

BARCLAY DAMON LLP

Frederick A. Wolf
Of Counsel

January 11, 2016

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

Hon. Thomas A. Loughran, Minority Leader Thomas.Loughran@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 Mr. Loughran:

I am writing to you in my capacity as counsel for ETASC, which is currently scheduled to hold the Annual Meeting of its Sole Member and full Board of Directors (the "Board") on March 16.

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

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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").

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 each 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.

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 this year, 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.

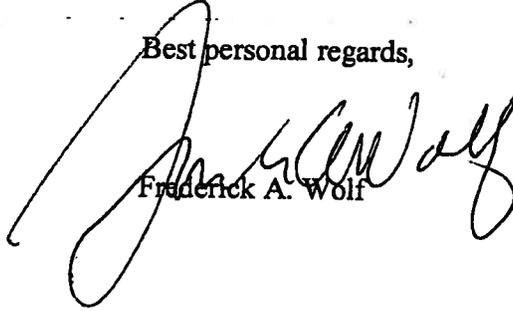
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Finally, should either of you have any questions regarding this request, please feel free to call me, either on my direct dial hard line at 858 3762, or on my cell phone at 998 6475.

As always, thank you for your anticipated cooperation.

Best personal regards,



Frederick A. Wolf

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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

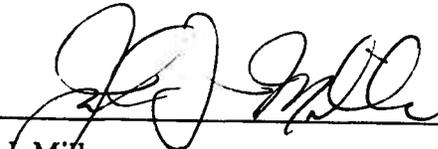
ERIE TOBACCO ASSET SECURITIZATION CORPORATION

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 21st day of January, 2016.



John J. Mills
Chairman of the Erie County Legislature



Thomas A. Loughran
Minority Leader of the Erie County Legislature