding made to any particular industry segment (NAICS).

In order to help determine if the borrower and/or principals have had a previous loss to the federal government, a CDC is responsible for checking the Credit Alert Verification Reporting System (CAIVRS) to determine if any of the individuals or businesses have a Delinquent Federal Debt which would result in the Small Business Applicant being ineligible for SBA financial assistance.

For a loan request that involves a change of ownership with the business, OOC will verify the seller's business tax returns or a sole proprietor's Schedule C. Where there is an acquisition of a division or a segment of an existing business, other forms of verification may be used in lieu of the 4506-T (e.g. Sales tax payment records).

OOO will ensure that each loan's credit memorandum contains credit analysis that includes financial ratio analysis and industry comparisons. It is the CDC's current practice to utilize RMA's industry data.

OOO will ensure that it complies with SBA's Franchise/License/Dealer/ Jobber or similar agreements per SBA's Standard Operating Procedures. All agreements will be submitted to the SBA for pre-review/approval before OOC submits an entire loan application to SBA in Sacramento for underwriting.

OOO will adhere to the SBA's policy regarding Eligible Passive Companies (EPC) and Operating Company (OC) business structure requirements as listed in 13 CFR §120.111. The EPC rule is an exception to SBA regulations which prohibit financing assets which are held for their passive income. The OC must lease 100% of the property from the EPC, but it can sublease a portion of the property under the rules governing occupancy requirements with which all SBA borrowers must comply.

VII. COLLATERAL POLICIES

As a general rule any asset OOC is financing shall be taken as collateral to secure the loan. From time to time the Board or participating federal agency may require additional collateral as well. In analyzing collateral OOC shall generally discount collateral as follows to express liquidation values within each loan's credit memorandum: business real estate to 75% of appraised value; residential properties to 80% of appraised value; machinery and equipment to 50% of cost; inventory, accounts receivables, furniture and fixtures, shall be discounted to 10% to 50% of book value depending on the item and circumstances. A loan application does not have to be 100% secured to be approved. OOC is a cash flow lender and strong cash flow, strength of guarantors, and other factors can mitigate the need for additional collateral. Ultimately the need for additional collateral shall be determined based on the recommendation of the Executive Director, the Business Finance Director, the Board, and the policies or determination of the SBA. OOC shall require personal guarantees of any 20% or more owner or other owners or related parties depending on the circumstances. In rare circumstances limited guarantees may be taken. Life insurance may be required on key owners or managers and such determination will be discussed within each loan's credit memorandum. Special attention will be given to whether the ongoing viability of the business is tied to an individual(s) and to assess the likelihood of such.

Borrowers must contribute the required 10% contribution towards the project costs pursuant to the CFR. The borrower's contribution will typically come from the business owner's personal resources, the Operating Company's liquid assets, or real estate or eligible machinery and equipment acquired in anticipation of the 504 funding.

Exceptions to Policy:

1. If the Operating Company is considered a "start-up" business under the SOP definition, the equity injection must be 15%.
2. If the appraiser determines that the project property is a special or limited use asset by the appraiser, the equity injection must be 15%.
3. If the Operating Company is a start-up business and the project property is a special or limited use asset, the equity injection must be 20%.
4. If the equity injection is borrowed and a subordinate lien is taken on the project assets, the loan may be required to be on full stand-by, but at a minimum may not be repaid any faster than the term of the debenture and no prepayment of that subordinate debt will be permitted.

Generally, OOC will accept an appraisal that was prepared for a participant lender. On SBA-504 loans the appraisal will be subject to conditions and/or approval by the U.S. Small Business Administration prior to closing. Generally, appraisals should either be a self-contained appraisal report or summary appraisal report, performed by a State certified appraiser and should be in compliance with Uniform Standards of Professional Appraisal Practice (USPAP).

OOC's flood insurance requirements are based on the Standard Flood Hazard Determination as outlined within the SBA's SOP. If a flood certification indicates the collateral is located within a flood zone, OOC must require the borrower to obtain flood insurance for the building under the National Flood Insurance Program.

Hazard insurance coverage must contain a Mortgagee Clause/Lender's

Loss Payable Clause (or substantial equivalent) in favor of OOC/SBA. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC/SBA.

In the event that OOC and/or SBA require a Standby Clause within the SBA 504 Loan Authorization, the Standby Creditor must subordinate any lien rights in collateral securing the Loan to OOC's rights in the collateral, and take no action against borrower or any collateral securing the Standby Debt without OOC's consent.

Loans under the 504 program provide permanent or take-out financing. An interim lender (either the Third Party Lender or another lender) provides the interim financing to cover the period between SBA approval of the project and the debenture sale. After the project is deemed completed in accordance with the SBA's SOP, OOC will close the 504 loan. The proceeds from the debenture sale repay the interim lender for the amount of the 504 project costs that it advanced on an interim basis. It is an SBA requirement that OOC document the release of the interim lender lien. OOC will involve each closing attorney within this verification process to ensure that the release of interim lien is achieved and documented.

VIII. APPROVAL PROCEDURES

The Board of Directors shall have approval authority on all loans.

1. Executive Director Recommendation

When the application is completed, the BFD shall forward the pertinent information to the Executive Director for preliminary review. If the Executive Director recommends approval of the loan it may then be recommended to the Loan Committee/Board for approval.

2. Loan Committee/Board Approval

If recommended by the Executive Director or if requested by the applicant in the event of a decline, the loan is presented to the Loan Committee/Board for approval. A majority vote is required for approval from the Loan Committee/Board. A quorum of more than 50% of the voting members must vote. At least two persons with commercial lending experience must be present and vote on any approval action.

Loans may be approved at a regularly scheduled meeting or by proxy vote by phone, mail, or email. Minutes shall be maintained documenting each corporations' actions on loan approvals and other pertinent action. Any member of the Board who has a conflict in voting on a loan shall abstain and that abstention shall be noted for the record. All loans regardless of size shall be approved by the Board or Loan Committee.

As per SBA regulation and OOC's by-laws, the Loan Committee may exercise the authority of the Board only as set forth in 13 CFR 120.823(d) (4) (ii); however, the delegation of its authority does not relieve the Board of its responsibilities under law or SBA 504 Loan Program Requirements. The Loan Committee may approve credit decisions involving loans of less than \$2,000,000. For loans of \$1,000,000-\$2,000,000 the Loan Committee actions must be ratified by the Board prior to Debenture closing. SBA Approval of 504 Loans

If approved by the Executive Director and Loan Committee/Board, the full application is sent to the appropriate SBA office for final approval.

3. BORROWER/BANKER Acceptance

If approved by SBA, an Authorization for Debenture Guarantee will be issued to OOC reflecting SBA's terms and conditions. The authorization shall be signed by OOC and forwarded to the customer to review the requirements of the Authorization. OOC staff may meet with the customer in person or by phone to go over the authorization and its conditions. If accepted and signed by the banker and borrower, the authorization will be returned to OOC within 30 days of original receipt.

4. LOAN CHANGES/SUBORDINATIONS/SUBSTITUTIONS OF COLLATERAL

A. Cost Overruns. If the project cost increases substantially prior to completion of the project, the loan will be re-presented to the Board for consideration if the increase exceeds: 10% of the total project amount on projects over \$1,000,000; or, 15% of the total project amount on projects under \$1,000,000. On amounts less than this, the Executive Director may approve an increase. If approved, a recommendation will be made to SBA for final approval of additional funds. All facts documenting the increase including updated financials shall be obtained.

B. Other minor changes, subordinations, or substitutions of collateral may be approved by the Executive Director after a loan has been closed. Major changes or servicing actions should be approved by the Loan Committee/Board. A quorum of more than 50% of the voting members must vote on a major change or servicing action. At least two persons with commercial lending experience must be present and vote. On SBA- 504 loans all servicing actions approved without unilateral authority of SBA as outlined in their polices, shall be subject to their final approval.

Generally, releases of additional collateral required at loan approval will not be released until the loan is seasoned.

IX. FEES

OOC shall charge reasonable and customary fees for its services.

On SBA-504 loans, 1.5% of OOC's portion of the project shall be charged to the borrower as a CDC processing fee and shall be financed when the debenture funds. OOC will normally charge the borrower an ongoing monthly servicing fee of 5/8 of 1%, that fee may be as high as 1% in some instances. The servicing fee that will be charged will be established at loan approval and outlined in the Loan Authorization. The servicing fee is based on the outstanding balance of the loan at each five-year anniversary date and is paid by SBA monthly. The servicing fee includes at least a 1/8 of 1% servicing fee (the minimum required by SBA) that shall be collected by the Central Servicing Agent and forwarded to OOC, as well as a fee that is paid to the Central Servicing Agent.

OOC may participate from time to time in programs designed at targeted groups such as veterans and may waive or rebate fees accordingly.

OOC shall charge reasonable hourly charges if packaging a guaranteed application for a borrower to be presented to a federal agency. Only allowable fees shall be charged to the borrower by OOC. In rare instances OOC may from time to time pay a referral fee to another entity for referring a loan, but that fee may not be passed on to the borrower. OOC shall not use lender service providers.

An applicant shall not be required to purchase any other services from OOC or anyone affiliated with OOC as a condition of a loan approval.

SBA regulations at 13 CFR §103.5 require any agent to execute and provide to SBA a compensation agreement. Each Agreement governs the compensation charged for services rendered or to be rendered to the Small Business Applicant or CDC in any matter involving SBA assistance. "Agent" means an authorized representative, including an attorney, accountant, consultant, packager, lender service provider, or any other person representing an applicant, or participant by conducting business with SBA. The Small Business Applicant or the CDC, depending on who paid or will pay the Agent, must use SBA Form 159. "Fee Disclosure Form and Compensation Agreement," to document the fees. The Small Business Applicant, the Agent and the CDC must sign the SBA Form 159(504). A separate SBA Form 159(504) must be executed for each Agent.

X. CLOSING PROCEDURES

1. The following steps shall be followed in order to ensure all closings are done in a seamless, professional, and accurate manner. Some items may not apply to all loans:
 - a. The CDC-approved and SBA-certified law firm assigned to the closing shall prepare a letter and pre-closing checklist to the Borrower, Interim Lender, and 1st mortgage lender summarizing the items required to close and asking that closing items be forwarded to OOC.
 - b. Upon receipt of the items needed to close they will be reviewed by the law firm. The BFD shall forward additional closing information (including the original Authorization and any change actions) to the closing attorney.
 - c. The closing attorney shall schedule a mutually agreeable closing date.

2. Pre-Closing/Cost Verification/Down Payments/No Adverse Change - OOC's staff members may monitor the interim loan or construction loan, but in most instances interim loans and construction shall be monitored by the interim lender. Cost verifications shall be completed by OOC to ensure that only eligible costs will be financed, that the borrower has injected a sufficient amount of equity into the project, and that the total project costs are sufficient. Verification of the required equity injection will be required prior to closing on all SBA- 504 loans. Acceptable forms of proof of the required equity injection may include but not be limited to: closing statements, cancelled checks, paid receipts, or other forms acceptable to OOC and the SBA. Within 14 days of the closing cutoff date published by the SBA District Counsel, OOC is to make a financial determination and document that there has been No Adverse Change in financial condition of the borrower and submit this documentation to the Sacramento Loan Processing Center (SLPC).
3. Closing SBA 504 Loans - A certified SBA 504 closing attorney or attorney acceptable to OOC and SBA shall review the Authorization and Debenture Guarantee. The staff person in charge of the closing shall prepare a proper closing package, and forward the documents to the closing attorney in a timely fashion. The attorney should conduct a title search within 10 days of a scheduled closing date. Contact with the borrower concerning the final closing fees and closing schedule should be conducted by the attorney. The closing attorney shall prepare all documents according to staff instructions, SBA training instructions, and/or the loan authorization. The staff member in charge of the closing may review documents prior to signing to ensure they are accurate. The closing attorney shall forward the closing package to SBA and retain a copy and/or original for OOC's files as instructed by SBA. The staff will utilize a follow-up system and inform the closing attorney of any final documents and final title insurance policies needing to be forwarded to OOC and SBA to complete the closing process.
4. Post Closing/Debenture Funding on 504 Loans - A post-closing lien search should be conducted by the closing attorney to ensure that no other liens are in place on the collateral (e.g. equipment) being taken for a particular loan. Upon sale of the debenture and receipt of the completed Note, Central Servicing Agent Agreement, Amortization Schedule, and any closing costs reimbursed, the staff person in charge of the closing shall send a copy of those items along with a reimbursement check to the borrower.
5. OOC shall not close a loan and take as collateral any property that poses a significant risk of previous environmental contamination. Appropriate steps including Environmental Questionnaires, Audits, or Cleanup shall be required to the satisfaction of the Executive Director and SBA prior to closing.

XI. SERVICING PROCEDURES

1. Objective

OOC's responsibility in the area of loan servicing is to administer, monitor, and service all loans from inception through payment in full by the borrower/small business concern. Obtaining information on the continuing operations of borrowers to protect OOC and the SBA's position in all loans is essential and will help identify problems early to work with borrowers who are struggling. In addition, the servicing will ensure that all necessary on-going filing and recording of documents is completed to perpetuate the secured collateral position. All loans will be serviced in accordance with all federal regulations, policies and procedures of all oversight agencies, and prudent lending standards until paid in full including review

of financial statements, tax filings, insurance, and security filings. Any reports required by oversight agencies regarding adverse trends, conditions or information relevant to a borrower will be made as required.

2. Data Base

All loan data will be stored via a paper or electronic filing system as well as in OOC's server. Passwords will be changed periodically to ensure the safety of the loan files. Backup procedures of computer systems shall be conducted by OOC's staff. OOC will protect files and data as required by state and federal laws or as instructed by federal agencies.

OOC will outsource for IT services and security as needed. OOC will ensure the security and confidentiality of data.

3. Filing System

Upon the debenture funding and all needed items being forwarded to SBA, OOC staff shall establish three files. All files will be kept in a safe and secure area made available to OOC staff members as needed. All loan updates shall be filed promptly in its appropriate place to ensure proper records are on hand at all times.

Because these files do not contain original Notes or other original collateral documents they will not be required to be in fire proof file cabinets. The three (3) files shall be:

- a. A complete loan application file will be established and shall contain all items needed by SBA at the loan outset.
- b. A complete loan closing file will be established and shall include copies of all closing items that have been forwarded to SBA in the original closing file.
- c. A servicing file that is easily identifiable shall be established and shall contain a collateral summary, UCC monitoring form with UCC's, site visit form, hazard insurance monitoring section, life insurance monitoring section, financials section with review comments, and any changes that have been made to the loan after the closing.

4. Tickler System

The staff person responsible for loan servicing shall maintain a loan tickler system. It shall monitor the following:

a. Insurance

All insurance shall be monitored monthly by the staff utilizing a tickler system in LMS. Staff will contact the insurance providers annually to insure the premiums are being paid. This will be required for both hazard and/or life insurance on each loan. Letters shall be forwarded to borrowers, as information becomes needed.

After three attempts and no response from the borrower, the participating federal agency may be notified.

b. UCC

All UCC filings must be continued prior to the five-year anniversary date of the loan to maintain lien position according to New York law. These filings will be monitored annually by the staff utilizing a tickler system in the OOC loan database, and OOC staff will coordinate with the designated law firm in timely filing UCC continuations. The designated law firm in charge of servicing will complete a UCC continuance and mail the form with the proper payment to the county in which the UCC was filed.

c. Financial Statements

Annually, the staff shall prepare letters to the Borrowers which request copies of their business financial statements. If the borrower uses a fiscal year end which differs from the calendar year end, the information may be forwarded as soon as the information is available.

d. Property Tax Verification

Annually, the staff or a contracted company shall verify that no tax liens have been placed on a property OOC has financed. If a lien has been filed, OOC will attempt to get the borrower to rectify the situation. If the taxes are delinquent, and no satisfactory solution is reached, OOC, the participating lender, or the SBA, may have to intervene and pay the taxes to prevent public sale of the property. Such advances may shall be added to the loan balance as appropriate.

e. Site Visits

Annually a site visit will be made if required by SBA policy on 504 loan recipients. The site visit will be documented in the loan servicing file. After two years if a loan is performing satisfactorily site visits may no longer be required. Site visits are required within 60-days of payment default and are to be properly documents with photos and details on property condition.

f. Special Servicing Issues

From time to time, OOC may receive a request to modify or change a loan.

SBA-504 loans that have been closed require all servicing requests be submitted to the SBA Little Rock Servicing Center in accordance with SBA's written policies and procedures outlined in SOP 5050 [as amended from time to time] for Loan Servicing. Servicing requests should be submitted with all pertinent data needed for the center to make a full analysis and decision. OOC staff will make a recommendation to the Servicing Center on the servicing request.

XII. BILLING/ NON PAYMENT/ COLLECTION PROCEDURES

The staff person in charge of loan servicing shall also be in charge of monitoring the repayment and collections of all accounts. When an account reaches 60 or more days past due it will be reported to the Executive Director and placed on the rated loan watch list presented to the Board and may be required to be reported to the respective federal agency.

1. PAYMENT BILLING

- a. All SBA-504 borrowers will be on the ACH System for repayment of loans and their loans will be automatically bank drafted the first day of the month by the Central Servicing Agent (CSA) established by SBA. No funds other than servicing fees, processing fees, or float checks will normally be received by OOC.

- b. Returned checks. When a check is returned for insufficient funds, the check may be deposited again a maximum of two times or presented at the borrower's bank of account for certified funds. After it has been determined the check cannot be presented for funds, the payment will be backed off the repayment system and the check will be placed in the borrowers file and collections attempts will begin.
 - c. Late Fees. All borrowers who pay more than 15 days after their scheduled payment date will be assessed a late fee as stated in their Note. That late fee can be waived for good cause by the Executive Director.
- 2. STANDARD COLLECTIONS - OOC will be notified by the CSA if a payment rejects due to insufficient funds. Upon notification from SBA's servicing agent that an attempt to draft an account was rejected due to insufficient funds, the staff will promptly notify borrowers and fax wiring instructions to encourage prompt wiring of monthly payments in order to avoid late fees. A phone call followed by faxed wiring instructions should be sent promptly. OOC staff should follow up on any late payments until loan payments are made by the borrower, including payment of late fees. The Executive Director may request SBA's Servicing Agent to waive late fees for the borrower.
- 3. PROBLEM LOANS - When staff is unable to rectify a past due loan or becomes aware of a borrower having severe cash flow or other problems, OOC may require more frequent submission of financial statements from the borrower for review and analysis. Meetings may also be held with the borrower and/or participant bank to try and correct the problem. Deferments may be granted to a borrower, but should not be granted or recommended unless adequate cash flow to repay the deferment is anticipated after the deferment period or unless the deferment is being given to allow the borrower time to attempt to sell the business. The Executive Director shall have the authority to grant six month deferments to a customer.

On SBA-504 loans, the total amount of payments deferred must be caught up in a time period agreeable to SBA once repayment on the loan restarts and in accordance with the repayment plan approved by SBA. On all other loans, the maturity of the loan may be extended by the amount of months of the deferment. Updates on delinquent borrowers should be obtained frequently and the loan should be rated unsatisfactory and the Board, and if applicable participating federal agency, should be updated and informed of these situations. Servicing efforts may also include making additional site visits to view collateral. All efforts should also be made to assist borrower by providing additional resources for technical and management assistance. Borrowers who become 65 days or more past due shall be put into automatic liquidation unless justifiable reasons exist. OOC will submit reports to the various federal agencies as required on delinquent or problem loans.

- 4. DEFAULTS/ LIQUIDATIONS - If a loan cannot be collected and the loan defaults, the responsibility for liquidation falls on OOC regardless of the type loan. The steps differ according to loan program.

OOOC shall submit a liquidation plan to the SBA Loan Servicing Center and request SBA to repurchase the debenture that was sold to fund the loan once the Executive Director feels it is necessary or is instructed by SBA to do so. Every effort should be made to prevent foreclosure for both the SBA and the borrower.

OOC may be granted permission to work the case as SBA Servicing Agent and may be reimbursed by SBA for certain expenses it incurs. OOC shall work with SBA to obtain appraisals of property and make a recommendation to SBA as to project collateral disposition. If the company is bankrupt or other litigation is needed, OOC may engage an attorney to work the case, consult with the SBA District Council, or work with the U.S. Attorney. Each case will require judgment as to the best course of action. OOC may also assist in, or conduct, maintenance and or liquidation of collateral on behalf of or in conjunction with SBA. Following liquidation of project collateral, OOC may work with SBA and guarantors to obtain compromise offers from those borrowers who are unable to honor their entire guaranty.

For each 504 loan classified in liquidation status, a Wrap-Up Report must be prepared and submitted to the appropriate SBA Loan Center within 90 days of completing all reasonable and cost effective recovery efforts or upon receipt of a request from the SBA Loan Center, whichever occurs first.

XIII. ANNUAL REPORTING

1. SBA Annual Report

As required by SBA, the Executive Director, or designated staff person shall prepare and submit an Annual Report to SBA in a format acceptable to SBA. This report shall include the number of jobs created or retained by borrowers whose loans reached the two-year anniversary date during the fiscal year.

In OOC's Annual Report, the CDC will report either estimated or actual job creation and retention numbers for all funded debentures (except debentures that have been accelerated) as follows: 1) Debentures Funded Two or More Years: The actual jobs (as reported by the borrower on the 2-year anniversary of the funding of the debenture) created and/or retained. OOC will collect this information in writing from the borrower on borrower letterhead or in an email from the borrower. The CDC will retain the information in the applicable loan file. 2) Debentures Funded Less Than 2-Years: The estimated jobs (as indicated on the loan application-SBA Form 1244) created and/or retained.

Job creation/retention verification results will be tracked on a master Excel spreadsheet tickler. Specifically, after the two-year anniversary of each loan's funding date, OOC will either email or mail a letter to the borrower along with a form requesting the number of jobs they have created and retained as of the 2-year anniversary date of their SBA 504 loan's funding date. The form will specify that OOC is requesting the number of jobs the small business has created and retained as of the 2-year anniversary date of the SBA 504 loan's funding. If the borrower does not reply within a month then another letter is mailed out to the borrower. If the borrower does not reply with the number of jobs created before the end of the fiscal year then a "zero" is input into the annual report for job creation. All job verification documents received will be reviewed to make sure it is signed and dated by an authorized employee of the borrower before documenting within the annual report. All refinanced loans will also be included in the jobs report.

The annual report to SBA shall also include a detailed report on compensation (including salary, bonuses, and expenses) on any employee making more than \$100,000 for that period; a Certification by each member of the Board that they understand the requirements in 120.823; a

report in investments in economic development in each state in which the CDC has an outstanding 504 loan.

2. Board of Director Report

At least twice annually, the Executive Director shall prepare and present a semi-annual report on all loan activity regardless of type to the Board of Directors. This report shall include loan activity statistics for the previous six months and shall include a report on asset quality and industry concentrations.

XIV. QUALITY ASSURANCE

1. Objective

It is the objective of OOC to achieve customer satisfaction. Customers of OOC include Borrowers, Lenders, and other persons who may have an interest in improving the economic conditions in Oswego County, New York. All staff shall have the responsibility ensuring quality standards are met for processing, closing, and servicing all loans.

2. Marketing Plan

OOC's marketing efforts are crucial to create relationships with local bankers and include banker's conferences, and 504 rate emails to bankers. In addition, OOC participates in several programs during the year as called upon by banks, civic organizations' meetings, and trade groups. OOC views personal, face-to-face contact with bankers as a way to ensure that our loan programs will be accepted and utilized to its full potential.

3. Audit Procedures

OOC will be audited annually by a qualified, certified public accounting firm in a format acceptable to the SBA. The scope of the audit shall include the revenue and expenditures of the loan programs as well as any other information required from the SBA. The auditor shall be engaged by OOC and the audit will comply with New York law and CFR 120.826 and 120.830. The auditor will present in person or in writing the audit report and any findings to the Board. Any findings will be discussed independent of management. The audit will then be presented to the full Board as well as the SBA.

4. Document Retention

Inquiries, partial applications, and applications withdrawn or declined shall be retained for a period of two (2) years. Paid off loans shall be retained for a period of nine (9) years. Liquidated loans shall be retained for a period of ten (10) years.

XV. THE LOAN RISK GRADE POLICY

The CDC is responsible for identifying any potential problem loans and reporting these problem loans to the Board. OOC will utilize a grading system which will allow the tracking of deterioration or improvements in any given loan. Each loan will be assigned a grade at the inception of the loan and annually to adequately assess risk and performance over the life of the loan. If during ongoing review of financial statements, site visits, contact with the borrower, or other knowledge, the staff becomes aware of circumstances that may

jeopardize timely repayment or collateral values, the loan may need to be downgraded according to OOC's loan rating system for all loans. All loans are assigned to be Acceptable at inception and will remain as such unless there are financial conditions, events and/or circumstances that would cause the loan to be placed on the rated report by the Executive Director or Board of Directors. The rated loans report shall be presented to the Board at least twice annually and will contain a report on asset quality and industry concentration (if any). The third party independent loan review consultant will verify in its review any disagreements with the grade a loan is assigned and will be discussed with the Executive Director. The results of the third party independent loan review will be reported directly to the Board.

1. Loan Risk Rating Methodology

OOC has adopted the Farm Credit Administration Uniform Classification System (“UCS”) as its SBA 504 loan risk rating methodology. The UCS provides a framework for risk rating loans on a five level scale including acceptable, special mention, substandard, doubtful and loss.

Appropriately assigned UCS classifications are based on thorough analysis of a borrower’s five primary credit factors, commonly referred to as the 5 C’s of credit (capacity, capital, collateral, character, and conditions). Proper analysis of all credit factors is essential to identify the risks and creditworthiness of a borrower and apply the UCS definitions consistently. The guidance below provides a definition of each UCS classification, the credit factor characteristics associated with each classification, and key considerations in assessing the 5 C’s of credit.

2. UCS Classifications

a. Acceptable

- i. Definition: These are non-criticized assets typically characterized by sound financial condition and repayment capacity, adequate collateral, appropriate loan structure and conditions, and no character concerns. These assets generally have no consequential adverse trends that pose a near-term risk to repayment capacity. If any credit factor weaknesses exist, they must be relatively minor or mitigated by strengths in other credit factors. This category also includes assets with valid and properly-serviced U.S. government guarantees or Federal Agricultural Mortgage Corporation (Farmer Mac) Long-Term Standby Purchase Commitments (standby commitments).
- ii. General Characteristics: The following are general characteristics of an Acceptable loan. Not all of these characteristics need to be met if sufficient offsetting strengths exist in other credit factors.
 1. Earnings performance and capacity remain sound, with any losses short term in nature and not a significant threat to the borrower's repayment capacity and financial condition. Performance is favorable compared to industry peers, and repayment problems are not likely in the foreseeable future.
 2. Financial position provides sufficient risk-bearing ability to support continuation of the business and liquidity needs throughout industry cycles.
 3. Character is sound, with no significant concerns in risk, production, or financial management. The borrower maintains a constructive

relationship with the lender, complies with loan conditions, and is willing and able to address lender concerns.

4. Loan structure, terms, and conditions are appropriate for the loan purpose and borrower's risk profile.
5. If collateral is required, it is adequate as a secondary source of repayment. Any subsequent declines in value do not threaten the primary source of repayment.
6. Credit administration is sound and any deficiencies do not materially increase risk to the institution.

b. Special Mention

- i. Definition: A Special Mention asset (also known as Other Assets Especially Mentioned) has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.
- ii. General Characteristics: The following are general characteristics of a Special Mention loan. These characteristics may not always result in a Special Mention classification if sufficient offsetting strengths exist in other credit factors.
 1. The borrower is experiencing adverse trends or weaknesses in earnings or capacity that have not reached a point where repayment is jeopardized.
 2. The borrower is experiencing adverse trends or weaknesses in equity or liquidity positions that have the potential to impact the borrower's ability to service the debt.
 3. Collateral is not yet relied on for repayment, but conditions may exist that pose potential concerns regarding the existence, collectability, or value of collateral. For example, a significant decline in collateral values could lead to an under-secured collateral position and increased potential for a "strategic default" by the borrower.
 4. The borrower's risk management practices, production management, or financial management represent a potential weakness. The weakness may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. In addition, the borrower may be slow, unwilling, or unable to adjust operations and correct the potential weakness. Examples include failure to obtain sufficient insurance coverage, poor marketing decisions, or expanding operations without adequate consideration of costs, leverage, or liquidity. The borrower may have also made a poor management decision, and the full impact of such decision is not fully known or recognized.
 5. Loan structure, terms, and conditions may deviate from prudent lending practices relative to the customer's risk profile and materially increase risk to the institution. Examples include structuring the loan maturity or

amortization in excess of the useful life of the collateral or asset financed, indefinite or liberal repayment requirements (e.g., repayment highly dependent on refinancing), or nonexistent, weak, or waived loan covenants.

6. Credit administration weaknesses materially increase risk to the institution.

c. Substandard

- i. Definition: These assets are inadequately protected by the borrower's repayment capacity, equity, or collateral pledged. Assets so classified must have a well-defined weakness or weaknesses that jeopardize normal collection of the debt. They are generally characterized by the distinct possibility that the lender will sustain some loss if the deficiencies are not corrected.

- ii. General Characteristics:

1. Unprofitable operations result in inadequate debt servicing capacity and could raise concerns regarding the borrower's viability. Voluntary or forced liquidation of collateral or other assets may be needed to repay the loans.
2. The borrower has inadequate liquidity or a weak equity position. The cause of weak financial condition could be internal factors (increasing or excessive debt load, poor management decisions, etc.), or a combination of internal and external factors (e.g., poor management or operational decisions coupled with depressed prices or declining asset values due to economic conditions).
3. Collateral may be inadequate to cover all outstanding debt. While inadequate collateral alone would not be a basis for a Substandard classification, when combined with weaknesses in other credit factors, it increases the possibility of a future loss.
4. Serious concerns exist with the borrower's risk management, production, or financial management. This could be an isolated decision with a material negative impact on the borrower's financial or operational condition, or a history of making poor management decisions. The borrower may be unwilling or unable to make needed operational changes to correct serious weaknesses. Furthermore, the borrower may be uncooperative with the lender(s).
5. Loan structure is inappropriate for the borrower's risk profile or intended use of the loan proceeds.

d. Doubtful

- i. Definition: Assets classified Doubtful have all the weaknesses inherent in assets classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

A Doubtful asset has a high probability of total or substantial loss, but because of specific pending events that may strengthen the asset, its classification as Loss is deferred. Examples of pending events include mergers, acquisitions, liquidations, capital injections, lien perfection on additional collateral, collateral valuation, and

refinancing. Borrowers with Doubtful loans are usually in default, lack adequate liquidity or capital, and lack the resources necessary to remain an operating entity. A Doubtful classification is sometimes used for loans that are proceeding to collection and involve specialized facilities in distressed industries where a high degree of uncertainty exists regarding the value of collateral. Generally, pending events should be resolved within a relatively short time and the classification adjusted based on the new information. Because of a high probability of loss, Doubtful assets will also be nonaccrual.

Examiners should not classify an entire asset Doubtful when collection of a specific portion appears probable. An example of properly using the Doubtful category is the case of an entity being liquidated. Assume a bankruptcy trustee has indicated a minimum disbursement of 40 percent and a maximum of 65 percent to unsecured creditors, including the System lender. By definition, the 25 percent difference would be the only portion classified Doubtful. A proper classification of the credit would be 40 percent Substandard, 25 percent Doubtful, and 35 percent Loss.

e. Loss

- i. Definition: Assets classified Loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future.

With Loss assets, the underlying borrowers are often in bankruptcy, have suspended debt repayments, or have otherwise ceased normal business operations. Once an asset is classified Loss, there is little prospect of collecting either its principal or interest within a reasonable time period and a charge off is recorded. When uncertainty regarding lien position rather than the value of the collateral is a problem, a less severe classification may be appropriate. However, institutions should not maintain an asset on the balance sheet if realizing its value would require long-term litigation or other lengthy recovery efforts. In those cases, a charge off should be recorded with the possibility of a recovery in future periods.

3. Credit Risk Evaluation Process and Modification of Loan Grades

The risk rating process starts with a thorough analysis of the borrower's ability to repay and the support provided by the structure and any credit risk mitigants. When analyzing the risk in a credit exposure, OOC will consider:

1. The borrower's current and expected financial condition, (i.e., cash flow, liquidity, leverage);
2. The borrower's history of servicing debt, whether projected and historical repayment capacities are correlated, and the borrower's willingness to repay;

3. Underwriting elements such as loan covenants, amortization, and reporting requirements;
4. Collateral pledged (amount, quality, and liquidity), control over collateral, and other credit risk mitigants; and
5. Qualitative factors such as the caliber of the borrower's management, the strength of its industry, and the condition of the economy.

The main circumstances for modifying a risk grade (downgrades, upgrades, exceptions, and overrides) are as follows:

1. Loans that show signs of problems but may not be late, for example: A loan officer becomes privy to information that a borrower is current on all payments but is having difficulties may downgrade that borrower's performing loan into a watch grade.
2. Late Loans: Loans are downgraded when a loan payment is 45 days late. A loan may be downgraded earlier than 45 days late if there has been an indication from the borrower that the payment will not be received by the 45th day.
3. Restructured Loans: When a loan is restructured or modified, it is a good practice for it to remain in a watch grade or nonperforming category until a number of payments have been received by the due date. For example, OOC may choose not to upgrade a restructured loan for a specified period of months. After a period of time, the loan will be upgraded to a performing category when all payments are received by the due date and there are no indications of concern.
4. Exceptions and overrides to the aforementioned risk rating criteria may be made with supporting qualitative and/or quantitative information from the loan officer and granted by the Executive Director or Board of Directors. Exceptions to loan policy that take place are either (a) discretionary or (b) based on some type of compensating factor or extenuating circumstance. Overrides based on compensating factors tend to be less subjective, more consistent, and are generally quantifiable. OOC will strive for all overrides to fall into this category and, as much as possible, avoid discretionary overrides.

XVI. EXCEPTIONS

It is the policy of OOC to follow all rules and regulations provided by the SBA in their SOP Manuals and in any subsequent amendments thereto. Because of frequent changes in the federal regulations, a circumstance may occur where this written internal policy of OOC is contradictory to SBA regulations. Without exception, any federal regulation that contradicts with OOC's policy overrules OOC's policy. OOC's written policy will be changed to coincide with the policies of SBA as internal policy updates occur. Exceptions to the policies outlined herein may be granted from time to time by the Executive Director or Board of Directors as long as the exceptions do not contradict federal regulations or state or federal law.

OPERATION OSWEGO COUNTY, INC.

INTERNAL CONTROLS POLICY

This Policy, adopted the 17th day of September, 2018, was further amended September 16, 2019, and March 9, 2020, by a majority of the Board of Directors of OPERATION OSWEGO COUNTY, INC., a quorum of its members being present and voting in the affirmative.

WHEREAS, sound internal controls are a necessary function of a successful organization and are best achieved by a clearly defined process; and

WHEREAS, this policy, established by the Board of Directors of Operation Oswego County, Inc. (OOC) covers basic accounting functions, day-to-day operating functions performed by OOC staff, as well as compliance requirements of OOC as a Certified Development Company (CDC) as that term is used by the U.S. Small Business Administration;

NOW, THEREFORE, be it

RESOLVED, that the Board of Directors of OOC hereby establish the following policy regarding Internal Controls for the organization:

1. **GENERAL.** The Board of Directors of OOC is responsible for authorizing all bank accounts and check signers. Financial institutions where OOC accounts are maintained are notified on an annual basis of any changes in check signers, following the transition of officers or changes in staff with check signing responsibilities. Financial reports shall be presented to the Board of Directors for review on a monthly basis. An annual financial compilation, review, or audit will be conducted by a qualified outside certified public accountant. Applicable financial and administrative guidelines relating to specific grant funding shall be followed.

2. **CASH RECEIPTS.** While OOC rarely, if ever, receives cash, employees handling cash will have the necessary knowledge and skills to perform the job and will be carefully supervised. Cash receipts must be deposited within 3 days of receipt or when the deposit amount exceeds \$2,000, whichever comes first. Incoming checks must be restrictively endorsed, “for deposit only” with the appropriate OOC account number, when received. Incoming cash must be counted and receipts/bank deposits developed by two or more persons authorized to perform these functions. Records of cash received must be totaled and initialized by authorized employees. Cash collection documentation totals must be compared and reconciled to bank deposit receipts on a regular basis. Bank deposit receipts must be compared and attached to the original bank deposit slips. Adequate physical controls must be maintained over cash receipts from the time of receipt to deposit in the bank. Payments, from any source and for any purpose, received in an OOC bank account electronically via Electronic Funds Transfer (EFT) will be posted to accounting software within 3 days of receipt.

3. CASH DISBURSEMENTS. a. *Check Authorization.* The Executive Director must provide approval for all disbursements. Supporting documentation must accompany checks when presented for signature.

b. *Checks.* All non-recurring disbursements must be made by check. Recurring disbursements may be set up electronically with a vendor via Electronic Funds Transfer with prior OOC Executive Committee approval. Only pre-numbered checks shall be used and always in sequence. Signing of blank checks is strictly prohibited. Checks must be made payable to specific payees based upon appropriate documentation; and never to “cash” or “bearer”. Prior to preparing checks, receiving reports should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement. Signature stamps may never be used to sign checks. Dual signatures, by any Board approved authorized signer, are required for all checks over \$1,000. All checks over \$2,500 require at least one officer of the Board of Directors to sign. Access to blank checks must be limited to persons authorized to prepare checks. Blank check stock must be locked in a secure place when not in use. Any voided/spoiled checks must be marked “Void”, shredded with the signature portion removed and retained in a secure place.

c. *Bank Reconciliations.* Bank accounts must be reconciled by the person responsible on a monthly basis and reviewed by the Executive Director. The Executive Director must receive the bank statements, including canceled checks, if provided by the banking institution. All check numbers must be accounted for. Checks outstanding over 90 days must be periodically investigated, with payment stopped, if necessary, and an entry made restoring such items to cash if appropriate.

4. TRAVEL AND EXPENSES. Employees must submit a detailed expense record, with supporting documentation, in order to be reimbursed for expenses; and initialed for approval by the Executive Director prior to payment, or in the case of the Executive Director’s travel and expense approval by an officer of OOC.

5. SBA 504-RELATED LOANS. The review and assessment of loans provided by OOC, as the CDC for the U.S. SBA 504 Loan Program, is an integral tool to generate and maintain economic growth in Oswego County. The following review standards and procedures shall be followed by OOC staff assigned to review and assess 504 loans:

a. *Assignment of Responsibility.* The responsibility of the internal controls function shall be assigned to the Executive Director of OOC.

b. *Periodic Review and Updates.* A periodic review of the internal controls is essential to ensure that this function remains compliant with ever changing regulatory and procedural guidelines. Such periodic reviews should coincide with changes to the SBA’s Standard Operating Procedure (SOP), as well as other regulatory and policies changes.

c. *Independent Review.* (i). At least once every two (2) years unless requested to be done more frequently by the SBA, an independent review shall be conducted by the Audit Committee of OOC to ensure that the 504 Loans were underwritten in conformance with the SOP. The review of new loans shall focus on underwriting and the closing procedure; while the older loans shall focus

on servicing and liquidation, if applicable. The review must include an assessment of the loan classification (aka loan risk rating) to ensure loans are risk classified appropriately and that risk classifications are updated in a timely manner (such as when new information is obtained), and at least annually.

(ii). Independent reviews of 504 Loans involve a sample of the SBA 504 Loans in OOC's portfolio. OOC's sampling policy is as follows:

1) For Loans Funded Within 12 Months Preceding Review Period:

All loans, but not to exceed the greater of:

- 50% of such loans (rounded down to the nearest whole number of loans, or,
- 2 loans.

2) For Loans Funded More Than 12 Months Preceding Review Period:

- Loans that are current: 10% of such loans (rounded down to the nearest whole number of loans.
- Loans that are delinquent, in intensive servicing or liquidation: 100% such loans.

(iii) The Audit Committee must opine on the risk rating of each loan reviewed as to whether the committee agrees with the risk rating ascribed by the underwriter. The opinion must include a recommendation whether the risk rating should be up-graded or down-graded and provide an explanation for the change.

(iv) Annual objective reviews of credit risk levels and risk management processes are essential to effective portfolio management, which includes review for accuracy and completeness of eligibility, creditworthiness (collateral) and closing checklists. Loan reviews should analyze a number of important credit factors, including:

- A. Credit quality;
- B. Sufficiency of credit and collateral documentation;
- C. Proper lien perfection;
- D. Proper loan approval;
- E. Adherence to loan covenants;
- F. Compliance with internal policies and procedures, and applicable laws and regulations;
- and
- G. The accuracy and timeliness of credit grades assigned by loan officers.

(iv). To encourage independence in the review process, the Audit Committee shall report to the Board of Directors. Results of the review shall be communicated to both management and the Board of Directors. However, to protect the review function's independence, the board or committee shall approve the performance evaluation for the review, review the OOC

staff's strategic and operating plans, and act on the findings of the review. Core analysis phases during the independent Loan Review must include a:

- A. Determination whether deficiencies noted in the last examination and most recent internal/external audit have been addressed and/or corrected by management; and
- B. Determination if any Executive Committee of Board of Directors/Executive Director of OOC have an ability to override credit grades and decisions.

d. *Results of Loan Review.* The results from the review shall be presented to the Board of Directors. The Board and senior management of OOC shall then use this information to improve the current and future loan making and monitoring functions of the organization. The following objectives shall generally be addressed in the loan review process, and should serve as potential points for improvement to:

- (i). Promptly identify loans with well-defined credit weaknesses so that timely action can be taken to minimize credit loss. This would include a review of the loan classifications used by OOC/CDC staff;
- (ii). Identify relevant trends affecting the collectability of the loan portfolio and isolate potential problem areas;
- (iii). Evaluate the activities of lending personnel;
- (iv). Assess the adequacy of, and adherence to, loan policies and procedures, and to monitor compliance with relevant laws and regulations;
- (v). Provide the Board of Directors and senior management with an objective assessment of the overall portfolio quality; and
- (vi). Provide management with information related to credit quality that can be used for financial and regulatory reporting purposes.

e. *Oversight of Lender Service Providers.* OOC shall monitor its professional services contracts to ensure that the services provided are prudent and customary. There should be no apparent conflict of interest between OOC and the professional service provider. The Audit Committee shall monitor the performance of the professional service providers to ensure that the services provided are not underperformed. One measure of performance review to be utilized is the Complete File Review (CFR) utilized by SBA District Counsel to ensure that 504 loans are closed in conformance with the SBA's SOP and governing regulations.

f. *SBA 504 Portfolio Reporting.* OOC staff shall provide SBA 504 portfolio reports to the Board of Directors of OOC on at least a semi-annual basis. Regular portfolio reporting will provide the Board of Directors valuable information to aid in its oversight of the CDC's SBA 504 activities and risk mitigation. Reports provided will include, but not be limited to, asset quality and industry concentration. Upon dissemination of the reports, a Board review of the contents of the reports,

any high risk indications and necessary corrective measures will be conducted. The minutes of the Board of Directors meeting will document the provision of the reports, the subsequent discussion and any resulting decisions or recommendations.

g. SBA 504 Risk Rating System. OOC will undertake timely and accurate classification of SBA 504 loans in its portfolio in order to measure and monitor risk within the portfolio, create a plan to manage risk and take necessary corrective action to mitigate risks. All loans will be classified at origination and at least annually thereafter. In addition, OOC will reclassify loans when there are payment defaults, guarantor bankruptcies or other negative findings regarding the loan. OOC maintains a watch list for all loans where a borrower has failed to make a monthly payment. Loans listed on the watch list are reviewed monthly.

Non-financial factors will be incorporated into the risk rating of loans. For example, information and insight obtained about the businesses will be obtained through servicing activities such as site visits, telephone conversations and discussions with the Third Party Lenders.

Loan risk ratings and any exceptions, overrides, upgrades and downgrades will be presented and to the OOC Board of Directors at least semi-annually. Watch list loans will be presented quarterly.

To aid in its SBA 504 portfolio classification efforts OOC will adopt the Farm Credit Administration Universal Classification System (“UCS”) as a risk rating classification system that classifies each loan on a scale of Acceptable, Special Mention, Substandard, Doubtful and Loss. The definitions of each classification are defined in the UCS. The UCS is a standardized classification system used by the Federal Financial Institution Regulators.

6. MODIFICATIONS. This Internal Controls Policy is intended to be modified and updated on a regular basis, as needed, upon review by the Executive Committee and approval by a majority of the Board of Directors of OOC.

Re-Affirmed as amended by the Board of Directors on the 9th day of March, 2020, at Oswego, New York.

Operation Oswego County, Inc.

Eric Behling, Secretary

OPERATION OSWEGO COUNTY, INC. GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors for Operation Oswego County, Inc. (the Organization), a not-for-profit corporation established under the laws of the State of New York, on this 27th day of February, 2017.

I. Purpose

Pursuant to Article IV, Section 1(c) of the Organization's By-Laws, the purpose of the governance committee is to assist the Board by:

- A. Keeping the Board informed of current best practices in corporate governance;
- B. Reviewing corporate governance trends for their applicability to the Operation Oswego County, Inc.;
- C. Updating the Operation Oswego County, Inc.'s corporate governance principles and governance practices; and
- D. Advising those responsible for nominating directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

II. Powers of the Governance Committee

The Organization's Board has delegated to the governance committee the power and Organization necessary to discharge its duties, including the right to:

- A. Meet with and obtain any information it may require from Organization staff.
- B. Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- C. Solicit, at the Organization's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the Organization to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

III. Composition and Selection

- A. The membership of the committee shall be composed of the members of the Organization's Executive Committee as set forth in accordance with and pursuant to Article IV, Section 1(a) of the Organization's By-Laws.
- B. Governance committee members shall be prohibited from being an employee of the Organization or an immediate family member of an employee of the Organization. In addition, governance committee members shall not engage in any private business transactions with the Organization or receive compensation from any private entity that has material business relationships with the Organization, or be an immediate family member of an individual that engages in private business transactions with the Organization or receives compensation from an entity that has material business relationships with the Organization without first disclosing the nature of the business transaction or material business relationship with the Organization, and thereafter following the Organization's Conflict of Interest Policy with respect to any action taken by the member that negatively impacts the Organization or otherwise inures to the benefit of the member in a manner contrary to the provisions contained in the Organization's Conflict of Interest Policy.
- C. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

IV. Committee Structure and Meetings

- A. The governance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference.
- B. Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

V. Reports

The governance committee shall:

- A. Report its actions and recommendations to the Board at the next regular meeting of the Board.
- B. Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.

- C. Provide a self-evaluation of the governance committee's functions on an annual basis.

VI. Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Organization's Board; (b) evaluation of the Organization's policies; and (c) other miscellaneous issues.

VII. Relationship to the Organization's Board

- A. The Organization Board has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:
 - 1. Develop the Organization's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
 - 2. Develop the competencies and personal attributes required of Directors to assist those authorized to nominate members to the Board in identifying qualified individuals.
- B. In addition, the governance committee shall:
 - 1. Develop and recommend to the Board the number and structure of committees to be created by the Board.
 - 2. Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
 - 3. Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in the Organization's governance process.

VIII. Evaluation of the Organization's Policies

The governance committee shall:

- A. Develop, review on a regular basis, and update as necessary the Organization's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

- B. Develop and recommend to the Board any required revisions to the Organization’s written policies regarding the protection of whistleblowers from retaliation.
- C. Develop and recommend to the Board any required revisions to the Organization’s equal opportunity and affirmative action policies.
- D. Develop and recommend to the Board any required updates on the Organization’s written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Organization’s procurement process.
- E. Develop and recommend to the Board any required updates on the Organization’s written policies regarding the disposition of real and personal property.
- F. Develop and recommend to the Board any other policies or documents relating to the governance of the Organization, including rules and procedures for conducting the business of the Organization’s Board, such as the Organization’s by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

IX. Other Responsibilities

The governance committee shall:

- A. Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.
- B. Serve as a subcommittee composed of the President, Vice-President, Secretary and Treasurer who shall serve as the Personnel Committee and charged with reviewing on an annual basis the compensation and benefits of the Executive Director and staff of the Organization.

X. Approval.

This Charter has been reviewed and approved by the Executive/Governance Committee at its meeting held on January 23, 2020, and ratified by the Board of Directors at its meeting held on March 9, 2020.

Eric Behling
Secretary

[END OF CHARTER]

OPERATION OSWEGO COUNTY, INC. DISPOSITION OF PROPERTY GUIDELINES

1. PURPOSE AND CONTROLLING LEGISLATION.

1.1 The Public Authorities Accountability Act of 2005, and the Public Authorities Reform Act of 2009 requires the Organization to adopt by resolution comprehensive Guidelines which detail the Organization's operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the Disposal of Property and designate a Contracting Officer with responsibility for compliance with, and enforcement of these Guidelines.

1.2 These Guidelines are intended to be consistent with and shall be construed in accordance with the Act and the Organization's By-Laws. The Organization shall Dispose of its Property in accordance with these Guidelines, the Act and the Organization's By-Laws.

1.3 The Act requires the Organization to establish Guidelines to ensure that the Organization shall:

- (i) maintain adequate inventory controls and accountability systems for all property owned by the Organization and under its control;
- (ii) periodically inventory such Property to determine which property shall be disposed of;
- (iii) produce a written report of such Property in accordance with the Act; and
- (iv) Dispose of such Property as promptly as possible in accordance with the Act.

2. **DEFINITIONS.** As used herein, the following terms shall have the meaning set forth below.

2.1 "*Act*" shall mean Title 5-A of the New York Public Authorities Law, as amended from time to time.

2.2 "*Commissioner of General Services*" shall mean the Commissioner of the New York State Office of General Services.

2.3 "*Contracting Officer*" shall mean the officer or employee of the Organization who shall be appointed by Organization resolution to be responsible for the Disposal of Property. Unless otherwise designated by resolution, the Executive Director shall serve as the Contracting Officer.

- 2.4 “Dispose” or “Disposal” shall mean transfer of title or any other beneficial interest in Property in accordance with these Guidelines and Section 2897 of the Public Authorities Law, as amended from time to time.
- 2.5 “Guidelines” shall mean these Guidelines, as amended from time to time by Organization resolution.
- 2.6 “Property” shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and an inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
- 2.7 “Organization” shall mean Operation Oswego County, Inc.

3. **DUTIES OF CONTRACTING OFFICER.**

Except as otherwise provided herein and in the Act, the Contracting Officer shall have supervision and direction over the Disposal of Property of the Organization and be responsible for compliance by the Organization with, and enforcement of, these Guidelines. The Organization shall have the right to Dispose of its Property for any valid corporate purpose.

4. **ORGANIZATION PROPERTY.**

4.1 Custody and Control of Organization Property.

The custody and control of Organization Property, pending its Disposal, and the Disposal of such Property, shall be performed by the Organization or by the Commissioner of General Services when so authorized under the Act and these Guidelines.

4.2 Disposal of Organization Property.

- (i) Fair Market Value. The Organization may Dispose of its Property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Organization by resolution deems property under the Act and the Organization’s By-Laws as implemented by these Guidelines, provided, however, except in compliance with all applicable law, no disposition of real Property, any interest in real Property, or any other Property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the Organization’s record of the transaction.
- (ii) Disposal by Commissioner of General Services. When the Organization shall have deemed that Disposal of any of the Organization’s Property by the Commissioner of General Services will be advantageous to the Organization and the State of New York, the Organization may enter into an agreement with the Commissioner of

General Services pursuant to which said Commissioner may Dispose of Property of the Organization under terms and conditions agreed to by the Organization and the Commissioner. In Disposing of any such Property, the Commissioner shall be bound by the terms hereof and references to the Contracting Officer shall be deemed to refer to the Commissioner of General Services.

(iii) Public Advertising Required.

- (A) All Disposals or contracts for Disposal of Property of the Organization shall be made after publicly advertising for bids except as provided in Section 4.2(iv).
- (B) Whenever public advertising for bids is required under this Section 4.2(iii):
 - (1) the advertising for bids shall be made at such time prior to the Disposal or contract for Disposal through such methods, and on such terms and conditions as the Contracting Officer determines will permit full and free competition consistent with the value and nature of the Organization's Property proposed for Disposal;
 - (2) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 - (3) the award shall be made by the Contracting officer on behalf of the Organization with reasonable promptness by the notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Organization taking into consideration, price and other factors; provided that all bids may be reject when the Organization determines it is in the public interest to do so.

(iv) Exception to Public Advertising.

- (A) Disposal and contracts for Disposal of Property may be negotiated or made by public auction without regard to Sections 4.2(iii) but subject to obtaining such competition as the Contracting Officer determines to be feasible under the circumstances, if:
 - (1) the personal Property involved is of a nature and quantity which, if Disposed of under Sections 4.2(iii), would adversely affect the State or local market for such Property, and the estimated fair market value of such Property and other satisfactory terms of Disposal can in the opinion of the Board be obtained by negotiation; or

- (2) the fair market value of the Property does not exceed \$15,000; or
- (3) bid prices after advertising therefore and are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition; or
- (4) the Disposal will be to the State or any political subdivision and the estimated fair market value of the Property and other satisfactory terms of Disposal are obtained by negotiation; or
- (5)
 - (a) the Disposal is for an amount less than the estimated fair market value of the Property; and
 - (b) the terms of such Disposal are obtained by public auction or negotiation; and
 - (c) the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the Agency, the state or a political subdivision of the State (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the Organization's By-Laws permit); and
 - (d) the purpose and the terms of such Disposal are documented in writing and approved by resolution of the Organization; or
- (6) such action is otherwise authorized by law.

(B) An explanatory statement shall be prepared by the Contracting Officer of the circumstances of each Disposal by negotiation of:

- (a) any personal Property which has an estimated fair market value in excess of \$15,000;
- (b) any personal Property that has an estimated fair market value in excess of \$100,000, except that any real Property

Disposed of by lease or exchange shall only be subject to clauses (c) through (e) of this subparagraph.

- (c) any real Property Disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of \$100,000 for any such years;
- (d) any real Property Disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of \$100,000; or
- (e) any real Property or real and related personal Property Disposed of by exchange, regardless of value, or any Property any part of the consideration for which is real Property.

- (C) Each such explanatory statement shall be transmitted to the Comptroller of the State, the Director of Budget of the State, the Commissioner of General Services and the New York Legislature, not less than ninety (90) days in advance of such Disposal, and a copy thereof shall be retained in the files of the Organization.

5. REPORTS.

5.1 The Organization shall publish, not less frequently than annually, a report listing all Property of the Organization. Such report shall consist of a list and full description of all real and personal Property Disposed of during such period. The report shall contain the price received by the Organization and the name of the purchaser for all such Property Disposed of by the Organization during such period.

5.2 The Organization shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature.

6. ANNUAL REVIEW AND AMENDMENTS OF GUIDELINES.

The Guidelines are subject to modification and amendments at the discretion of the Organization in accordance with the Act and Organization's By-Laws. On or before March 31 of each year, the Organization shall review and approve the Guidelines annually including the name of the Contracting Officer. On or before March 31st of each year, the Guidelines most recently reviewed and approved shall be filed with the Comptroller of the State, posted on the Organization's website and maintained on the Organization's website until guidelines for the following year or amended guidelines are posted.

7. APPROVAL.

This Policy has been reviewed and approved by the Executive/Governance Committee at its meeting held on January 23, 2020, and ratified by the Board of Directors at its meeting held on March 9, 2020.

Eric Behling
Secretary

[END OF POLICY]

Operation Oswego County, Inc.

Accessibility Statement

Operation Oswego County is committed to ensuring digital accessibility for people with disabilities. Operation Oswego County is continually improving the user experience for everyone, and applying the relevant accessibility standards.

Measures to support accessibility

Operation Oswego County uses third-party software tools to assess the accessibility of oswegocounty.org. The following are the measures we take to ensure compliance:

- Using third-party software, perform a scan of oswegocounty.org at least once a week and review/remediate any accessibility issues discovered.
- Use third-party software to create/remediate PDFs to ensure accessibility.

Conformance status

The World Wide Web Consortium's Web Content Accessibility Guidelines (WCAG) defines requirements for designers and developers to improve accessibility for people with disabilities. Operation Oswego County strives to provide a website consistent with the WCAG 2.0 Level AA.

Limitations

Despite our best efforts to ensure accessibility of oswegocounty.org, there may be some limitations. Below is a description of known limitations, and potential solutions. Please contact us if you observe an issue not listed below.

Known limitations for oswegocounty.org:

- Website content: While working to ensure accessibility of our PDF files, we have noted that some of the content comes from third-parties. To include the content, we have had to scan the document. Unfortunately, scanners only create an image of text, not the actual text itself. This means the content is not accessible to users who rely on assistive technology. We are currently looking at a possible resolution.
- Several third-party plugins are missing alt text, which is a limitation of the third-party creators of the plugins.

Please use the contact information in the Feedback section below if you encounter an issue and it's a problem for you. We will gladly get you the information you need.

Feedback

Operation Oswego County welcomes your feedback on the accessibility of its website. Please let us know if you encounter accessibility barriers:

- Phone: (315) 343-1545
- E-mail: oon@oswegocounty.org
- Address: 44 West Bridge Street, Oswego, New York 13126

Operation Oswego County will make every effort to respond to any questions, concerns, or comments within five (5) business days.

This policy is adopted on the 9th day of March, 2020, by action of the Board of Directors.

Eric Behling
Secretary

Operation Oswego County, Inc.

Privacy Policy

This privacy policy discloses the privacy practices for oswegocounty.org.

OOC is the sole owner of information collected by this site. No personally identifiable information is collected about our visitors who simply browse this website or download information from it. We will only collect personal identification information from visitors if they voluntarily provide it to us. OOC does not sell, rent or lease any information it collects about its visitors to third parties.

We will use your information to respond to you regarding the reason you responded to us. We will not share your information with any third party outside of our organization, other than as necessary to fulfill your request for services.

Unless you ask us not to, we may contact you via email in the future to tell you about new services or changes in this privacy policy.

Non-personal Information

OOC collects the following non-personal data when you visit the OOC website: Internet domain and IP address from which you access our website, the browser and operating system used to access the website, the date and time you accessed our website, the pages you visited. We use this information to improve our website to meet the needs of our visitors.

Your Access to and Control Over Your Information

You may opt out of any future contacts from us at any time. You can do the following, at any time, by contacting us via the email address or phone number given on our website:

- See what data we have about you, if any.
- Change/correct any data we have about you.
- Have us delete any data we have about you.
- Express any concerns you have about the use of your data.

Security

We take precautions to protect your information. When you submit sensitive information via the website, your information is protected both online and offline.

Wherever we collect sensitive information (such as credit card data), that information is encrypted and transmitted to us in a secure way. You can verify this by looking for a lock icon in the address bar and looking for "https" at the beginning of the address of the Web page.

While we use encryption to protect sensitive information transmitted online, we also protect your information offline. Only employees who need the information to perform a specific job (for example, billing or customer service) are granted access to personally identifiable information. The computers/servers in which we store personally identifiable information are kept in a secure environment.

Sharing Your Information

We do not sell any information for any purpose. We use information from all our visitors to improve the content of our site. We may use third party service providers to help us administer activities on our behalf, such as sending our newsletters or surveys. We may share your information with these third parties for those limited purposes provided that you have given us your permission.

Third Party Websites

When you follow a link and leave the OOC website, you are no longer protected by the OOC Privacy Policy. We suggest contacting these sites directly if you want information about their data collection and distribution policies.

Acceptance of Terms

By using this site, you signify your acceptance of this policy. If you do not agree to this policy, please do not use our site. Your continued use of the site following the posting of changes to this policy will be deemed your acceptance of those changes.

If you have questions about this Privacy Policy, the practices of this site, or your dealings with this site, please contact us at: oc@oswegocounty.org.

This policy is adopted on the 9th day of March, 2020, by action of the Board of Directors.

Eric Behling
Secretary

Operation Oswego County, Inc.

Data Security Breach Policy and Procedure

Effective Date: 3/9/2020

Last Revised: 1/17/2020

The company considers the unwanted and/or unauthorized release and exposure of personal information collected through the course of its business and operations a serious issue. While it has implemented and maintains policies and procedures to protect this data, the company recognizes the potential risks associated with security breaches. Under certain circumstances, and in accordance with federal and state laws, the company is required to provide notice about data security breaches of protected personal information to affected individuals and appropriate state agencies. In the event that sensitive and/or protected personal information collected by the company is exposed as a result of a Data Security Breach, as defined below, the following procedures MUST and will be followed.

Definition - What does *Data Security Breach* mean?

A Data Security Breach is an incident that involves the unauthorized or illegal viewing, use, access or retrieval of data by an individual, application, or service. It may be a breach specifically designed to steal and/or to publish data to an unsecured or illegal location but can also involve the intentional or inadvertent release of or unauthorized access to data which may compromise the security, confidentiality or integrity of personal information. Data Security Breaches are typically targeted at digital data and conducted over the Internet or a network connection.

A Data Security Breach may result in data loss or release, including financial, personal and health information. A hacker also may use stolen data to impersonate another individual to gain access to a more secure location. For example, a hacker's Data Security Breach of a network administrator's login credentials can result in access to an entire network.

A Data Security Breach may also be known or referred to as a "data spill" or a "data leak".

Definition - What does *Personal Information* mean?

For purposes of this policy, Personal Information is defined as an individual's first name or first initial and last name, in combination with any of the following data:

- Social Security number*
- Driver's license number or government-issued Identification Card number
- Financial account number, credit or debit card number with or without any personal identification number such as an access code, security codes or password that would permit access to an individual's financial account*
- Account passwords or personal identification numbers or other access code

- Home address or email address
- Medical or health information*
- Biometric data, meaning data generated by electronic measurements of an individual's unique physical characteristics that may be used to authenticate or ascertain the individual's identity, or
- A username or email address in combination with a password or security question that would permit access to an online account.

* Any breach that involves the compromise of data that by itself, and not in combination of any other data, may result in identity theft of an individual will also qualify as Personal Information.

Also note that Personal Information does not include information that is lawfully made available to the general public from federal, state or local government records.

Breach Notification Team

The company has assembled a Breach Notification Team which, in the event of a possible or actual Data Security Breach, is responsible for communicating, investigating and reporting on the Data Security Breach. This Breach Notification Team consists of the following staff members:

- Michael Treadwell, Executive Director (Human Resources)
- Austin Wheelock, Deputy Director and Property Manager/Director of Loss Prevention (Operations and Loss Prevention)
- Evelyn LiVoti, Marketing & Development Manager/Data Security Coordinator (Management Information Systems and Public Relations)
- Barclay Damon, Legal Team

Utilizing the members of its Breach Notification Team, the company will investigate every possible and actual Data Security Breach and report on relevant facts to determine whether it has a duty to notify the public, affected individuals and state agencies of the Data Security Breach, as required by applicable law.

Types of Breaches

There are many types of computer incidents that may require notice to and action by the Breach Notification Team. Some examples include:

- Data Security Breach of Personal Information – either via physical or electronic form
- Excessive Port Scans
- Firewall Breach
- Virus Outbreak
- Ransomware attack

Personal Information Data Security Breach:

The following incidents may require notification to individuals under applicable laws and regulations:

- A user (company associate, contractor, or third-party provider) has, without authorization, used or obtained access to Personal Information maintained in either paper or electronic form.
- An intruder has broken into database(s) that contain Personal Information on any individual or information that is capable of compromising the security, confidentiality, or integrity of Personal Information.
- Computer equipment such as a workstation, laptop, CD-ROM, or other electronic media containing Personal Information on an individual or information that is capable of compromising the security, confidentiality, or integrity of Personal Information has been lost or stolen.
- Paper records containing Personal Information or information that is capable of compromising the security, confidentiality, or integrity of Personal Information, have not been properly disposed of or have been lost or stolen.
- A third party service provider has experienced any of the incidents above, affecting the company's data containing Personal Information.

The following incidents may NOT require individual notification under applicable laws and regulations as long as the company can reasonably conclude after an investigation that misuse of the Personal Information is unlikely to occur and appropriate steps are taken to safeguard the interests of affected individuals:

- The company is able to retrieve Personal Information on an individual that was stolen, and based on its investigation, reasonably conclude that the retrieval took place before the Personal Information was copied, misused, or transferred to another person who could misuse it.
- The company determines that Personal Information on an individual was improperly disposed of, but can establish that the Personal Information was not retrieved or used before it was properly destroyed.
- An intruder accessed files that contain only individuals' names and addresses.
- A laptop computer is lost or stolen, but the data is encrypted and may only be accessed with a secure token or similar access device which has not been compromised.

Investigation

In the event that an associate (i) detects or otherwise learns of a Data Security Breach of either electronic or paper files, (ii) suspects that a Data Security Breach has occurred, or (iii) has any information that may relate in any way to a possible Data Security Breach, all members of the Breach Notification Team should **immediately** be alerted. If the potential breach is electronic in nature, the Data Security Coordinator will begin the investigation to determine where the Data Security Breach occurred, the overall extent of the Data Security Breach and how much data, computers and/or electronic files were affected. This investigation will include, but not be limited to, reviewing firewall, network security application review and server security application review.

To the extent possible, all efforts will be made by the Data Security Coordinator to detect any potential future exposures and prevent further unauthorized access to company data and Personal Information.

Upon isolating where a Data Security Breach of physical records took place, the Director of Loss Prevention should be reviewing surveillance records to determine who had the last access to the area where the Data Security Breach occurred. Security measures such as changed locks and or changed passwords should take place to prevent further unauthorized access to the files and to Personal Information.

Accurate Record Keeping Required

Accurate record keeping will assist in documenting the reasonable and immediate response steps that the company took following notification of a Data Security Breach. Therefore, upon being notified of a potential or actual Data Security Breach, all Breach Notification Team members must keep accurate and contemporaneous notes of all actions taken, by whom, and the exact time and date. Each member of the Breach Notification Team involved in the investigation must record his or her own actions and observations.

The following information, in particular, should be reviewed and recorded:

1. Date, time, duration, and location of the Data Security Breach.
2. How the Data Security Breach was discovered: by whom, and any known details surrounding the Data Security Breach (e.g., method of intrusion, entry or exit points, paths taken, compromised systems, whether data was deleted, modified or viewed, whether any physical assets are missing).
3. Details about the compromised data, including a list of affected individuals and their relationship with the company (associate, vendor, customer, etc.), data fields (including all fields of Personal Information maintained), number of records affected; whether any data was encrypted (if so, which fields). If the data was unencrypted and included an individual's name plus social security number, driver's license or state ID, credit card or bank account information, biometric information, or any username/email address and password/security question that would permit access to an online account, all members of the Breach Notification Team should be notified as soon as possible.

Steps Relating to the Notification of a Data Security Breach Involving Personal Information:

If the Breach Notification Team concludes that the information associated with the Data Security Breach involves Personal Information that was not encrypted or otherwise secured, the following steps are to be followed:

1. If the Data Security Breach relates to electronic records, the Data Security Coordinator should provide a detailed analysis of the nature and extent of the Data Security Breach and the Personal Information compromised in the Data Security Breach. This analysis should determine exactly what Personal Information was breached (i.e. social security numbers) and whether there is a high likelihood that the type of Personal Information compromised could lead to identity theft. The analysis should also, when possible, detail who may have been party to or aware of the disclosure of the Personal Information. This analysis must be in writing.
2. If the Data Security Breach relates to physical records, the Director of Loss Prevention should provide a detailed analysis of the nature and extent of the Data Security Breach and the Personal Information which was compromised in the physical breach. This analysis should include, but not be limited to, which department the physical Personal Information data is/was stored in, who had access to the physical Personal Information data and by what means and the extent to which the physical Personal Information data was protected. The analysis, when possible, should also detail any investigation that has occurred in determining how the physical Data Security Breach took place and to whom the Personal Information may have been disclosed. This analysis must be in writing.
3. Legal Team will need to analyze the legal implications of the Data Security Breach. If necessary, based on the size and/or scope of the Data Security Breach, appropriate authorities (e.g., Attorney General's Office, etc.) may need to be notified per state and federal law. Any notification to individuals may be delayed if law enforcement determines such notification will impede a criminal investigation. Notification will take place after law enforcement determines that it will not compromise the investigation.
4. If the public and/or individuals need to be notified of the Data Security Breach, the Marketing & Development Manager should be notified immediately to allow them time to prepare to answer questions or issue statements, as authorized by the Officers of the company. Notification to media, customer, and/or associates should be prepared, but not sent until first provided to the Legal Team, the Executive Director and at least one Officer of the company for review and authorization to publish.
5. If Notification to individuals is required, it should be timely, conspicuous and delivered in a manner that will ensure the individual receives it. Notice should be consistent with state and federal laws and regulations in content, delivery and timing (generally as soon as practicable).

Appropriate delivery methods include:

- Written notice
- Email notice

- Substitute Notice - Depending on Size and Scope of the Data Security Breach:
- Conspicuous posting of the notice on the company website.
- Notification to major media – subject to prior consent and approval of Executive Director and at least one Officer of the company

Items to consider including in notification to individuals:

- A general description only (no specifics) of the incident and information to assist individuals in mitigating potential harm, including the company's customer service number. An outline of steps individuals can take to obtain and review their credit reports and to file security freeze requests and if necessary, fraud alerts, with nationwide credit reporting agencies, and sources of information designed to assist individuals in protecting against identity theft.
- Remind individuals of the need to remain vigilant over the next 12 to 24 months and to promptly report incidents of suspected identity theft.
- Inform each individual about the availability of the Federal Trade Commission's (FTC's) online guidance regarding measures to protect against identity theft, and encourage the individual to report any suspected incidents of identity theft to the FTC. Provide the FTC's website address and telephone number for the purposes of obtaining the guidance and reporting suspected incidents of identity theft. <http://www.ftc.gov/idtheft>. The toll-free number for the identity theft hotline is 1-877-IDTHEFT.

Failure to adhere to this policy and procedure may result in disciplinary action up to and including termination. If an associate has any questions or concerns regarding a Data Security Breach, Personal Information or his or her obligations relating to this policy, please contact the Legal Team, the Executive Director, the Deputy Director, the Marketing & Development Manager or an Officer of the company.

This policy is adopted on the 9th day of March, 2020, by action of the Board of Directors.

Eric Behling
Secretary

Appendix A

The following are selected laws and regulations relating to the breach of personal information about an individual. This Appendix should not be considered a complete list and should annually reviewed for breach law changes and compliance.

Connecticut – CT General Laws Chapter 669, Section 36a-701b

Any person who conducts business in this state and who in the ordinary course of such person's business, owns, license or maintains computerized data that includes personal information, shall provide notice of any breach of security following the discovery of the breach to any resident of this state whose personal information was, or is reasonably believed to have been, accessed by an unauthorized person through such breach of security. Notice is not to be unreasonably delayed and in no circumstance later than ninety (90) days after discovery of the breach. Notice is also required to be given to the CT Attorney General at the time the notice is given to any individual.

Maine – Title 10, Part 3 Chapter 210-B, Section 1346

If any person maintains computerized data that includes personal information and becomes aware of a breach to their security system, the person shall conduct a good faith, reasonable and prompt investigation as to the likelihood that personal info has been or will be misused. Notice shall be given of the breach to a ME resident if the personal information has been misused or if it is reasonably possible that the info will be misused. Notice is also required to be given to the ME Attorney General. If notification must be given to more than 1,000 individuals at one time with respect to a security breach, then all major consumer reporting agencies must also be notified.

Massachusetts – MGL c. 93H, Section 3

Notice is required to be given to any resident who may have been affected by a breach of security, or when personal information has been acquired or used by an unauthorized person as soon as practicable and with no unreasonable delay. Notice is also required to be sent to the MA AG and to the Director of Consumer Affairs and Business Regulation through its online portal.

New Hampshire – NH Statutes -Title 31, Chapter 359 –C, Section 359-C:19-21

Any person doing business in NH who owns or licenses computerized data that includes personal information shall, when it becomes aware of a security breach, promptly determine the likelihood that the information has been or will be misused. If the determination is that misuse of the information has occurred or is reasonably likely to occur, or if a determination cannot be made, the person shall notify the affected individuals as soon as possible. Notice is also required to be given to the NH Attorney General. If notification must be given to more than 1,000 individuals at one time with

respect to a security breach, then all major consumer reporting agencies must also be notified.

New Jersey – NJ Statutes – Title 56:8:161-164

Any business that conducts business in New Jersey, or any public entity that compiles or maintains computerized records that include personal information, shall disclose any breach of security of those computerized records following discovery or notification of the breach to any customer who is a resident of New Jersey whose personal information was, or is reasonably believed to have been, accessed by an unauthorized person. The disclosure to a customer shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system. Disclosure of a breach of security to a customer shall not be required under this section if the business or public entity establishes that misuse of the information is not reasonably possible. Any determination shall be documented in writing and retained for five years. If notification to individuals is required, notification shall be FIRST provided to NJ Division of State Police and the Department of Law and Public Safety for investigation or handling, which may include dissemination or referral to other appropriate law enforcement entities. If notification must be given to more than 1,000 individuals at one time with respect to a security breach, then all major consumer reporting agencies must also be notified.

New York – NY General Business Law Section 899

Any resident of New York State whose private information was, or is reasonably believed to have been, accessed or acquired by a person without valid authorization must be notified in accordance with provisions of the New York State Breach Law. Entities must also provide written notification to the New York State Department of State, Division of Consumer Protection, New York State Attorney General and the New York State Division of State Police. If notification must be given to more than 5,000 NY residents at one time with respect to a security breach, then all major consumer reporting agencies must also be notified.

Rhode Island – RIGL 11-49.3-4

Any person that stores, owns, collects, possesses, maintains, acquires, uses or licenses data that includes Personal Information shall provide notification of any disclosure of Personal Information, or any breach of the security system, that poses a significant risk of identity theft to any resident of Rhode Island whose Personal Information was or is reasonably believed to have been, acquired by an unauthorized person or entity. Notice shall occur no later than 45 days upon discovery of the breach. If more than 500 Rhode Island residents are affected, the Attorney General and the major credit reporting agencies shall also be notified.

Vermont – 9 V.S.A CH. 62 Section 2430

A person that maintains or possess computerized data containing personally identifiable information of a consumer shall notify a consumer that there has been a security breach no later than 45 days after the discovery or notification of the breach from a third party. Notice shall also be given to the AG within 14 business days of the discovery of the breach or notification to consumers, whichever is sooner. If notification must be given to more than 1,000 individuals at one time with respect to a security breach, then all major consumer reporting agencies must also be notified.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

HIPAA requires a covered entity to implement policies and procedures to address security incidents. A security incident means the attempted or successful unauthorized access, use disclosure, modification, or destruction of information or interference with system operations in an information system. Response and reporting implementation requirements include identifying and responding to suspected or known security incidents; mitigate, to the extent practicable, harmful effects of security incidents that are known to the covered entity; and document security incidents and their outcomes. The HIPAA security standards were effective on April 21, 2003. The compliance date for covered entities is by April 21, 2005 and April 21, 2006 for small health plans.

Operation Oswego County, Inc.
Written Information Security Plan
Effective Date: 3/9/2020
Last Revised: 1/17/2020

I. Objective: The objective in the development and implementation of this comprehensive Written Information Security Plan (“WISP”) is to create effective administrative, technical and physical safeguards to protect any and all Personal Information (as defined below) that the company may obtain, collect and or store through its business operations.

II. Personal Information Defined: For purposes of this WISP, “Personal Information” is defined as an individual’s first name and last name or first initial and last name in combination with any one or more of the following: (a) Social Security number; (b) driver’s license number or state issued identification card number; or (c) financial account number or credit or debit card number, with or without any required security code, access code, personal identification number or password that would permit access to an individual’s financial account; (d) home address or email address; (e) medical or health insurance information; (f) biometric information, meaning data generated by electronic measurements of an individual’s unique physical characteristics which may be used to authenticate or ascertain the individual’s identity; (g) a username or email address in combination with a password or security question that would permit access to an online account; provided, however, that “Personal Information” shall not include information that is lawfully obtained from publicly available information, or from federal, state or local governments records lawfully made available to the public.

III. Data Security Defined: For purposes of this WISP, “Data Security” is the protective digital privacy measures that the company utilizes to prevent unauthorized access to computers, databases and personnel files that contain Personal Information.

IV. Purposes: The purposes of this WISP are (a) to ensure the security, confidentiality and integrity of Personal Information, both electronic and tangible; (b) to protect against any reasonably anticipated threats or hazards to the security, confidentiality and integrity of such information; and (c) to protect against unauthorized access to or use of such information in a manner that creates a substantial risk of identity theft or fraud.

V. Scope: In drafting and implementing this WISP, the company has taken the following steps:

- (1) Identified reasonably foreseeable internal and external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing Personal Information;
- (2) Assessed the likelihood and potential damage of these threats, taking into consideration the sensitivity of the Personal Information;
- (3) Evaluated the sufficiency of existing policies, procedures, customer information systems and other safeguards in place to control risks to Personal Information;

(4) Implemented certain safeguards and regular monitoring of the effectiveness of those safeguards used to protect the security, confidentiality, and integrity of Personal Information.

VI. Designated Personnel to Maintain and Otherwise Supervise the WISP:

(A) Data Security Coordinator: The Company has designated the Marketing & Development Manager as its "Data Security Coordinator". This Data Security Coordinator shall be responsible for the implementation and continued monitoring of this WISP and the obligations outlined herein as they specifically relate to Personal Information maintained in both electronic form (i.e. via data files, networks and servers) and tangible documentation (to the extent such exists).

These responsibilities include, but are not limited to:

1. Training of associates in Data Security and Personal Information protection;
2. Monitoring and regular testing of the WISP's safeguards;
3. Evaluating the ability of any third party service provider to implement and maintain appropriate security measures to protect the Personal Information to which the company has permitted them access to. This includes written contracts with all third party service providers requiring their implementation and maintenance of appropriate security measures with respect to storage, handling and use, destruction and disposal of any Personal Information;
4. Reviewing the scope of the security measures in the WISP at least annually, and whenever there is a change in the company's business practices that may adversely affect or compromise the security, confidentiality or integrity of records containing Personal Information;
5. Conducting an annual training session on the elements of the WISP for all officers, managers, associates and independent contractors, including temporary and contract associates, who have access to Personal Information. This includes requiring that all attendees to this training certify, in writing, both their attendance at the training and their understanding of their obligations as they relate to protecting Personal Information; EXHIBIT B
6. Review and monitor unauthorized use and access to computer systems and devices where Personal Information is obtained, stored and/or transmitted.

(B) Director of Loss Prevention: The company has designated its Deputy Director & Property Manager to be responsible for the physical security of both on and off site records and files containing Personal Information. These responsibilities include, but are not limited to:

1. Review and maintain all physical locks, keys, keycards and other devices issued or used to maintain the physical security of the company's property;

2. Limit and/or remove access rights of any associate, person and/or other third party to company property where physical documents/records with Personal Information are stored;
3. Review and monitor unauthorized access to areas where physical records containing Personal Information are stored.

VII. Internal Risk Mitigation Policies: The company has established mandatory policies to guard against internal risks to security, confidentiality, and/or integrity of any electronic, paper or other records containing Personal Information. These measures will evaluate and improve, where and when necessary, the overall effectiveness of the current safeguards for eliminating or limiting such risks. These policies include:

a. Limiting the Collection, Maintenance and Storage of Personal Information: the company only collects Personal Information from its customers and associates that are necessary or required to accomplish the company's legitimate business needs or to comply with any and all federal, state or local regulations.

b. Access to Personal Information is Limited: Access to records containing Personal Information is strictly limited to those associates whose job-related duties and responsibilities have a legitimate need to access said records, and only for such legitimate job-related purpose. Associates are prohibited from removing records with Personal Information from the company without the prior knowledge and express consent of the company. This includes, but is not limited to, restrictions on placing records with Personal Information on the associate's personal electronic portable device or any device owned directly by the associate. When there is a need to bring records containing Personal Information off-site, only the minimum information necessary is permitted to be taken. All electronic devices containing Personal Information or access to Personal Information must be password-protected at all times. Electronic records will be password-protected and paper records will be kept behind lock and key. Records brought off-site are to be returned to the company department/office responsible for their normal control as soon as possible. Under no circumstances are documents, electronic devices, or digital media containing any Personal Information or other information which may compromise the security, confidentiality or integrity of Personal Information to be left unsecured in an associate's car, home, or in any other potentially unsecure location. In the event the company permits an associate to remove, transport or otherwise store the Personal Information on a personal electronic device, the associate must return or permit the company to confirm removal of any and all of these records that they are in possession of from such personal electronic device no later than at the time of their termination of employment.

c. Safe, Secure and Timely Destruction of Records Containing Personal Information: At the earliest opportunity possible, consistent with the business needs and/or legal retention requirements, the company securely destroys and or

deletes all written and electronic records containing Personal Information that no longer requires retention.

d. Distribution and Effective Communication of WISP: A copy of the WISP is distributed to each current associate and to each new associate who, in the course of their job duties, require and have access to Personal Information. All associates are required to acknowledge, in writing, his or her receipt of this WISP and their ability to abide by the provisions contained herein. Associates are encouraged and invited to advise the Data Security Coordinator and/or the Director of Loss Prevention of any activities or operations which appear to pose risks to the security of Personal Information. If the Data Security Coordinator and/or Director of Loss Prevention is involved in these risks themselves, associates are encouraged and invited to advise any other manager, supervisor, legal counsel or business owner of the risk.

e. Associate Training: All associates who have access to Personal Information are required to attend, at minimum, an annual training on the provisions of the WISP policy and the importance of protecting Personal Information. It is the responsibility of the Data Security Coordinator, the Director of Human Resources and the Loss Prevention Director to ensure that this training occurs on at least an annual basis.

f. Security Passwords, Keys, Keycards and Access Reviewed and Maintained Regularly: All company user ID's and passwords shall conform to accepted security standards. All passwords shall be changed every ninety (90) days, or more often as needed. The company's offices are kept locked and computer networks secured. Associates who have no job duties requiring access to Personal Information and all third-parties are not allowed physical access to records without the prior approval of the Data Security Coordinator and the Director of Loss Prevention. Paper files that are not currently in use are kept locked in filing cabinets at all times. In addition, electronic records containing Personal Information are kept in databases and on servers which are behind multiple layers of electronic safeguards. The Director of Loss Prevention and Data Security Coordinator shall continually maintain a secure and confidential master list of all lock combinations, passwords, keys and keycards. The list will identify the associate(s), along with the departments they reside in, who possess keys, key cards and or other access means to records that contain Personal Information (either electronic or paper). This list will be updated and monitored regularly and in response to business practice changes.

g. Disciplinary Action: The company shall administer disciplinary action to those associates who violate the terms of this WISP in proportion to the severity of said violation, up to and including termination. Discipline shall be administered irrespective of whether Personal Information is actually compromised or accessed without authorization. Should this discipline in fact result in termination, that associate's computer access and passwords will be disabled prior to the execution

of said termination. Physical access to any documents or resources containing Personal Information will also be immediately discontinued. A termination checklist should be filled out, signed and dated by all appropriate parties indicating the same.

h. WISP Modifications and Updates: The company's Director of Loss Prevention and Data Security Coordinator shall be responsible for all reviews and modifications to this WISP, which shall promptly and systematically occur on (1) an annual basis and/or (2) if the company's business practices change in a way which impacts the collection, storage and/or transportation of records containing Personal Information. Any changes made to this WISP shall be in accordance with all applicable federal and state regulations. Both the Director of Loss Prevention and Data Security Coordinator shall fully consult and notify the company's management, officers and legal team of all reviews of this WISP, including recommended and or necessary changes to improve security of the same.

i. Detecting and Preventing Security System Failures: The company has hardware-based firewall configured with OpenDNS.

VIII. External Risk Mitigation Policies

1. **Third-Party Service Providers:** Access to Personal Information by third-party service providers will be strictly limited by permitting access only by absolute necessity. The company requires that any and all third-party service provider who will be given access to Personal Information be required to provide copies of their existing data protection/privacy policies for the company's review and approval. Additionally, all third-party service providers must comply with all noted federal and state laws. See Standards for Disposal of Records Containing Personal Information at EXHIBIT A.
2. **Firewall Protection:** All firewall protection(s), operating system security patches, anti-virus and/or anti-malware and all software products shall be reasonable, up-to-date, and installed on any computer that stores, processes or accesses Personal Information.
3. **Secure User Authentication Protocols In Place:** Secure user protocols are in place that:
 - (a) Control user ID and other individual identifiers.
 - (b) Assign passwords in a manner that conforms to accepted security standards or applies use of unique identifier technologies.
 - (c) Control passwords to ensure that password information is secure.

IX. Documenting and Reviewing Breaches: The company's Data Security Coordinator will thoroughly document, review and investigate any breach that may occur with respect to electronic records. The company's Director of Loss Prevention will thoroughly document, review and investigate any loss of physical documents, equipment

or breach of secured areas. All documentation and investigations will be in written form, with a copy provided to the Officers of the company and a copy kept on file with this WISP, maintained by the Legal Team. The company's Data Security Breach Policy and Procedure, last revised date January 17, 2020 will immediately be initiated, with all required state and or federal agencies being notified of said breach should the type/impact so require. The Data Security Coordinator and Director of Loss Prevention shall review the cause, response and any subsequent effect of any breach so that changes and or updates to this WISP can be made immediately.

Education and training of associates on the proper use of the computer security system and the importance of Personal Information security. All associates who have access to Personal Information are responsible for maintaining the privacy and integrity of Personal Information. All associates who have said access have been trained that any paper record containing Personal Information about any associate, customer or third party must be kept behind lock and key when not in use. Any computer file containing Personal Information will be kept password-protected. All new associates will be trained/provided instructions as to this policy and there will be periodic reviews with existing associates on this policy, conducted by Loss Prevention.

EXHIBIT A

Standards for Disposal of Records Containing Personal Information

The company may contract with third parties to dispose of documents/data that contain Personal Information. As such, any third party hired to dispose of material containing Personal Information shall implement and monitor compliance in accordance with the company's WISP, specifically as it relates to the unauthorized access to, acquisition of, or use of Personal Information during the collection, transportation and disposal of documents containing Personal Information.

When disposing of records, all associates, third parties or persons shall meet the following minimum standards for proper disposal of records containing Personal Information:

- 1.) Paper documents containing Personal Information shall be either redacted, burned, pulverized or shredded so that personal data cannot practicably be read or reconstructed;
- 2.) Electronic media and other non-paper media containing Personal Information shall be destroyed or erased so that Personal Information cannot practicably be read or reconstructed.

EXHIBIT B

ASSOCIATE ACKNOWLEDGMENT

Reviewed by _____ on _____(date).
By signing below, you assert that you have read this WISP and will comply with its requirements:

Name

Date

Title
