

RESOLUTION
(Public Authorities Accountability Act of 2005)

A regular meeting of the Niagara Tobacco Asset Securitization Corporation was convened on June 25th, 2009, at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

**RESOLUTION OF THE NIAGARA TOBACCO ASSET
SECURITIZATION CORPORATION ADOPTING CERTAIN
POLICIES, STANDARDS AND PROCEDURES AND
AMENDING AND RESTATING THE BY-LAWS OF THE
CORPORATION IN CONNECTION WITH THE PUBLIC
AUTHORITIES ACCOUNTABILITY ACT OF 2005.**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law (“GML”) of the State of New York (the “State”), as amended, and Chapter 132 of the Law of 1973 of the State, (hereafter collectively called the “Act”), the Niagara Tobacco Asset Securitization Corporation (hereinafter called the “Corporation”) was created as a public benefit corporation of the State; and

WHEREAS, the Public Authorities Accountability Act of 2005 (the “PAAA”), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law (“PAL”) of the State, the provisions of the PAAA apply to certain defined “local authorities”, including the Corporation; and

WHEREAS, the Corporation desires to adopt certain policies, standards and procedures and amend and restate the By-laws of the Corporation as necessary to comply with the provisions of the PAAA.

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the Corporation (the “Board”) as follows:

Section 1. Pursuant to subdivision 3 of Section 2824 of the PAL, no Board member, including the Chairperson, shall serve as the Corporation’s chief executive officer, executive director, chief financial officer, comptroller, or hold any other equivalent position while also serving as a member of the Board.

Section 2. Pursuant to subdivision 2 of Section 2824 of the PAL, any members of the Board appointed on or after January 13, 2006 shall complete State-approved training regarding their legal, fiduciary, financial and ethical

responsibilities as directors within one (1) year of their appointment to the Corporation. Further, each Board member appointed after January 13, 2006 shall execute a certificate of independence pursuant to subdivision 2 of Section 2825 of the PAL. Such certificates shall be executed in substantially the form attached hereto as Exhibit A.

Section 3. Pursuant to subdivision 2 of Section 2824 of the PAL, all members of the Board shall participate in such continuing training as may be required to remain informed of best practices, regulatory, and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

Section 4. Pursuant to Subdivision 3 of Section 2825 of the PAL, on or before May 15 of each year, all Corporation Board members, officers and employees shall file annual financial disclosure statements with the Board of Ethics of the County of Niagara (the "County") pursuant to Article 18 of the GML of the State. The annual financial disclosure statements so filed shall be substantially in the form attached hereto as Exhibit B, or such other form of statement as may be adopted and approved by the County.

Section 5. Pursuant to subdivision 4 of Section 2824 of the PAL, an Audit Committee is hereby formed, being comprised of:

Wayne F. Jagow
William McLaughlin

For the purpose of recommending to the Board the hiring of a certified independent accounting firm, establishing the compensation to be paid to the accounting firm and providing direct oversight of the performance of the independent audit to be performed on or after fiscal year ending on December 31, 2009 by the accounting firm hired for such purpose and every year thereafter.

Section 6. Pursuant to subdivision 7 of Section 2824 of the PAL, a Governance Committee is hereby formed, being comprised of:

David S. Broderick
Clyde L. Burmaster
Wayne Jagow
William McLaughlin
William L. Ross

For the purpose of keeping the Board informed of current best governance practices, to review corporate governance trends; to update the Corporation's operations governance principles; and to advise the Corporation on skills and experiences required of potential Board members.

Section 7. Pursuant to subdivision 2(a) of Section 2800 of the PAL, the Board shall submit to the County Manager, the County Treasurer and the Chair of the Legislator of the County, and the New York State Authority Budget Office (hereinafter known as the “Supervising Authorities”) within ninety (90) days after the end of the Corporation’s fiscal year (with the first report due by March 31, 2009 for the fiscal year ending December 31, 2008). A complete and detailed report (the “Annual Report”) that shall contain:

- (a) the Corporation’s operations and accomplishments;
- (b) the Corporation’s receipts and disbursements, or revenues and expenses, during such fiscal year in accordance with the categories or classifications established by the Corporation for its own operating and capital outlay purposes;
- (c) the Corporation’s assets and liabilities at the end of its fiscal year including the status of reserve, depreciation, special or other funds and including the receipts and payments of these funds;
- (d) a schedule of the Corporation’s bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that include the date of issuance, term, amount, interest rate and means of repayment. Additionally, the debt schedule shall also include all refinancings, calls, refundings, defeasements and interest rate exchange or other such agreements, and for any debt issued during the reporting year, the schedule shall also include a detailed list of costs of issuance for such debt.
- (e) a compensation schedule that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary is in excess of one hundred thousand dollars.
- (f) the projects undertaken by such authority during the past year;
- (g) a listing of (i) all real property of such authority having an estimated fair market value in excess of fifteen thousand dollars that the authority intends to dispose of; (ii) all such property held by the authority at the end of the period covered by the report; and (iii) all such property disposed of during such period. The report shall contain an estimate of fair market value for all such property held by the authority at the end of the period and the price received by the authority and the name of the purchaser for all such property sold by the authority during such period;
- (h) the Corporation’s code of ethics; and
- (i) an assessment of the effectiveness of its internal control structure and procedures.

Once completed, and prior to submission, the chief executive officer and the chief fiscal officer of the Corporation shall certify that the financial information contained in the Annual Report is accurate, correct and does not contain any untrue statements. The certification executed shall be in substantially the form attached hereto as Exhibit C.

Section 8. Pursuant to subdivision 2 of Section 2801 of PAL, on or before November 1, 2009, the Corporation will submit to the Supervising Authorities the Corporation's budget for fiscal year ending December 31, 2010.

Section 9. For the corporation fiscal year ending December 31, 2009 and each year thereafter, the Corporation will abide by the following rules relating to audit services:

- (a) the certified independent public accounting firm performing the Corporation's audit will be prohibited from providing audit services if the lead (or coordinating) audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five previous fiscal years;
- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the audit committee including; (i) bookkeeping or other services related to the accounting records or financial statements of the Corporation, (ii) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human services, (vii) broker or dealer, investment advisor, or investment banking services and (viii) legal services and expert services unrelated to the audit; and
- (c) it shall be prohibited for any certified independent public accounting firm to perform for such Corporation any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the corporation, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one (1) year period preceding the date of the initiation of the audit.

Section 10. The following policies, as presented at this meeting, are hereby adopted and approved:

- (a) Codes, Policies and Guidelines for Compliance of Public Authority Accountability Act of 2005 attached hereto as Exhibit D;

Section 11. The By-Laws of the Corporation are hereby amended and restated in their entirety as set forth in the By-Laws attached hereto as Exhibit E, pursuant to the requirements of PAL and the appointment of Clyde L. Burmaster as Executive Director to serve as the Chief Executive Officer, the Chief Fiscal Officer and the Contracting Officer for disposition of real property is hereby approved.

Section 12. This resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Yea	Nea	Absent	Abstain
C. Burmaster	[X]	[]	[]	[]
D. Broderick	[]	[]	[X]	[]
W. Jagow	[X]	[]	[]	[]
W. McLaughlin	[X]	[]	[]	[]
W. Ross	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)
) SS:
COUNTY OF NIAGARA)

I, the undersigned Secretary of the Niagara Tobacco Asset Securitization Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Niagara Tobacco Asset Securitization Corporation (the "Corporation"), including the resolution contained therein, held on June 25, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Corporation present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 25th day of June, 2009.

David S. Broderick, Secretary

[SEAL]