

Erie Tobacco Asset Securitization Corporation  
Governance Committee

Minutes of Meeting  
Thursday, November 13, 2014

Damon & Morey, LLP Conference Room  
200 Delaware Avenue, Suite 1200  
Buffalo, New York 14202

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Corporation Committee Members Present: Chair Peter Zaleski, Bryan Bingel and Gerard Mazurkiewicz.

Also present: Robert Keating, Timothy Callan, Mark Cornell, Martin Polowy, and Frederick Wolf

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**I. CALL TO ORDER**

Peter Zaleski called the Meeting of the Governance Committee to order at 2:18 P.M. Quorum present.

**II. MINUTES FROM PRIOR MEETING**

Governance Committee meeting minutes of the March 19, 2014 were reviewed and approved. Moved by Gerard Mazurkiewicz and seconded by Bryan Bingel. Motion approved 3-0.

**III. ITEMS DISCUSSED**

Peter Zaleski circulated for information a Doonesbury, by G.B. Trudeau, cartoon demonstrating that a nationally known syndicated cartoonist is aware of and mentioned the 1998 Tobacco Settlements.

The Committee reviewed and discussed the responsibilities of the Governance Committee under its existing Charter. It was determined that there is no need to make any modifications or amendments at this time.

Timothy Callan presented the 2015 Annual Budget Report. Robert Keating indicated that there had been state funding held back which was since released and would be adjusted for year 2014. He expects the future releases as yearly settlements occur.

- 1) Resolution – that the 2015 Budget Report be approved and recommended to the Board for Board adoption and to authorize Timothy Callan to file same with the NYS Authorities Budget Office (ABO). Moved by Gerard Mazurkiewicz and seconded by Bryan Bingel. Motion approved 3-0.

The Committee discussed the Corporation's required ABO filings under the New York State Public Authorities Law and/or Corporation Bylaws. Robert Keating confirmed that, with exception of the aforementioned and approved 2015 Budget Report, the Corporation was timely in its filings.

The Committee discussed whether there had been any correspondence exchanged with the ABO to date during 2014. Tim Callan confirmed that there had been none.

The Committee reviewed and discussed the form of the Committee's director evaluations of the full Board and determined to add a "n/a" (not applicable) column to the form.

The Committee was reminded of the County ethics disclosure reporting date of May 15, 2015.

The Committee discussed the New York Non Profit Revitalization Act of 2013 and determined based on information available and legal counsel's advice that the Corporation is currently compliant with the New York Non Profit Revitalization Act of 2013.

The Committee discussed the preference to move the Corporation's annual meeting to the third Wednesday in March to allow for the completion of the Corporation's independent audit prior to the scheduled annual meeting. A recommendation will be made to the Corporation's full board to amend the Corporation's Bylaws accordingly.

The Committee reviewed and discussed the Corporation's renewal application for Directors and Officers liability insurance and the recent quote for such renewal.

#### **IV. ADJOURNMENT**

Moved by Gerard Mazurkiewicz and seconded by Bryan Bingel to adjourn the Meeting of the Governance Committee at 3:06 P.M. Motion unanimously approved.

  
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Martin A. Polowy

Corporation Assistant Secretary

Erie Tobacco Asset Securitization Corporation  
Audit Committee

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**I. CALL TO ORDER**

Bryan Bingel called the Meeting of the Audit Committee to order at 3:07 P.M. Quorum present.

**II. MINUTES FROM PRIOR MEETING**

Audit Committee meeting minutes of the March 19, 2014 were reviewed and approved. Moved by Gerard Mazurkiewicz and seconded by Peter Zaleski. Motion approved 3-0.

**III. ITEMS DISCUSSED**

The Committee reviewed and discussed the responsibilities of the Audit Committee under its existing Charter. It was determined that there is no need to make any modifications or amendments at this time.

The Committee discussed the New York Non Profit Revitalization Act of 2013 and determined based on information available and legal counsel's advice that the Corporation is currently compliant with the New York Non Profit Revitalization Act of 2013.

The Committee reviewed and discussed articles regarding other Tobacco Asset Securitization Corporations including the Niagara Tobacco Asset Securitization Corporation recent refinancing of a bond offering.

The Committee reviewed and discussed the Corporation's outstanding Bonds.

The Committee reviewed and discussed an engagement of Drescher & Malecki, LLP as independent auditors for the fiscal year ending December 31, 2014.

Audit Committee called Luke Malecki in to the meeting room. Luke Malecki presented the 2014 audit plan. Luke Malecki was dismissed following the approval of the below resolution.

- 1) Resolution that Audit Committee recommend to the Board the engagement of Drescher & Malecki, LLP as independent auditors of the Corporation to prepare the Corporation's 2014 independent audit report consistent with the same conditions and service fees set forth in the engagement letter entered into by the Corporation and Drescher & Malecki, LLP to facilitate the preparation of the Corporation's 2013 independent audit report and related documentation. Motion by Gerard Mazurkiewicz and seconded by Peter Zaleski.  
Motion approved 3-0.

The Committee discussed the continuing disclosure obligations, if any, required under outstanding bond issues.

Audit Committee tentatively scheduled next meeting for March 18, 2015 at a time to be determined.

#### **IV. ADJOURNMENT**

Moved by Peter Zaleski and seconded by Bryan Bingel to adjourn the Meeting of the Audit Committee at 4:22 P.M. Motion approved 3-0.

  
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Martin A. Polowy  
Corporation Assistant Secretary