

BUFFALO >> CLARENCE >> ROCHESTER

FREDERICK A. WOLF
SPECIAL COUNSEL
fwolf@damonmorey.com
716.858.3762



February 11, 2014

Via email

TO: Hon. John J. Mills, Chairman John.Mills@erie.gov
Erie County Legislature

Hon. Betty Jean Grant, Minority Leader BettyJean.Grant@erie.gov
Erie County Legislature

FROM: Frederick A. Wolf, Esq.

RE: Election of Peter P. Zaleski by the Erie County Executive to continue to serve as the Designated Director of the Erie Tobacco Asset Securitization Corporation ("ETASC")

Dear Mr. Mills and Ms. Grant:

I am writing to you in my capacity as counsel for ETASC, which will be holding the Annual Meeting of its Sole Member and full Board of Directors (the "Board") on March 18.

At the Sole Member's meeting, County Executive Poloncarz, pursuant to the Corporation's bylaws, individually or collectively designates two Independent Directors, and one Designated Director, to serve on ETASC's Board.

The designations and election of such individuals are a necessary requirement of bonds issued by ETASC over the last number of years in order to generate prepayment of considerable funds to the County under a Master Settlement Agreement, with several of the country's major cigarette manufacturers.

The purpose of having Independent and Designated Directors was to make certain that the majority of the directors on the Board were not directly affiliated with the County, until such time as all of the outstanding bonds issued by ETASC had been paid in full, which will not happen for a number of years yet.

That being the case, the bylaws of ETASC were amended several years back to require that the Designated Director of ETASC, in the instant case, Peter P. Zaleski who has served as the Designated Director since ETASC was formed, be elected by the County Executive, subject to the subsequent approval of the Chairperson and the Minority Leader of the Erie County Legislature ("ECL").

>> progressive.firm.

Since the County Executive intends to elect Peter P. Zaleski, who has served as a Designated Director of ETASC since its organization in 2000 again this year to ETASC's Board, I am writing to respectfully ask that each of you consent to Peter's election.

Although it may not be an important item to take into consideration, you should know that both the Independent and Designated Directors of ETASC are paid a very nominal fee (i.e., \$1,000 per annum), for attending multiple meetings, including numerous meetings of the Audit and Governance Committees of the Board each year.

Also, you should know that both the bylaws of the Corporation and the New York Public Authorities Law, strongly recommends that all Independent and Designated Directors have accounting and/or business experience, both of which Mr. Zaleski possesses, as a result of having served as a senior officer of Buffalo Savings Bank/Goldome and thereafter as one of the senior most officers of the Western New York division of KeyBank.

Additionally, you should also know that the Independent or Designated Directors of ETASC cannot, within the past two years, have been employed by ETASC, the Sole Member, or an affiliate thereof in an executive capacity, or by any entity that received considerable remuneration from the Corporation or the Sole Member, and cannot be a relative of any executive officer employed by the Corporation or anyone who has served as a lobbyist regarding matters with which the Corporation may be involved.

In short, there are not a lot of people willing to do the work that Mr. Zaleski and the two Independent Directors do for \$1,000 a year and that consequently, ETASC is very lucky to have Mr. Zaleski and its two Independent Directors use their experience and considerable skills to help ETASC function in a very positive way.

With the above information in mind, **I HAVE ATTACHED A BRIEF FORM FOR EACH OF YOU TO SIGN AND EITHER MAIL OR EMAIL BACK TO ME**, approving of Mr. Zaleski's continued designation as the Designated Director of ETASC following the Board's Annual Meeting on March 18, keeping in mind that if there is any delay in such approval, that the terms and conditions of the Corporation's bylaws, provide that Mr. Zaleski shall continue to serve as the Designated Director of ETASC until his successor is elected and qualified.

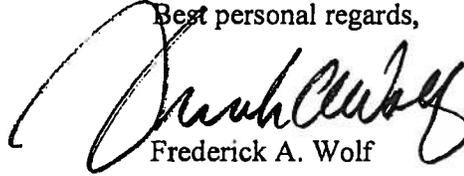
Since each of you will have received a separate form to sign, approving of Mr. Zaleski's continuing to serve as a Designated Director as ETASC it is NOT necessary for you to sign the same form, since your respective signatures on your separate forms, when combined together, will constitute the required approval for Mr. Zaleski's continuing to serve in this very important role.

Finally, should either of you have any questions regarding this request, please feel free to call me, either on my direct dial hard line at 858 3762, or on my cell phone at 998 6475.

February 11, 2015
Page 3

As always, thank you for your anticipated cooperation.

Best personal regards,

A handwritten signature in black ink, appearing to read "Frederick A. Wolf". The signature is fluid and cursive, with a large initial "F" and "W".

Frederick A. Wolf

ney
Attachment

cc: Michael A. Siragusa, Esq., Erie County Attorney (michael.siragusa@erie.gov)
Martin Polowy, Esq., Assistant Erie County Attorney (martin.polowy@erie.gov)

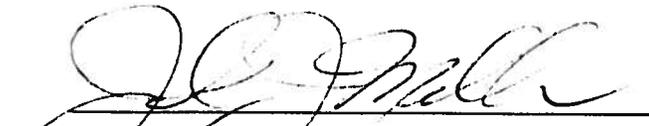
DESIGNATION OF DIRECTOR
OF
ERIE TOBACCO ASSET SECURITIZATION CORPORATION

The undersigned, being the Chairperson of the Erie County Legislature and the Minority Leader of the Erie County Legislature, respectively, acting pursuant to Article II, Section 2(b) of the By-laws of Erie Tobacco Asset Securitization Corporation, a corporation organized under and pursuant to the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), **DO HEREBY JOINTLY DESIGNATE**

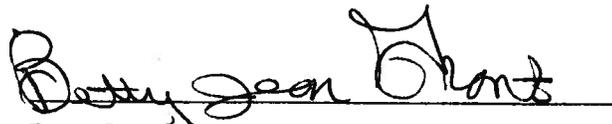
PETER P. ZALESKI

to serve as the Designated Director of the Corporation until such a time as his successor has been elected and qualified.

IN WITNESS WHEREOF, we have set our hands hereto as of the 12 day of February, 2015.



John J. Mills
Chairman of the Erie County Legislature



Betty Jean Grant
Minority Leader of the Erie County Legislature