

**AUTHORIZING RESOLUTION  
OF  
THE BOARD OF DIRECTORS  
OF  
NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$45,000,000 INITIAL AGGREGATE PRINCIPAL AMOUNT OF ITS TOBACCO SETTLEMENT ASSET-BACKED BONDS, SERIES 2014, TO REFINANCE A PORTION OF THE COST OF ACQUISITION OF THE TOBACCO ASSETS OF THE COUNTY OF NIAGARA, NEW YORK TO FUND CERTAIN RESERVES, TO PROVIDE THE COUNTY WITH CURRENT FUNDS FOR CAPITAL PURPOSES INCLUDING PROJECT COSTS AND PAYMENT OF DEBT SERVICE ON OUTSTANDING COUNTY BONDS, TO INCREASE RESIDUAL TOBACCO SETTLEMENT REVENUES IN FUTURE YEARS, AND TO PAY RELATED COSTS OF ISSUANCE OF THE SERIES 2014 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE FOR THE SERIES 2000 BONDS; AUTHORIZING THE EXECUTION OF AND DELIVERY OF A SUPPLEMENTAL INDENTURE FOR THE SERIES 2014 BONDS; AUTHORIZING THE PREPARATION, DISTRIBUTION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE AWARDING THE SALE OF THE SERIES 2014 BONDS TO RAYMOND JAMES & ASSOCIATES, INC. AS PURCHASER; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING; AUTHORIZING THE EXECUTION AND DELIVERY OF A REFUNDING ESCROW DEPOSIT AGREEMENT FOR THE SERIES 2014 BONDS; AUTHORIZING THE ENGAGEMENT OF HARRIS BEACH PLLC AS TRANSACTION COUNSEL; PROVIDING FOR THE SPECIFICATION OF THE INTEREST RATES, MATURITY DATES, AND THE REDEMPTION TERMS OF THE SERIES 2014 BONDS; AUTHORIZING THE PROPER OFFICERS OF THE CORPORATION TO ENGAGE THE SERVICES OF A FINANCIAL ADVISORY FIRM, IHG GLOBAL INSIGHT, FITCH RATINGS AND A VERIFICATION AGENT AND TO DO ALL OTHER ACTS NECESSARY AND PROPER FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, ON November 9, 2000, Niagara Tobacco Asset Securitization Corporation (the "Corporation") issued its \$47,920,000 aggregate principal amount of Tobacco Settlement Asset-Backed Bonds, Series 2000 (the (Series 2000 Bonds")), (i) to finance a portion of the costs

of acquisition of certain Tobacco Assets from the County of Niagara, New York (the "County), (ii) to fund certain reserves, and (iii) to pay related costs of the issuance of the Series 2000 Bonds; and

WHEREAS, the Series 2000 Bonds were issued pursuant to the Indenture, dated as of November 1, 2000 (as supplemented and amended from time to time in accordance with its terms, the "Bond Indenture"), between the Corporation and Manufacturers and Traders Trust Company, as trustee (the "Trustee"); and

WHEREAS, the Tobacco Assets were purchased by the Corporation pursuant to the terms of the Purchase and Sale Agreement, dated as of November 1, 2000, (the "Purchase and Sale Agreement"), between the Corporation and the County; and

WHEREAS, as part of the cost of acquisition of the Tobacco Assets to be paid to the County, the Corporation assigned to the County an undivided beneficial interest in the trust (the "NTASC Residual Trust") created pursuant to the Declaration and Agreement of Trust, dated November 3, 2000, by and between Chase Manhattan Bank USA, National Association and the Corporation (the "Original Trust Agreement"); and

WHEREAS, the Original Trust Agreement was amended and restated by the parties thereto in order to govern the NTASC Residual Trust through the Amended and Restated Declaration and Agreement of Trust dated as of November 29, 2005 by and among the Corporation, JPMorgan Chase Bank, N.A., as successor to Chase Manhattan Bank USA, N.A., William Ross and David Broderick; and

WHEREAS, the Bond Indenture contemplated and provided for the issuance of additional series of bonds thereunder for, among other purposes, the refunding of the Series 2000 Bonds; and

WHEREAS, the Board desires to authorize and proceed with the issuance of its Tobacco Settlement Asset-Backed Bonds, Series 2014 (the "Series 2014 Bonds") in an initial aggregate principal amount not to exceed \$45,000,000, (i) to refinance a portion of the costs of acquisition of the aforementioned Tobacco Assets, (ii) to fund certain reserves, (iii) to provide the County with current funds for capital purposes including project costs and payments of debt service on outstanding County bonds, (iv) to increase residual tobacco settlement revenues in future years, and (v) to pay related costs of issuance of the Series 2014 Bonds; and

WHEREAS, the Board wishes to authorize the negotiation, approval, execution and delivery of an amended and restated Bond Indenture (the "Amended and Restated Bond Indenture") and a supplement thereto (the "Supplemental Indenture") providing for the issuance of the Series 2014 Bonds and other matters (collectively, the "Series 2014 Indenture"); and

WHEREAS, the Series 2014 Bonds will be issued as Tax-Exempt Bonds (as such term is defined in the Bond Indenture); and

WHEREAS, the Board expects that Raymond James and Associates, Inc. (the "Purchaser") will submit an offer to purchase the Series 2014 Bonds pursuant to a bond purchase agreement between the Purchaser and the Corporation (the "Contract of Purchase"); and

WHEREAS, the Board finds it desirable to authorize the issuance and sale of such Series 2014 Bonds under the Series 2014 Indenture in the amount as provided herein at a private, negotiated sale and to take all other actions related to such issuance and sale; and

WHEREAS, the defeasance and subsequent retirement of the Series 2000 Bonds will be implemented by means of a Refunding Escrow Deposit Agreement, between the Corporation and Manufacturers and Traders Trust Company acting as Escrow Agent, the form of which is to be approved by an Authorized Officer of the Corporation; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the defeasance of the Series 2000 Bonds and the issuance of the Series 2014 Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION, that:

**Section 1. Definitions.** For purpose of this Authorizing Resolution the term "Authorized Officer" shall mean the President, Vice President or Treasurer of the Corporation. All other terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Series 2014 Indenture.

**Section 2. Findings.** It is hereby ascertained, determined and declared that:

(A) The Corporation is empowered under the Not-For-Profit Corporation Law to acquire from the County the County's right, title and interest in and to all or a portion of the County's rights under and pursuant to (i) the Master Settlement Agreement, dated November 23, 1998, among the attorneys general of 46 states (including the State of New York), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Territory of the Northern Marianas and Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation and Lorillard Tobacco Company and (ii) the Consent Decree and Final Judgment of the Supreme Court of the State of New York, dated December 23, 1998, as the same may be amended or modified, in the class action entitled State of New York et.al. v. Philip Morris Incorporated et.al. (Index No. 400351/97), including without limitations, the rights of the County to receive the moneys due to it thereunder (the "Tobacco Assets").

(B) The Corporation purchased the Tobacco Assets in accordance with the provisions of the Purchase and Sale Agreement.

(C) The Corporation is authorized to issue bonds and use the proceeds thereof to pay, or to refinance, the cost of the acquisition of the Tobacco Assets.

(D) It is necessary, advisable, desirable, and in the best interests of the Corporation that the Series 2014 Bonds be authorized and issued in an initial principal amount not to exceed \$45,000,000 to refinance a portion of the cost of the acquisition of the Tobacco Assets.

(E) The portion of the cost of the acquisition of the Tobacco Assets that is not to be refinanced was paid to the County in the form of an undivided ownership interest in the NTASC Residual Trust and funded with future proceeds of the Tobacco Assets and the net proceeds of the Bonds issued under the Bond Indenture.

(F) The principal of and interest on the Series 2014 Bonds and all of the reserve, sinking fund and other payments provided for in the Series 2014 Indenture will be special obligations of the Corporation, payable from and secured solely from (i) the "Pledged TSRs" which consist of the Tobacco Settlement Revenues (as defined in the Series 2014 Indenture), (ii) investment earnings on certain accounts pledged under the Series 2014 Indenture (which earnings, together with the Pledged TSRs, are referred to herein as the "Pledged Revenues"), (iii) amounts held in certain accounts established under the Series 2014 Indenture (the "Pledged Accounts"), and (iv) the Corporation's rights under the Purchase and Sale Agreement, all as provided in the Series 2014 Indenture, and neither the faith and credit of the Corporation, the County, or the State of New York or any political subdivision thereof, nor the taxing power of the County or the State of New York or any political subdivision thereof, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2014 Bonds.

(G) The Series 2014 Bonds will not be issued until all conditions relating to the issuance of Series 2014 Bonds under the Series 2014 Indenture have been met or waived by an Authorized Officer.

(H) It is in the best interest of the Corporation to authorize the Authorized Officer to accept an offer by the Purchaser to purchase the Series 2014 Bonds in the initial aggregate principal amount not to exceed FORTY-FIVE MILLION DOLLARS (\$45,000,000) at a private negotiated sale upon the terms and conditions as set forth herein.

**Section 3. Authorization of Execution and Delivery of Amended and Restated Indenture.** The Authorized Officer is hereby authorized, on behalf of the Corporation and upon the advice of Counsel to the Corporation and Transaction Counsel, to negotiate, approve, execute and deliver the Amended and Restated Indenture, such execution to be conclusive evidence of such approval.

**Section 4. Authorization of Execution and Delivery of Supplemental Indenture.** The Authorized Officer is hereby authorized, on behalf of the Corporation and upon the advice of Counsel to the Corporation and Transaction Counsel, to negotiate, approve, execute and deliver the Supplemental Indenture, such execution to be conclusive evidence of such approval.

**Section 5. Authorization of Execution and Delivery of Official Statement.** The Authorized Officer is hereby authorized, on behalf of the Corporation and upon the advice of Counsel to the Corporation and Transaction Counsel, to prepare, approve the form and content,

distribute, execute and deliver an Official Statement in relation to the offering of the Series 2014 Bonds, such execution to be conclusive evidence of such approval.

**Section 6. Authorization of Execution and Delivery of the Contract of Purchase.** The Authorized Officer is hereby authorized, on behalf of the Corporation and upon the advice of Counsel to the Corporation and Transaction Counsel, to negotiate, approve execute and deliver the Contract of Purchase with the Purchaser, such execution to be conclusive evidence of such approval.

**Section 7. Authorization of Execution and Delivery of the Continuing Disclosure Undertaking.** The Authorized Officer is hereby authorized, on behalf of the Corporation and upon the advice of Counsel to the Corporation and Transaction Counsel, to negotiate, approve, execute and deliver the Continuing Disclosure Undertaking, such execution to be conclusive evidence of such approval.

**Section 8. Delegation of Authority.** There is hereby delegated to the Authorized Officer, subject to the limitations contained herein and in the Series 2014 Indenture, the power with respect to the Series 2014 Bonds to determine and carry out:

(a) The principal amount of the Series 2014 Bonds to be issued; **provided, however,** that the initial aggregate principal amount of Series 2014 Bonds to be issued shall not exceed \$45,000,000;

(b) The date or dates, Distribution Dates, Maturity Dates, redemption dates prior to maturity, principal amount of each maturity of the Series 2014 Bonds, and which Series 2014 Bonds are serial bonds or term bonds, if any;

(c) The denomination or denominations of and the manner of numbering and lettering the Series 2014 Bonds;

(d) The redemption price or redemption prices, if any, and subject to the Series 2014 Indenture, the redemption terms, if any, for the Series 2014 Bonds;

(e) To obtain and, if deemed advantageous to the Corporation, execute the commitment of one or more policies of insurance insuring the Directors and Officers of the Corporation for actions taken by them in the name or on behalf of the Corporation;

(f) Provisions for the sale or exchange of the Series 2014 Bonds and for the delivery thereof;

(g) Provisions with respect to funds and accounts and subaccounts therein, if applicable, and the Tobacco Assets and application thereof, as provided in the Series 2014 Indenture;

(h) The authority to engage a financial advisory firm to provide financial advice to the Corporation on the terms and conditions of the private negotiated sale of the Series 2014 Bonds to the Purchaser;

(i) The authority to engage IHS Global Insight as an independent econometric expert to provide their Forecast of U.S. Cigarette Consumption report to be included in the Corporation's Official Statement for the offering of the Series 2014 Bonds;

(j) The authority to engage Fitch Ratings to provide investment ratings on the Series 2014 Bonds and necessary rating confirmations on the Corporation's outstanding Series 2005 bonds;

(k) The authority to engage a verification agent to provide a verification report related to the defeasance of the Series 2000 Bonds; and

(l) The authority to make such other determinations and to take such other actions deemed advisable by an Authorized Officer in connection with the issuance, sale and delivery of the Series 2014 Bonds authorized hereby, not in conflict with the provisions hereof or of the Series 2014 Indenture.

**Section 9. Authorization of Execution and Delivery of the Refunding Escrow Deposit Agreement.** The Board hereby authorizes and directs the execution and delivery of the Refunding Escrow Deposit Agreement by an Authorized Officer on behalf of the Corporation, in such form as the Authorized Officer executing the same, in his or her sole discretion, shall approve, such execution to be conclusive evidence of such approval.

**Section 10. Appointment of Transaction Counsel.** The Board hereby ratifies the engagement of Harris Beach PLLC to serve as Transaction Counsel for the issuance of the Series 2014 Bonds.

**Section 11. Authorizations.** (A) The Authorized Officers are each hereby authorized and directed, on behalf of the Corporation, to execute the Series 2014 Bonds (including any temporary bond or bonds) as provided in the Amended and Restated Indenture. Such Authorized Officers are hereby authorized and directed, upon the execution of the Series 2014 Bonds in the form and manner set forth in the Amended and Restate Indenture and herein, to deliver the Series 2014 Bonds in the amount authorized to be issued hereunder, to the Trustee for authentication and deliver to or upon order of the Purchaser pursuant to the Contract of Purchase, upon payment of the purchase price and upon compliance by the Purchaser with the terms of the Contact of Purchase.

(B) The Authorized Officers are each designated as agents of the Board and the Corporation in connection with the, issuance and deliver of the Series 2014 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contacts on behalf of the Board and the Corporation that are necessary or desirable in connection with the execution and delivery of the Series 2014 Bonds and for carrying out the transactions contemplated by this Resolution, and which are specifically authorized or are not inconsistent with the terns and provisions of this Resolution or the Amended and Restated Indenture or any action relating to the Series 2014 Bonds heretofore taken by the Board. The Authorized Officers are hereby authorized to do all things necessary to provide for the issuance of the Series 2014 Bonds.

(C) It is the intent of the Board hereby to authorize the Authorized Officers to do all things, to take all actions, and to execute and deliver all agreements, certificates, instruments and other documents necessary or desirable in connection with the issuance of the Series 2014 Bonds, and the performance of all agreements and covenants on the part of the Corporation contained therein, without the need for further action by the Board of Directors.

**Section 12. Effective Date.** This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

|              | Yea   | Nea   | Absent Abstain |
|--------------|-------|-------|----------------|
| K. Andrews   | [ X ] | [ ]   | [ ]            |
| C. Burmaster | [ X ] | [ ]   | [ ]            |
| K. Castle    | [ ]   | [ X ] | [ ]            |
| S. Ferraro   | [ X ] | [ ]   | [ ]            |
| J. Glatz     | [ X ] | [ ]   | [ ]            |
| J. Hagenbach | [ X ] | [ ]   | [ ]            |
| W. Ross      | [ ]   | [ ]   | [ X ]          |

The Resolution was thereupon duly adopted.

