

Erie Tobacco Asset Securitization Corporation
Audit Committee

Minutes of Meeting
Wednesday, March 18, 2015

County Executive's Conference Room
16th Floor, Rath Building, 95 Franklin Street
Buffalo, New York 14202

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

Also present: Robert Keating, Timothy Callan, Mark Cornell, Luke Malecki, and Frederick Wolf

I. CALL TO ORDER

Bryan Bingel called the meeting of the Audit Committee to order at 2:00 pm, noting that a quorum was present.

II. MINUTES FROM PRIOR MEETINGS

Minutes from the Committee's March 11, 2015 meeting were not available for review by the Committee by the time of the Committee's March 18, 2015 meeting.

III. ITEMS DISCUSSED

Luke Malecki of Drescher & Malecki, LLP discussed the Corporation's final 2014 Audit Report and related correspondence, which had been prepared and submitted by his Firm. Mr. Malecki indicated that the final draft of his Firm's 2014 Independent Audit Report contained no material changes to the draft of the report which had been submitted to and reviewed by the Committee at its March 11, 2015 meeting. He also indicated that, in addition to there having been no material changes in his Firm's draft 2014 Independent Audit Report, that a standard representation letter was included in the Corporation's audit materials. Mr. Malecki then answered questions posed by members of the Committee, and discussed certain nonmaterial changes in the Corporation's 2014 Independent Annual Audit Report from the Corporation's 2013 Independent Audit Report.

There followed additional discussions regarding the Corporation's possibly refinancing one or more of its existing bond issues and the fact that several other

TSACs had refinanced their existing bond issues in cases where a meaningful benefit could be obtained.

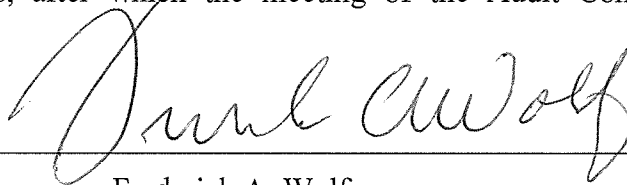
Although, it currently appeared that there may not be a benefit attributable to having ETASC refinance any of its existing bond issues, Tim Callan and Bob Keating indicated that they would continue to review that option with bond counsel and the Corporation's financial advisor.

There followed a general discussion during which it was noted that Lumsden McCormick and not Drescher & Malecki was responsible for making necessary payments for vendor services to the Corporation from funds received as a result of the Corporation's participation in a Master Settlement Agreement with major U.S. cigarette manufacturers. Tim Callan and Bob Keating noted that following the Committee's March 11, 2015 meeting they distributed to the Committee members a list of vendor payments made by Lumsden McCormick during the 2014 calendar year, which payments in the aggregate, were fairly similar to the payments made for vendor services to the Corporation by Lumsden McCormick during the 2013 calendar year.

The Committee recommended that the minutes of its prior meeting after review and approval should be put on the Corporation's website maintained by the Authorities Budget Office without any of the attachments referred to therein.

IV. ADJOURNMENT

There being no further business to come before the Committee, Peter Zaleski moved that the meeting of the Audit Committee be adjourned at 2:30 pm, which motion was seconded by Gerard Mazurkiewicz, and unanimously approved by all Committee members, after which the meeting of the Audit Committee was adjourned.



Frederick A. Wolf
Acting on behalf of the Corporation's
Assistant Secretary