

Summary of Amendments to Erie Tobacco Asset Securitization Corporation By-laws

Article and Section	Amendment
Article I, Section 2	<ol style="list-style-type: none"> 1. Removes requirement for annual Director appointments 2. Confirms only required action at Sole Member meeting is to receive the annual financial report from the Directors.
Article I, Section 3	Amended sole member meeting notice provisions to be consistent with Not-For-Profit Corporation provisions.
Article I, Section 4	Amended to reflect Sole Member may only take action in a meeting where the Sole Member is physically present in compliance with New York State Public Authorities Law and Open Meetings Law
Article II, Section 2	<ol style="list-style-type: none"> 1. Restates procedure for Director appointments as specified in Local Law 2000-3: (i) One director appointed by the Erie County Executive; (ii) One director appointed by the Erie County Comptroller; (iii) One director jointly appointed by the Chairperson of the Erie County Legislature and the Minority Leader of the Erie County Legislature (the “Designated Director”); and (ii) Two directors, jointly designated by a majority of the other three directors in accordance with the provisions of SEVENTH of the Certificate of Incorporation and independent pursuant to PAL (the “Independent Directors”). 2. Extends term of Directors to 5 years and until successors are appointed and qualified 3. Omits requirement for annual election of Directors by the Sole Member.
Article II, Section 5	<ol style="list-style-type: none"> 1. Restates procedure for filling Director vacancies specified in Local Law 2000-3 and eliminates requirement for special sole member meetings to fill Director vacancies. 2. Confirms Independent Director vacancies are filled by the Board of Directors in accordance with the Certificate 3. Confirms other Director vacancies are filled in accordance with the By-laws (by the initial appointing authority). 4. Confirms that replacement directors shall serve until the end of the term for the director being replaced and until their successors are appointed and qualified in lieu of the next annual meeting.
Article II, Section 6	Revised to permit action of the Board of Directors only by vote of “a majority of the whole number” of board members (including vacancies) in compliance with the New York State Public Authorities Law.
Article II Section 6(b)	Omitted, previously permitted Directors to take Corporation action without a meeting in conflict with the Public Authorities Law and Open Meetings Law.
Article II Section 6(c)	Omitted, previously permitted Directors to participate in meetings via telephone in conflict with the Public Authorities Law and Open Meetings Law.
Article II, Section 13	Amended to include provisions required by New York State Not-for-Profit Corporation Law and Public Authorities Law for annual report presented to Sole Member, including: (i) reference to Public Authorities Law requirements for the report; and (ii) requirement for Board approval of report
Article II, Section 14	Amended to confirm required composition of Audit and Finance Committee and Governance Committee pursuant to Public Authorities Law
Article III, Section 1	Updated to include reference to Independent Officer requirements contained in Section SEVENTH of Certificate of Incorporation.
Article III, Section 6	Updated to include reference to Independent Officer requirements contained in Section SEVENTH of Certificate of Incorporation.