

**OSWEGO TOBACCO ASSET SECURITIZATION CORPORATION
PROCUREMENT POLICY**

The Oswego Tobacco Asset Securitization Corporation (the “Corporation”) does hereby adopt the following procurement policies and procedures:

GUIDELINE 1. Every prospective purchase of goods or services involving an expenditure of more than \$10,000.00 shall be evaluated by the Board of Directors of the Corporation in accordance with the procedures described herein. The President of the Corporation and/or such other person designated by the Corporation with purchasing authority (hereinafter “Purchaser”) shall estimate the cumulative amount of the items of supply or equipment needed in a given fiscal year. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity.

GUIDELINE 2. All estimated purchases of:

(a) less than \$10,000.00 but greater than \$4,999.00, may be bid at the option of the Corporation, or in the alternative, shall require written and/or faxed quotes from at least three or more vendors where available;

(b) less than \$5,000.00 but greater than \$999.00, may be bid at the option of the Corporation, or in the alternative, require an oral request for the goods and written and/or faxed quotes from two vendors where available; and

(c) less than \$1,000.00, shall be left to the discretion of the Purchaser, but shall be documented by invoice for future reference.

GUIDELINE 3. All Purchasers shall be required to compile a list of all vendors from whom written, fax, or oral quotes have been requested and/or offered, and all such information shall be preserved and filed with the documentation supporting the subsequent purchase.

GUIDELINE 4. The lowest responsible proposal or quote shall be awarded the purchase unless the Purchaser prepares a written justification providing reasons why it is in the best interest of the Corporation to make an award to someone other than the lowest bidder.

GUIDELINE 5. A good faith effort shall be made to obtain the required number of proposals or quotations required under the foregoing guidelines. If the Purchaser is unable to obtain the required number of proposals or quotations, the purchaser shall document the attempt made at obtaining the proposals. In no event shall the inability to obtain the proposals or quotes be a bar to the procurement.

GUIDELINE 6. No solicitation of written proposals or quotations shall be required under the following circumstances:

- Acquisition of professional services;
- Emergencies;

- Sole source situations.

GUIDELINE 7. Cumulative purchases of goods or services during a single transaction exceeding the applicable thresholds shall require approval prior to purchasing.

GUIDELINE 8. This policy shall be reviewed annually by the Corporation at its annual meeting or as soon thereafter as is reasonably practicable.