

**BY-LAWS**  
**OF**  
**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

Adopted: December 9, 1999

**BY-LAWS  
OF  
WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

**ARTICLE I  
MEMBER**

**Section 1. Member Authorized.**

The sole member of the Corporation shall be the Westchester County Health Care Corporation.

**Section 2. Meetings.**

The annual meeting of the sole member shall be held for the election of directors and the transaction of other business each year on such day as is determined by the Board of Directors. Special meetings of the sole member may be called at any time by the President, the Board of Directors or the sole member. All meetings of the sole member shall be held at the principal office of the Corporation, or such place or places within the County of Westchester as the Board of Directors may from time to time determine.

**Section 3. Notice of Meetings.**

(a) Written notice of each meeting of the sole member shall be given by the Board of Directors to the sole member, and shall state the place, date and hour of the meeting and, unless it is an annual meeting, shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting of the sole member shall also state the purpose or purposes for which it is being called.

(b) A copy of the notice of any meeting of the sole member shall be given to the sole member, personally or by first class mail not less than ten (10) nor more than fifty (50) days before the date of the meeting, or by another class of mail not less than thirty (30) nor more than sixty (60) days before such date.

**Section 4. Quorum and Voting.**

(a) Presence of the sole member in person or by proxy shall constitute a quorum for the conduct of business at any meeting of the sole member.

(b) Except as otherwise set forth in the Certificate of Incorporation, whenever any corporate action is to be taken by a vote of the sole member, it shall be authorized by a unanimous vote of the sole member.

**ARTICLE II**  
**BOARD OF DIRECTORS**

**Section 1. Power of Board and Qualification of Directors.**

The Corporation shall be managed by its Board of Directors. Each director shall be at least eighteen years of age and qualified as set forth in the Certificate of Incorporation.

**Section 2. Number and Term of Office:**

(a) The number of members of the Board of Directors shall be as set forth in the Certificate of Incorporation.

(b) At each annual meeting of the sole member, members of the Board of Directors shall be designated to hold office until the next Annual Meeting and until their successors have been elected and qualified. Directors shall be designated by the sole member as follows: one director shall be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County, *ex officio*; one director shall be the representative of the Westchester County Health Care Corporation selected by the Majority Leader of the Westchester County Board of Legislators in accordance with Section 3303(2) of the New York Public Authorities Law; and one director shall be designated jointly by the other two directors in accordance with the provisions of the Certificate of Incorporation of the Corporation.

(c) Each director shall have one vote.

**Section 3. Organization.**

At each meeting of the Board of Directors, the Chairman, or, in the absence of the Chairman, a Vice President, shall preside, or in the absence of either of such officers, a chairman chosen by a majority of the directors present shall preside. The Secretary shall act as secretary of the Board of Directors. In the event the Secretary shall be absent from any meeting of the Board of Directors, the meeting shall select its secretary.

**Section 4. Resignations and Removal of Directors.**

(a) Any director of the Corporation may resign at any time by giving written notice to the President or to the Secretary. Such resignation shall take effect when their successors shall have been designated and qualified.

(b) Any or all of the directors may be removed with or without cause by vote of the other two directors.

**Section 5. Newly Created Directorships and Vacancies.**

Vacancies occurring for any reason with respect to the two members of the Board of Directors designated by the sole member shall be filled at a special meeting of the sole member and otherwise in accordance with Section 2(b) of this Article II. Vacancies occurring for any reason with respect to the member of the Board of Directors designated jointly by the two directors designated by the sole member shall be filled at a special meeting of the Board of Directors and otherwise in accordance with Section 2(b) of this Article II. Directors designated

to fill vacancies shall serve until the next annual meeting at which the designation of directors is in the regular order of business, and until their successors are elected and have qualified.

**Section 6. Action by the Board of Directors.**

(a) Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the act of the Board of Directors means action at a meeting of the Board of Directors by vote of a majority of the directors present at the time of the vote, if a quorum is present at such time.

(b) Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors.

(c) Any one or more members of the Board of Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 7. Place of Meeting.**

The Board of Directors shall hold its meetings at the principal office of the Corporation, or at such place or places within the County of Westchester as the Board of Directors may from time to time by resolution determine.

**Section 8. Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such times as may be fixed from time to time by resolution of the Board of Directors.

**Section 9. Special Meetings.**

Special meetings of the Board of Directors shall be held whenever called by the President, the sole member or by a director. Notice shall be given orally, by telefax, or by mail and shall state the purposes, time and place of the meeting. If notice is given orally, in person or by telephone, it shall be given not less than one (1) day before the meeting; if it is given by telefax or by mail, it shall be given not less than three (3) days before the meeting.

**Section 10. Waivers of Notice.**

Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice.

**Section 11. Quorum.**

(a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

(b) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place without notice to any director.

**Section 12. Compensation.**

Directors may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.

**Section 13. Annual Report.**

The Board of Directors shall present at the Annual Meeting of the sole member a report certified by a firm of independent public accountants selected by the Board, showing in appropriate detail the following:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the twelve-month fiscal period terminating not more than six months prior to said meeting.

(b) The principal changes in assets and liabilities, including trust funds, during said fiscal period.

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period.

(d) The expenses or disbursements of the Corporation for both general and restricted purposes, during said fiscal period.

This report shall be filed with the records of the Corporation and a copy thereof entered in the minutes of the proceedings of the Annual Meeting of the sole member.

**ARTICLE III  
OFFICERS**

**Section 1. Number.**

The officers of the Corporation shall be a Chairman, a President, a Vice President, a Treasurer, a Secretary and such other officers as the Board of Directors may in its discretion determine. The Treasurer shall at all times be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**Section 2. Term of Office and Qualifications.**

Those officers whose titles are specifically mentioned in Section 1 of this Article III shall be elected by the Board of Directors at its annual meeting. Unless a shorter term is provided in the resolution of the Board of Directors electing such officer, the term of office of each officer shall extend to the first meeting of directors following the next Annual Meeting and until the officer's successor is elected and qualified.

**Section 3. Additional Officers.**

Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board of Directors may from time to time determine.

**Section 4. Removal of Officers.**

Any officer may be removed by the Board of Directors with or without cause at any time.

**Section 5. Resignation.**

Any officer may resign at any time by giving written notice to the Board of Directors, or to the President or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.

**Section 6. Vacancies.**

A vacancy in any office shall be filled by the Board of Directors.

**Section 7. Chairman.**

The Chairman shall preside at all meetings of the sole member and of the Board of Directors at which the Chairman is present.

**Section 8. President.**

The President shall act as the chief executive officer of the Corporation and shall supervise generally the management of the affairs of the Corporation subject only to the supervision of the Board of Directors. The President shall also perform such other duties as may be assigned from time to time by the Board of Directors.

**Section 9. Vice President.**

In the absence or incapacity to act of the President, or if the office of President be vacant, the Vice President shall perform the duties and exercise the powers of the President, subject to the right of the Board of Directors from time to time to extend or confine such powers and duties or to assign them to others. The Vice President shall have such powers and shall perform such other duties as may be assigned by the Board of Directors or the President.

**Section 10. Treasurer.**

The Treasurer shall, if required by the Board of Directors, obtain a bond for the faithful discharge of his or her duties, in such sum and with such sureties as the Board of Directors shall require. The Treasurer shall keep and maintain the books of account and shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of and to the credit of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors. The Treasurer shall also perform all other duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

**Section 11. Secretary.**

It shall be the duty of the Secretary to act as secretary of all meetings of the Board of Directors, and to keep the minutes of all such meetings in a proper book or books to be provided for that purpose; the Secretary shall see that all notices required to be given by the Corporation are duly given and served; the Secretary shall keep a current list of the Corporation's directors and officers and their residence addresses; the Secretary shall be custodian of the seal of the Corporation and shall affix the seal, or cause it to be affixed, to all agreements, documents and other papers requiring the same. The Secretary shall have custody of the minute book containing the minutes of all meetings of the sole member, directors, and any special committee which may

keep minutes, and of all other contracts and documents which are not in the custody of the Treasurer of the Corporation, or in the custody of some other person authorized by the Board of Directors to have such custody.

**Section 12. Appointed Officers.**

The Board of Directors may delegate to any officer or committee the power to appoint and to remove any subordinate officer, agent or employee.

**Section 13. Assignment and Transfer of Stocks, Bonds and Securities.**

The Chairman, President, the Vice President, the Treasurer, the Secretary, and each of them, shall have power to assign, or to endorse for transfer, under the corporate seal, and to deliver, any stock, bonds, subscription rights, or other securities, or any beneficial interest therein, held or owned by the Corporation.

**ARTICLE IV  
CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS**

**Section 1. Execution of Contracts.**

The Board of Directors, except as in these By-laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board of Directors, or expressly authorized by these By-laws, no officers, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

**Section 2. Loans.**

No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

**Section 3. Checks, Drafts, etc.**

All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 4. Deposits.**

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

**ARTICLE V**  
**INDEMNIFICATION AND INSURANCE**

**Section 1. Authorized Indemnification.**

Unless clearly prohibited by law or Section 2 of this Article V, the Corporation shall indemnify any person ("Indemnified Person") made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he or she (or his or her testator or intestate), whether before or after adoption of this Section, (a) is or was a member, director or officer of the Corporation, or (b) in addition is serving or served, in any capacity, at the request of the Corporation, as a member, director or officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

**Section 2. Prohibited Indemnification.**

The Corporation shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Directors in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

**Section 3. Advancement of Expenses.**

The Corporation shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Corporation, pay or promptly reimburse the Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article V. An Indemnified Person shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

**Section 4. Indemnification of Others.**

Unless clearly prohibited by law or Section 2 of this Article V, the Board of Directors may approve Corporation indemnification as set forth in Section 1 of this Article V or advancement of expenses as set forth in Section 3 of this Article V, to a person (or the testator or intestate of a person) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

**Section 5. Determination of Indemnification.**

Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court the Board of Directors shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these by-laws. Before indemnification can occur the Board of Directors must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article V. No director with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested directors is not obtainable, the Board of Directors shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-laws.

**Section 6. Binding Effect.**

Any person entitled to indemnification under these By-laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these By-laws with respect to any event, action or omission occurring prior to the date of such amendment.

**Section 7. Insurance.**

The Corporation is not required to purchase directors' and officers' liability insurance, but the Corporation may purchase such insurance if authorized and approved by the Board of Directors. To the extent permitted by law, such insurance may insure the Corporation for any obligation it incurs as a result of this Article V or operation of law and it may insure directly the Directors, officers, employees or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article V as well as for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

**Section 8. Nonexclusive Rights.**

The provisions of this Article V shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Directors is authorized to enter into agreements on behalf of the Corporation with any director, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article V, subject in all cases to the limitations of Section 2 of this Article V.

**ARTICLE VI  
GENERAL**

**Section 1. Office.**

The office of the Corporation shall be at such place in the County of Westchester, State of New York, as the Board of Directors may determine.

**Section 2. Books and Records.**

There shall be kept at the office of the Corporation:

- (a) correct and complete books and records of account;
- (b) minutes of the proceedings of the sole member and the Board of Directors;
- (c) a current list of the Directors and officers of the Corporation and their residence addresses;
- (d) a list of record containing the names and addresses of the sole member;
- (e) a copy of these By-laws.

**Section 3. Seal.**

The corporate seal shall be in the form of a circle and shall have inscribed thereon the following: "Westchester Tobacco Asset Securitization Corporation 1999 New York Not-for-Profit Corporation."

**Section 4. Interested Directors and Officers.**

No contract or other transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors or officer or officers are present at the meeting of the Board of Directors which authorizes such contract or transaction, or that his or their votes are counted for such purpose if the material facts as to such director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board of Directors and the Board of Directors authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested director or officers.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes such contract or transaction.

**Section 5. Loans to Directors and Officers.**

No loans other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Corporation to its directors or officers, or to any other corporation, firm, association or other proprietary entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest except as allowed by law.

**Section 6. Fiscal Year.**

The fiscal year of the Corporation shall commence January 1 in each calendar year and end on the next succeeding December 31, provided that the fiscal year may be changed by the Board of Directors.

**ARTICLE VII  
AMENDMENTS**

**Section 1. Amendments.**

The By-laws of the Corporation may be amended, modified, supplemented or repealed only as set forth in the Certificate of Incorporation.

**WRITTEN CONSENT  
OF  
THE BOARD OF DIRECTORS  
OF**

**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

The undersigned, being all of the Board of Directors of the Westchester Tobacco Asset Securitization Corporation, adopt the following resolution by written consent in lieu of a meeting pursuant to Section 708(b) of the New York Not-for-Profit Law:

By-laws

**RESOLVED:** That the By-laws in the form annexed hereto are approved and adopted as the By-laws of the Corporation.

Election of Officers.

**RESOLVED:** That the following are elected officers of the Corporation to serve until their successors are elected and qualified:

Richard Berman	Chairman
Richard Berman	President
Ronald Anari	Vice President
Peter Pucillo	Secretary
Peter Pucillo	Treasurer

Principal Office.

**RESOLVED:** That the principal office of the Corporation shall be at the offices of Bennett Kielson Storch Yablon & DeSantis LLP, 1 Barker Avenue, White Plains, New York 10601.

Adoption of Seal.

**RESOLVED:** That the seal reciting "Westchester Tobacco Asset Securitization Corporation 1999 New York Not-For-Profit Corporation" is adopted as the seal of the Corporation, and the impression thereof shall be affixed to the minutes of this meeting.

Contracts.

**RESOLVED:** That unless otherwise specifically provided for by the Board of Directors, contracts and other instruments signed in the name of

the Corporation by any authorized officer thereof may be accepted as binding upon the Corporation, whether or not the seal is affixed.

Bank Account.

RESOLVED: That the President and the Treasurer are each authorized to open and maintain bank accounts with United States Trust Company of New York, Union State Bank or any other bank or banks he or she may select for the deposit of the funds of the Corporation by its officers, agents and employees, and to designate those officers and other employees of the Corporation who may sign checks, drafts and other instruments having to do with the receipt, deposit and disbursement of such funds in connection with each of said bank accounts; and any bank shall be authorized to honor such checks, drafts and other instruments; and further

RESOLVED: That this Board adopts the form of any banking resolution required by United States Trust Company of New York, Union State Bank or any other bank in which the President or the Treasurer determines to open an account if (1) in the opinion of a proper officer of the Corporation, the adoption of such a resolution is necessary or desirable; and (2) the Secretary of the Corporation evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will be deemed to have been adopted by this Board with the same force and effect as if originally attached to the minutes of this meeting.

Brokerage Account.

RESOLVED: That the President and Treasurer are each authorized to open and maintain brokerage accounts with any brokerage firm or firms he or she may select for the investment of the funds of the Corporation by its officers, agents and employees, and to designate those officers and other employees of the Corporation who may sign any instruments having to do with the investment, receipt, deposit and disbursement of such funds in connection with each of said brokerage accounts; and any brokerage firm shall be authorized to honor such instruments; and further

RESOLVED: That this Board adopts the form of any investment resolution required by any brokerage firm with which the President or the Treasurer determines to open an account if. (1) in the opinion of a proper officer of the Corporation, the adoption of such a resolution is necessary or desirable; and (2) the Secretary of the Corporation evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will be deemed to have been adopted by this Board with the same force and effect as if originally attached to the minutes of this meeting.

Pre-Incorporation Expense

RESOLVED: That the Corporation pay all debts incurred for its benefit prior to its incorporation and that a record of all such payments be inserted in its minute book.

Commencement of Business

RESOLVED: That the Corporation proceed to carry on the business for which it was incorporated.

Purchase of Tobacco Assets from Westchester County and Issuance and Sale of Bonds and Residual Certificate

RESOLVED: That the Recommending Resolution in the form attached hereto is hereby adopted.

RESOLVED: That the Authorizing Resolution in the form attached hereto is hereby adopted.

Dated: December 9, 1999

  
\_\_\_\_\_  
Peter Pucillo, Director

Dated: December \_\_, 1999

\_\_\_\_\_  
Richard Berman, Director

Dated: December \_\_, 1999

\_\_\_\_\_  
Ronald Anari, Director

- Attachments: By-laws  
Resolutions Concerning Bank Accounts  
Resolutions Concerning Brokerage Accounts  
Recommending Resolution  
Authorizing Resolution

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Peter Pucillo, Director

Dated: December 9, 1999

  
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Richard Berman, Director

Dated: December \_\_, 1999

\_\_\_\_\_  
Ronald Anari, Director

- Attachments:
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  - Resolutions Concerning Bank Accounts
  - Resolutions Concerning Brokerage Accounts
  - Recommending Resolution
  - Authorizing Resolution

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Peter Pucillo, Director

Dated: December \_\_, 1999

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Richard Berman, Director

Dated: December 9, 1999

  
\_\_\_\_\_  
Ronald Anari, Director

Attachments: By-laws  
Resolutions Concerning Bank Accounts  
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Recommending Resolution  
Authorizing Resolution

**RECOMMENDING RESOLUTION**

**OF**

**BOARD OF DIRECTORS**

**OF**

**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

Pursuant to Section 510 of the  
Not-For-Profit Corporation Law

**WHEREAS**, the County of Westchester, New York (the "County"), has informed the Corporation and the Westchester County Health Care Corporation (the "Sole Member") that the County has certain rights under and pursuant to a certain 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. Phillip Morris Incorporated et al. (Index No. 400361/97), including but not limited to the right to receive certain moneys due thereunder (the "Tobacco Asset"); and

**WHEREAS**, the Corporation has been organized by the Sole Member to acquire from the County and securitize the Tobacco Asset and the revenues payable to the County in respect thereof in order to provide, among other things, a source of financing for a single financial support payment by the County to the Sole Member in lieu of certain financial support obligations of the County with respect to the Sole Member; and

**WHEREAS**, in connection with the securitization of the Tobacco Asset, the Corporation will, among other things, purchase the Tobacco Asset from the County for consideration that includes the net proceeds of funds to be obtained through the initial sale of bonds or other obligations that will be secured by a simultaneous pledge and assignment of the Tobacco Asset to an indenture trustee acting on behalf of the purchasers of such bonds or other obligations; and

**WHEREAS**, the Tobacco Asset will constitute all or substantially all of the assets of the Corporation; and

**WHEREAS**, the basic terms and conditions of the Corporation's disposition of the Tobacco Asset to the indenture trustee (the "Disposition") are to be substantially as set forth on Exhibit A annexed hereto and made a part hereof;

**NOW THEREFORE, BE IT HEREBY**

**RESOLVED**, that the securitization of the Tobacco Asset, including the Disposition, is in the best interests of the Corporation and in furtherance of its corporate purposes;

**RESOLVED**, that, as provided for in Section 510 of the Not-For-Profit Corporation Law, the Board of Directors of the Corporation recommends to the Sole Member the securitization of the Tobacco Asset, including the Disposition; and

**RESOLVED**, that the dissolution of the Corporation following the disposition of the proceeds of the securitization of the Tobacco Asset to the Corporation is not contemplated.

Dated. December 9, 1999

  
\_\_\_\_\_  
Peter Pucillo, Director

\_\_\_\_\_  
Richard Berman, Director

\_\_\_\_\_  
Ronald Anari, Director

Attachment: Exhibit A

**RESOLVED**, that, as provided for in Section 510 of the Not-For-Profit Corporation Law, the Board of Directors of the Corporation recommends to the Sole Member the securitization of the Tobacco Asset, including the Disposition; and

**RESOLVED**, that the dissolution of the Corporation following the disposition of the proceeds of the securitization of the Tobacco Asset to the Corporation is not contemplated.

Dated: December 9, 1999

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Peter Pucillo, Director

  
\_\_\_\_\_  
Richard Berman, Director

\_\_\_\_\_  
Ronald Anari, Director

Attachment: Exhibit A

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**RESOLVED**, that the dissolution of the Corporation following the disposition of the proceeds of the securitization of the Tobacco Asset to the Corporation is not contemplated.

Dated: December 9, 1999

\_\_\_\_\_  
Peter Pucillo, Director

\_\_\_\_\_  
Richard Berman, Director

*Ronald Anari*  
\_\_\_\_\_  
Ronald Anari, Director

Attachment: Exhibit A

**EXHIBIT A**

**(Terms and Conditions of Disposition)**

**Asset to be disposed  
of by the Corporation:**

**The Tobacco Asset**

**Consideration to be received  
by the Corporation:**

**Approximately \$100,000,000, such amount  
representing the net proceeds of the initial  
issuance of bonds in respect of the Tobacco  
Asset**

**Use of proceeds of disposition:**

**Payment to, or for the account of, the  
County as partial consideration for purchase  
of Tobacco Asset**

**Other terms:**

**The Indenture pursuant to which the  
Tobacco Asset is to be disposed of provides  
for the issuance of a residual certificate and  
the further issuance, from time to time, of  
additional bonds or other obligations, the  
proceeds of which do not constitute part of  
the consideration for the disposition by the  
Corporation of the Tobacco Asset; in  
addition, such Indenture may, from time to  
time, be amended, supplemented, restated or  
replaced, all of which shall be deemed to be  
part of the disposition provided for herein.**

**AUTHORIZING RESOLUTION**

**OF**

**BOARD OF DIRECTORS**

**OF**

**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

**WHEREAS**, the County of Westchester, New York (the "County"), has informed the Corporation and the Westchester County Health Care Corporation (the "Sole Member") that the County has certain rights under and pursuant to a certain 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. Phillip Morris Incorporated et al. (Index No. 400361/97), including but not limited to the right to receive certain moneys due thereunder (the "Tobacco Asset"); and

**WHEREAS**, the Corporation has been organized by the Sole Member to acquire from the County and securitize the Tobacco Asset and the revenues payable to the County in respect thereof (the "Securitization Transaction") in order to provide, among other things, a source of financing for a single financial support payment by the County to the Sole Member in lieu of certain financial support obligations of the County with respect to the Sole Member; and

**WHEREAS**, the resolutions contained herein shall become automatically effective upon the approval by the sole member of the Corporation of the disposition of the Tobacco Asset as recommended by the Board of Directors in its Recommending Resolution, pursuant to and in accordance with Section 510 of the Not-For-Profit Corporation Law;

**NOW THEREFORE, BE IT HEREBY**

**RESOLVED**, that the Corporation shall undertake and implement the Securitization Transaction;

**RESOLVED**, that the Corporation's officers are authorized and directed to take all steps necessary or appropriate to effectuate the Securitization Transaction, including but not limited to the engagement of legal counsel, accountants, financial advisors, underwriters and other professionals, advisors or contractors; the issuance of appropriate disclosure documents with respect to such bonds or other obligations as the Corporation may issue; the establishment of such trusts or other arrangements as may be appropriate or desirable, within or without the State of New York; the engagement of such trustees, paying agents and other agents and contractors as may be appropriate or desirable; the application for such approvals and consents of governmental or quasi-governmental authorities as may be appropriate or desirable, including but not limited to the filing of a petition in accordance with Section 511 of the Not-For-Profit Corporation Law; the acquisition of

the Tobacco Asset, the payment of all taxes, costs and expenses as may be incurred in connection with the matters contemplated herein; and the execution and delivery of such instruments, agreements, certificates and other documents as may be appropriate or desirable, including but not limited to a purchase and sale agreement with the County of Westchester for the purchase of the Tobacco Asset, indentures of trust providing for, among other things, the disposition of the Tobacco Asset, the issuance of one or more series of bonds or other obligations, the disposition of any residual revenues in respect of the Tobacco Asset, the establishment of such reserves and other accounts as may be appropriate or desirable, and such other matters as may be desirable or appropriate; it being the intent of the Board of Directors to hereby confer upon the officers of the Corporation full authority to complete the Securitization Transaction without the need for further votes of the Board of Directors, substantially on the terms set forth in the Recommending Resolution of the Board of Directors, with such modifications and other terms as any officer of the Corporation shall have determined to be appropriate or desirable, the execution of any documents evidencing such modifications or additional terms by any such officer establishing conclusively such officer's having made such determination.

**RESOLVED**, that all acts of the officers of the Corporation heretofore taken in connection with the Securitization Transaction are hereby adopted, ratified and confirmed as acts of the Corporation.

Dated: December 9, 1999

  
\_\_\_\_\_  
Peter Pucillo, Director

\_\_\_\_\_  
Richard Berman, Director

\_\_\_\_\_  
Ronald Anari, Director

connection with the matters contemplated herein; and the execution and delivery of such instruments, agreements, certificates and other documents as may be appropriate or desirable, including but not limited to a purchase and sale agreement with the County of Westchester for the purchase of the Tobacco Asset, indentures of trust providing for, among other things, the disposition of the Tobacco Asset, the issuance of one or more series of bonds or other obligations, the disposition of any residual revenues in respect of the Tobacco Asset, the establishment of such reserves and other accounts as may be appropriate or desirable, and such other matters as may be desirable or appropriate; it being the intent of the Board of Directors to hereby confer upon the officers of the Corporation full authority to complete the Securitization Transaction without the need for further votes of the Board of Directors, substantially on the terms set forth in the Recommending Resolution of the Board of Directors, with such modifications and other terms as any officer of the Corporation shall have determined to be appropriate or desirable, the execution of any documents evidencing such modifications or additional terms by any such officer establishing conclusively such officer's having made such determination.

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Dated: December 9, 1999

\_\_\_\_\_  
Peter Pucillo, Director



\_\_\_\_\_  
Richard Berman, Director

\_\_\_\_\_  
Ronald Anari, Director

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**RESOLVED**, that all acts of the officers of the Corporation heretofore taken in connection with the Securitization Transaction are hereby adopted, ratified and confirmed as acts of the Corporation.

Dated: December 9, 1999

\_\_\_\_\_  
Peter Pucillo, Director

\_\_\_\_\_  
Richard Berman, Director

  
\_\_\_\_\_  
Ronald Anari, Director

DEC 10 '99 13:05 FR PROSKAUER ROSE LL 212 969 2900 TO 55503888209666 P.02/03

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101

**ACTION BY SOLE MEMBER**

**OF**

**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

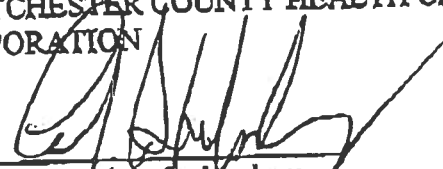
The undersigned, constituting the sole member of Westchester Tobacco Asset Securitization Corporation (the "Corporation"), pursuant to Section 614(a) of the Not-For-Profit Corporation Law, hereby acts as follows:

Approval and Adoption of By-laws

**RESOLVED:** That the By-laws in the form annexed hereto are approved and adopted as the By-laws of the Corporation.

Dated: December 9, 1999

**WESTCHESTER COUNTY HEALTH CARE CORPORATION**

By:   
Edward A. Stolzenberg  
President and Chief Executive Officer

Attachments: By-laws

**ACTION BY SOLE MEMBER**

**OF**

**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

The undersigned, constituting the sole member of Westchester Tobacco Asset Securitization Corporation (the "Corporation"), pursuant to Section 614(a) of the Not-For-Profit Corporation Law, hereby acts as follows:

Approval and Adoption of By-laws

RESOLVED: That the By-laws in the form annexed hereto are approved and adopted as the By-laws of the Corporation.

Dated: December 9, 1999

WESTCHESTER COUNTY HEALTH CARE  
CORPORATION

By: 

Edward A. Stolzenberg  
President and Chief Executive Officer

Attachments: By-laws

**BY-LAWS**  
**OF**  
**WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

Adopted: December 9, 1999

**BY-LAWS  
OF  
WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

**ARTICLE I  
MEMBER**

**Section 1. Member Authorized.**

The sole member of the Corporation shall be the Westchester County Health Care Corporation.

**Section 2. Meetings.**

The annual meeting of the sole member shall be held for the election of directors and the transaction of other business each year on such day as is determined by the Board of Directors. Special meetings of the sole member may be called at any time by the President, the Board of Directors or the sole member. All meetings of the sole member shall be held at the principal office of the Corporation, or such place or places within the County of Westchester as the Board of Directors may from time to time determine.

**Section 3. Notice of Meetings.**

(a) Written notice of each meeting of the sole member shall be given by the Board of Directors to the sole member, and shall state the place, date and hour of the meeting and, unless it is an annual meeting, shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting of the sole member shall also state the purpose or purposes for which it is being called.

(b) A copy of the notice of any meeting of the sole member shall be given to the sole member, personally or by first class mail not less than ten (10) nor more than fifty (50) days before the date of the meeting, or by another class of mail not less than thirty (30) nor more than sixty (60) days before such date.

**Section 4. Quorum and Voting.**

(a) Presence of the sole member in person or by proxy shall constitute a quorum for the conduct of business at any meeting of the sole member.

(b) Except as otherwise set forth in the Certificate of Incorporation, whenever any corporate action is to be taken by a vote of the sole member, it shall be authorized by a unanimous vote of the sole member.

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## **ARTICLE II BOARD OF DIRECTORS**

### **Section 1. Power of Board and Qualification of Directors.**

The Corporation shall be managed by its Board of Directors. Each director shall be at least eighteen years of age and qualified as set forth in the Certificate of Incorporation.

### **Section 2. Number and Term of Office:**

(a) The number of members of the Board of Directors shall be as set forth in the Certificate of Incorporation.

(b) At each annual meeting of the sole member, members of the Board of Directors shall be designated to hold office until the next Annual Meeting and until their successors have been elected and qualified. Directors shall be designated by the sole member as follows: one director shall be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County, *ex officio*; one director shall be the representative of the Westchester County Health Care Corporation selected by the Majority Leader of the Westchester County Board of Legislators in accordance with Section 3303(2) of the New York Public Authorities Law; and one director shall be designated jointly by the other two directors in accordance with the provisions of the Certificate of Incorporation of the Corporation.

(c) Each director shall have one vote.

### **Section 3. Organization.**

At each meeting of the Board of Directors, the Chairman, or, in the absence of the Chairman, a Vice President, shall preside, or in the absence of either of such officers, a chairman chosen by a majority of the directors present shall preside. The Secretary shall act as secretary of the Board of Directors. In the event the Secretary shall be absent from any meeting of the Board of Directors, the meeting shall select its secretary.

### **Section 4. Resignations and Removal of Directors.**

(a) Any director of the Corporation may resign at any time by giving written notice to the President or to the Secretary. Such resignation shall take effect when their successors shall have been designated and qualified.

(b) Any or all of the directors may be removed with or without cause by vote of the other two directors.

### **Section 5. Newly Created Directorships and Vacancies.**

Vacancies occurring for any reason with respect to the two members of the Board of Directors designated by the sole member shall be filled at a special meeting of the sole member and otherwise in accordance with Section 2(b) of this Article II. Vacancies occurring for any reason with respect to the member of the Board of Directors designated jointly by the two directors designated by the sole member shall be filled at a special meeting of the Board of Directors and otherwise in accordance with Section 2(b) of this Article II. Directors designated

to fill vacancies shall serve until the next annual meeting at which the designation of directors is in the regular order of business, and until their successors are elected and have qualified.

**Section 6. Action by the Board of Directors.**

(a) Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the act of the Board of Directors means action at a meeting of the Board of Directors by vote of a majority of the directors present at the time of the vote, if a quorum is present at such time.

(b) Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors.

(c) Any one or more members of the Board of Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 7. Place of Meeting.**

The Board of Directors shall hold its meetings at the principal office of the Corporation, or at such place or places within the County of Westchester as the Board of Directors may from time to time by resolution determine.

**Section 8. Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such times as may be fixed from time to time by resolution of the Board of Directors.

**Section 9. Special Meetings.**

Special meetings of the Board of Directors shall be held whenever called by the President, the sole member or by a director. Notice shall be given orally, by telefax, or by mail and shall state the purposes, time and place of the meeting. If notice is given orally, in person or by telephone, it shall be given not less than one (1) day before the meeting; if it is given by telefax or by mail, it shall be given not less than three (3) days before the meeting.

**Section 10. Waivers of Notice.**

Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice.

**Section 11. Quorum.**

(a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

(b) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place without notice to any director.

**Section 12. Compensation.**

Directors may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.

**Section 13. Annual Report.**

The Board of Directors shall present at the Annual Meeting of the sole member a report certified by a firm of independent public accountants selected by the Board, showing in appropriate detail the following:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the twelve-month fiscal period terminating not more than six months prior to said meeting.

(b) The principal changes in assets and liabilities, including trust funds, during said fiscal period.

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period.

(d) The expenses or disbursements of the Corporation for both general and restricted purposes, during said fiscal period.

This report shall be filed with the records of the Corporation and a copy thereof entered in the minutes of the proceedings of the Annual Meeting of the sole member.

**ARTICLE III  
OFFICERS**

**Section 1. Number.**

The officers of the Corporation shall be a Chairman, a President, a Vice President, a Treasurer, a Secretary and such other officers as the Board of Directors may in its discretion determine. The Treasurer shall at all times be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**Section 2. Term of Office and Qualifications.**

Those officers whose titles are specifically mentioned in Section 1 of this Article III shall be elected by the Board of Directors at its annual meeting. Unless a shorter term is provided in the resolution of the Board of Directors electing such officer, the term of office of each officer shall extend to the first meeting of directors following the next Annual Meeting and until the officer's successor is elected and qualified.

**Section 3. Additional Officers.**

Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board of Directors may from time to time determine.

**Section 4. Removal of Officers.**

Any officer may be removed by the Board of Directors with or without cause at any time.

**Section 5. Resignation.**

Any officer may resign at any time by giving written notice to the Board of Directors, or to the President or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.

**Section 6. Vacancies.**

A vacancy in any office shall be filled by the Board of Directors.

**Section 7. Chairman.**

The Chairman shall preside at all meetings of the sole member and of the Board of Directors at which the Chairman is present.

**Section 8. President.**

The President shall act as the chief executive officer of the Corporation and shall supervise generally the management of the affairs of the Corporation subject only to the supervision of the Board of Directors. The President shall also perform such other duties as may be assigned from time to time by the Board of Directors.

**Section 9. Vice President.**

In the absence or incapacity to act of the President, or if the office of President be vacant, the Vice President shall perform the duties and exercise the powers of the President, subject to the right of the Board of Directors from time to time to extend or confine such powers and duties or to assign them to others. The Vice President shall have such powers and shall perform such other duties as may be assigned by the Board of Directors or the President.

**Section 10. Treasurer.**

The Treasurer shall, if required by the Board of Directors, obtain a bond for the faithful discharge of his or her duties, in such sum and with such sureties as the Board of Directors shall require. The Treasurer shall keep and maintain the books of account and shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of and to the credit of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors. The Treasurer shall also perform all other duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

**Section 11. Secretary.**

It shall be the duty of the Secretary to act as secretary of all meetings of the Board of Directors, and to keep the minutes of all such meetings in a proper book or books to be provided for that purpose; the Secretary shall see that all notices required to be given by the Corporation are duly given and served; the Secretary shall keep a current list of the Corporation's directors and officers and their residence addresses; the Secretary shall be custodian of the seal of the Corporation and shall affix the seal, or cause it to be affixed, to all agreements, documents and other papers requiring the same. The Secretary shall have custody of the minute book containing the minutes of all meetings of the sole member, directors, and any special committee which may

- 6 -

keep minutes, and of all other contracts and documents which are not in the custody of the Treasurer of the Corporation, or in the custody of some other person authorized by the Board of Directors to have such custody.

**Section 12. Appointed Officers.**

The Board of Directors may delegate to any officer or committee the power to appoint and to remove any subordinate officer, agent or employee.

**Section 13. Assignment and Transfer of Stocks, Bonds and Securities.**

The Chairman, President, the Vice President, the Treasurer, the Secretary, and each of them, shall have power to assign, or to endorse for transfer, under the corporate seal, and to deliver, any stock, bonds, subscription rights, or other securities, or any beneficial interest therein, held or owned by the Corporation.

**ARTICLE IV  
CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS**

**Section 1. Execution of Contracts.**

The Board of Directors, except as in these By-laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board of Directors, or expressly authorized by these By-laws, no officers, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

**Section 2. Loans.**

No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

**Section 3. Checks, Drafts, etc.**

All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 4. Deposits.**

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

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## **ARTICLE V INDEMNIFICATION AND INSURANCE**

### **Section 1. Authorized Indemnification.**

Unless clearly prohibited by law or Section 2 of this Article V, the Corporation shall indemnify any person ("Indemnified Person") made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he or she (or his or her testator or intestate), whether before or after adoption of this Section, (a) is or was a member, director or officer of the Corporation, or (b) in addition is serving or served, in any capacity, at the request of the Corporation, as a member, director or officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

### **Section 2. Prohibited Indemnification.**

The Corporation shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Directors in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

### **Section 3. Advancement of Expenses.**

The Corporation shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Corporation, pay or promptly reimburse the Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article V. An Indemnified Person shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

### **Section 4. Indemnification of Others.**

Unless clearly prohibited by law or Section 2 of this Article V, the Board of Directors may approve Corporation indemnification as set forth in Section 1 of this Article V or advancement of expenses as set forth in Section 3 of this Article V, to a person (or the testator or intestate of a person) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

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**Section 5. Determination of Indemnification.**

Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court the Board of Directors shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these by-laws. Before indemnification can occur the Board of Directors must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article V. No director with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested directors is not obtainable, the Board of Directors shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-laws.

**Section 6. Binding Effect.**

Any person entitled to indemnification under these By-laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these By-laws with respect to any event, action or omission occurring prior to the date of such amendment.

**Section 7. Insurance.**

The Corporation is not required to purchase directors' and officers' liability insurance, but the Corporation may purchase such insurance if authorized and approved by the Board of Directors. To the extent permitted by law, such insurance may insure the Corporation for any obligation it incurs as a result of this Article V or operation of law and it may insure directly the Directors, officers, employees or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article V as well as for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

**Section 8. Nonexclusive Rights.**

The provisions of this Article V shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Directors is authorized to enter into agreements on behalf of the Corporation with any director, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article V, subject in all cases to the limitations of Section 2 of this Article V.

**ARTICLE VI  
GENERAL****Section 1. Office.**

The office of the Corporation shall be at such place in the County of Westchester, State of New York, as the Board of Directors may determine.

**Section 2. Books and Records.**

There shall be kept at the office of the Corporation:

- 9 -

- (a) correct and complete books and records of account;
- (b) minutes of the proceedings of the sole member and the Board of Directors;
- (c) a current list of the Directors and officers of the Corporation and their residence addresses;
- (d) a list of record containing the names and addresses of the sole member;
- (e) a copy of these By-laws.

**Section 3. Seal.**

The corporate seal shall be in the form of a circle and shall have inscribed thereon the following: "Westchester Tobacco Asset Securitization Corporation 1999 New York Not-for-Profit Corporation."

**Section 4. Interested Directors and Officers.**

No contract or other transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors or officer or officers are present at the meeting of the Board of Directors which authorizes such contract or transaction, or that his or their votes are counted for such purpose if the material facts as to such director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board of Directors and the Board of Directors authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested director or officers.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes such contract or transaction.

**Section 5. Loans to Directors and Officers.**

No loans other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Corporation to its directors or officers, or to any other corporation, firm, association or other proprietary entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest except as allowed by law.

**Section 6. Fiscal Year.**

The fiscal year of the Corporation shall commence January 1 in each calendar year and end on the next succeeding December 31, provided that the fiscal year may be changed by the Board of Directors.

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**ARTICLE VII  
AMENDMENTS**

**Section 1. Amendments.**

The By-laws of the Corporation may be amended, modified, supplemented or repealed only as set forth in the Certificate of Incorporation.

DEC. 9. 1999 2:13PM

HD&W

NO. 7434 P. 2/10

**DESIGNATION OF DIRECTOR  
OF  
WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION**

We, the undersigned, each having been being duly designated to be a director of Westchester Tobacco Asset Securitization Corporation, a corporation to be organized under and pursuant to the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), **DO HEREBY DESIGNATE**

Ronald Anari

to serve as a director of the Corporation.

IN WITNESS WHEREOF, we have each set our hands hereto this 9<sup>th</sup> day of December, 1999.

  
\_\_\_\_\_  
Peter Pucillo, Director

\_\_\_\_\_  
Richard Berman, Director

DESIGNATION OF DIRECTOR

OF

WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

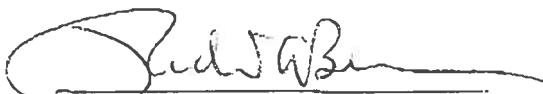
We, the undersigned, each having been being duly designated to be a director of Westchester Tobacco Asset Securitization Corporation, a corporation to be organized under and pursuant to the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), **DO HEREBY DESIGNATE**

Ronald Anari

to serve as a director of the Corporation.

IN WITNESS WHEREOF, we have each set our hands hereto this 13 day of December, 1999.

\_\_\_\_\_  
Peter Pucillo, Director

  
\_\_\_\_\_  
Richard Berman, Director

~~CERTIFICATE OF INDEPENDENCE~~

OF

**RONALD ANARI**

I, **RONALD ANARI**, an individual residing at 17 Bradl Lane, Nanuet, New York, New York, **DO HEREBY CERTIFY** that I am not at present, nor have I been at any time during the past five years:

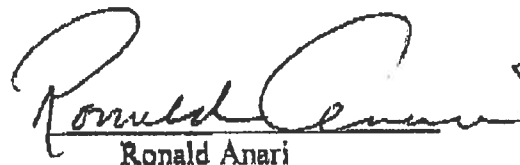
(i) a customer, supplier or advisor of the County of Westchester, New York (the "County") or the Westchester County Health Care Corporation ("WCHCC") or any of their respective affiliated entities, other than Westchester Tobacco Asset Securitization Corporation ("WTASC");

(ii) an elected or appointed official, member, stockholder, director, officer, employee, agent or affiliate of the County or WCHCC or any of their respective affiliated entities (other than WTASC);

(iii) a person related to any person referred to in paragraph (i) or (ii) hereinabove;  
or

(iv) a trustee, conservator or receiver for the County or WCHCC or any of their respective affiliated entities.

IN WITNESS WHEREOF, I have hereunto set my hand this December 9, 1999.

  
Ronald Anari

*State of New York*  
*Department of State* } *ss:*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **DEC 10 1999,**



A handwritten signature in black ink, appearing to read "J. Clark", written over a horizontal line.

*Special Deputy Secretary of State*

CERTIFICATE OF INCORPORATION <sup>991 209000</sup> <sup>504</sup>  
OF  
WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

A Not-For-Profit Corporation  
under Section 402 of the Not-For-Profit  
Corporation Law of State of New York

THE UNDERSIGNED, being over the age of eighteen years and the President of Westchester County Health Care Corporation, for the purpose of forming a not-for-profit corporation pursuant to Section 402 of the Not-For-Profit Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation shall be Westchester Tobacco Asset Securitization Corporation (hereinafter referred to as the "Corporation").

SECOND: The Corporation shall be a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and will be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law. The Corporation shall be a subsidiary of, but separate and apart from, the Westchester County Health Care Corporation pursuant to Section 3306(7) of the Public Authorities Law.

THIRD: The Corporation is formed pursuant to Section 3306(7) of the New York Public Authorities Law with the purpose of performing certain of the purposes, powers, duties, functions and activities of the Westchester County Health Care Corporation. The Corporation will accomplish the foregoing purpose by engaging solely in the following activities:

(a) Acquiring by purchase, grant, lease, gift or otherwise from the County of Westchester, New York (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 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.

Phillip Morris Incorporated et. al. (Index No. 400361/97), including, without limitation, the rights of the County to receive the moneys due to it thereunder, and the County's rights in any collateral securing or otherwise assuring the receipt of such moneys (the "Tobacco Assets");

(b) Holding, using, selling, conveying, mortgaging, pledging, exchanging or otherwise disposing of the Tobacco Assets and any proceeds or further rights associated with the Tobacco Assets;

(c) Issuing and selling one or more series or classes of bonds, notes or other obligations (the "Obligations") through public bidding, private placement, or negotiated underwriting to finance or refinance the acquisition referred to in subparagraph (a) above (including but not limited to the issuance and sale, from time to time, of additional Obligations), which Obligations shall be special obligations payable solely from, and only to the extent of, the Tobacco Assets and accounts funded with proceeds of Obligations (if any), together with income and earnings from the investment of such monies, as may be designated in the proceedings of the Corporation under which the Obligations shall be authorized to be issued, subject as to priority only to any agreements with the holders of Obligations pledging any particular property, revenue or monies;

(d) Retaining or employing counsel, auditors, engineers and private consultants, on a contract basis or otherwise for rendering professional, management or technical services or advice in connection with acquisition and financing referred to above;

(e) Acting as depositor, settlor or transferor of a trust, within or without the State of New York (the "Trust") and depositing, transferring or conveying to such Trust Obligations issued by the Corporation, subordinate to all senior Obligations issued by the Corporation, and transferring, selling and assigning to the County the beneficial ownership of the Trust;

(f) Including in its agreements with the holders of the Obligations the pledge and agreement of the State of New York set forth in Section 3313 of the Public Authorities Law and, to the extent permitted by the County, the pledge and agreement of the County provided for in Section 3314 of the Public Authorities Law;

(g) Complying with and enforcing its agreements with the holders of the Obligations and otherwise performing its obligations and enforcing its rights in respect of the Obligations; and

(h) Doing all things necessary, convenient or desirable, including ancillary and incidental activities, to carry out the foregoing activities and for the exercise of its powers.

The Corporation shall not, directly or indirectly, engage in or include among its purposes any of the activities mentioned in subparagraphs (a) through (v) of Section 404 of the Not-For-Profit Corporation Law.

FOURTH: In furtherance of its purposes the Corporation shall have all of the general powers enumerated in Section 202 of the Not-For-Profit Corporation Law and such other powers as are now or hereafter permitted by law for a corporation organized for the foregoing purposes, including such powers as are provided for or permitted under Title 1 of Article 10-C of the Public Authorities Law, but subject, in all instances, to any limitations on such powers contained in Title 1 of Article 10-C of the Public Authorities Law.

FIFTH: The Corporation shall have one class of members. The Westchester County Health Care Corporation or its successor by operation of law shall be the sole member (the "Sole Member").

SIXTH: The Corporation shall be managed by a board of directors consisting of three directors. Two of the directors shall be the designees of the Sole Member; the third director shall be designated by the other two directors, in each instance in accordance with the

by-laws of the Corporation. At all times (except as noted hereafter in the event of death, incapacity, resignation or removal), at least one director of the Corporation (an "Independent Director") and one officer (and "Independent Officer"), which may be the same individual shall be an individual who is not, and has not been for a period of five years prior to his or her appointment as Independent Director or Independent Officer, (i) a customer, supplier or advisor of the County or the Sole Member or any of their respective affiliated entities (other than the Corporation) (the County, the Sole Member and their respective affiliated entities being referred to in this Certificate of Incorporation as the "Affiliated Group"); (ii) an elected or appointed official, member, stockholder, director, officer, employee, agent or affiliate of any member of the Affiliated Group; (iii) a person related to any person referred to in clauses (i) and (ii); or (iv) a trustee, conservator or receiver for any member of the Affiliated Group. In the event of the death, incapacity, resignation or removal of any Independent Director or Independent Officer, the board of directors promptly shall appoint a replacement Independent Director or Independent Officer, as the case may be. The board of directors shall not vote on any matter requiring the vote of an Independent Director under this Certificate of Incorporation unless and until an Independent Director then is serving on the board. In the event the directors designated by the Sole Member are unable to agree on the designation of an Independent Director or Independent Officer, either director or an indenture trustee for holders of Obligations may petition any court of competent jurisdiction to make such designation. The names and addresses of the initial directors are as follows:

- (a) Peter Pucillo  
38 Alta Drive  
Mount Vernon, New York 10552
- (b) Richard Berman  
Manhattanville College  
2900 Purchase Street  
Purchase, New York 10577

(c) Ronald Anari  
17 Bradl Lane  
Nanuet, New York 10954

SEVENTH: Notwithstanding any other provision of this Certificate of Incorporation, the by-laws and any provision of law, so long as any Obligations remain outstanding, the Corporation shall not do any of the following:

(a) engage in any business or activity other than as set forth in or contemplated by the THIRD Article hereof;

(b) without the affirmative vote of all of the members of the board of directors of the Corporation, which must include the affirmative vote of all duly appointed Independent Directors, and of the Sole Member, (i) dissolve or liquidate, in whole or in part, (ii) institute or consent to the institution of a federal or state bankruptcy, insolvency or similar proceeding, (iii) file or consent to the filing of a petition seeking to reorganize or similar relief under any applicable federal or state bankruptcy or insolvency law, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or for a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph;

(c) without the affirmative vote of all of the members of the board of directors of the Corporation, which must include the affirmative vote of all duly appointed Independent Directors, and of the Sole Member, merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by the THIRD Article hereof, sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity; or

(d) incur or assume any indebtedness for borrowed money other than as set forth in the THIRD Article hereof.

When voting on whether the Corporation will take any action described in paragraph (b) above, each director shall owe his or her primary fiduciary duty and obligation to the Corporation (including, without limitation, the Corporation's creditors) and not to the members of the Corporation (except as may specifically be required by the Not-For-Profit Corporation Law). The Sole Member of the Corporation shall be deemed to have consented to the foregoing by virtue of approval of the establishment of the Corporation.

EIGHTH: (a) All income and earnings of the corporation shall be used exclusively for its corporate purposes, subject to the Corporation's responsibilities under the Obligations.

(b) No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to any member, director, or officer of the Corporation or private person, corporate or individual, or to any other private interest.

NINTH: The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate in or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

TENTH: In the event of the dissolution of the Corporation or the winding up of its affairs, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all of the remaining assets and property of the Corporation to the County unless otherwise required by law. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the Not-For-Profit Corporation Law.

ELEVENTH: The principal office of the Corporation shall be located in the County of Westchester in the State of New York and such office shall be functionally separate from those of the Sole Member or (although such office may be in a facility leased from the Sole Member on commercially reasonable terms). The Corporation at all times shall:

(a) maintain separate accounting records and other corporate records from those of the Sole Member;

(b) not use the Corporation's funds for the benefit of, or divert them to, any person or entity other than the Corporation and not commingle any of the Corporation's assets or funds with those of the Sole Member or of any other person or entity;

(c) pay each employee, consultant or agent of the Corporation, or any other operating expense incurred by the Corporation, from the assets of the Corporation and not from the assets of the Sole Member;

(d) maintain its own deposit account or accounts, separate from those of the Sole Member, with commercial banking institutions;

(e) to the extent that the Corporation contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other person or entity, the costs of such goods and services shall be fairly allocated among the Corporation and such person or entity, and the Corporation and each such person or entity shall bear its fair share of such costs;

(f) conduct all material transactions between the Corporation and the Sole Member only on commercially reasonable terms;

(g) observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special members' and directors, meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions

taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, intercompany transaction accounts. Regular members' and directors' meetings shall be held at least annually;

(h) ensure that decisions with respect to its business and daily operations shall be independently made by the Corporation (although the officer making any particular decision also may be an employee, officer or director of the Sole Member);

(i) act solely in its own corporate name and its own authorized officers and agents, and use its own stationery;

(j) ensure that the Sole Member neither provides funds to, nor guaranties debts of, the Corporation;

(k) except as expressly provided herein, pay all expenses, indebtedness and other obligations incurred by it, other than organizational expenses;

(l) not enter into any guaranty, or otherwise become liable, with respect to any obligation of the Sole Member;

(m) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principles and be audited annually, and shall be issued separately from, but may be consolidated with, any reports prepared for any the Sole Member; and

(n) ensure that at all times it is adequately capitalized to engage in the transactions contemplated herein.

TWELFTH: The duration of the Corporation shall be perpetual.

THIRTEENTH: The Corporation shall indemnify each member, each director, each officer, and, to the extent authorized by the board of directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which

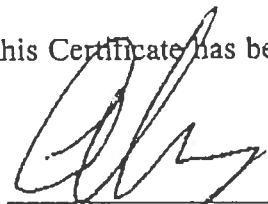
indemnification is permitted under the Not-For-Profit Corporation Law, but subject to the terms of any agreements between the Corporation and the holders of any Obligations.

FOURTEENTH: The Secretary of the State of New York, is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is as follows: Westchester Tobacco Asset Securitization Corporation, c/o Hawkins, Delafield & Wood, 67 Wall Street, New York, New York 10005, Attention: C. Todd Miles, Esq.

FIFTEENTH: The by-laws of the Corporation may be adopted, amended, modified, supplemented or repealed only by the affirmative vote of (a) all of the members of the board of directors of the Corporation at any meeting of the directors of the Corporation, which vote must include the affirmative votes of all duly appointed Independent Directors, and (b) the Sole Member.

SIXTEENTH: Except as provided to the contrary in Section 802(c) of the Not-For-Profit Corporation Law, this Certificate of Incorporation may be amended, modified, supplemented or repealed only by the affirmative vote of (a) all of the members of the board of directors of the Corporation at any meeting of the directors of the Corporation, which vote must include the affirmative votes of all duly appointed Independent Directors, and (b) the Sole Member.

IN WITNESS WHEREOF, this Certificate has been subscribed the 7<sup>TH</sup> of December 1999, by the undersigned.



\_\_\_\_\_  
Edward A. Stolzenberg  
President and Chief Executive Officer,  
Westchester County Health Care Corporation

991209000 504

CERTIFICATE OF INCORPORATION

OF

WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

(Under Section 402 of the NYS Not-For-Profit Corporation Law)

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STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED DEC 09 1999  
TAX \$  
BY: West

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DEC 9 10 01 AM '99

FILED BY: 991209000 529

Hawkins, Delafield & Wood  
67 Wall Street  
New York, NY 10005

HT

CITY NAME: WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

DOCUMENT TYPE: DOMESTIC (NOT-FOR-PROFIT) CORPORATION TYPE: C COUNTY: WEST

SERVICE COMPANY: NATIONAL CORPORATE RESEARCH LTD. SERVICE CODE: 26

===== FILED:12/09/1999 DURATION:PERPETUAL CASH#:991209000529 FILM #:991209000504 =====

ADDRESS FOR PROCESS	EXIST DATE
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THE CORPORATION C/O HAWKINS DELAFIELD & WOOD	12/09/1999
ATTN: C. TODD MILES, ESQ.	67 WALL STREET
NEW YORK, NY 10005	

REGISTERED AGENT



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FILER	FEES	235.00	PAYMENTS	235.00
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HAWKINS DELAFIELD & WOOD	FILING	75.00	CASH	0.00
WALL STREET	TAX	0.00	CHECK	0.00
	CERT	0.00	CHARGE	0.00
	COPIES	10.00	DRAWDOWN	235.00
NEW YORK, NY 10005	HANDLING	150.00	BILLED	0.00
			REFUND	0.00
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**WESTCHESTER COUNTY HEALTH CARE CORPORATION****RESOLUTION  
NO. 63-1999****A RESOLUTION OF THE WESTCHESTER COUNTY  
HEALTH CARE CORPORATION AUTHORIZING THE FORMATION OF A  
SUBSIDIARY CORPORATION PURSUANT TO THE NEW YORK NOT-FOR-  
PROFIT CORPORATION LAW**

**WHEREAS**, the County of Westchester (the "County") has advised the Corporation that the County is entitled to receive payments under the Master Settlement Agreement entered into on November 23, 1998, among the attorneys general of 46 states and six other United States jurisdictions and the four largest United States tobacco manufacturers (hereinafter, the "MSA") and the Consent Decree and Final Judgment of the Supreme Court of the State of New York, County of New York, dated December 23, 1998 (hereinafter, as the same may be amended or modified, the "Decree") in the class action styled State of New York et al. v. Philip Morris Incorporated et al. (Index No. 400361/97); and

**WHEREAS**, the County is empowered to sell to the Corporation any property useful in connection with the exercise by the Corporation of any of its powers under the Westchester County Health Care Corporation Act (the "WCHCC Act") and to transfer the facilities and operations of the Westchester County Medical Center to the Corporation by agreement between the County and the Corporation and any subsequent renewal or amendment thereof; and

**WHEREAS**, the Corporation and the County have entered into a Transition Agreement dated December 30, 1998, as amended (the "Transition Agreement") for the purpose of facilitating said transfer of facilities and operations during a transition period during which the County will be reducing direct financial support of Westchester County Medical Center in order to alleviate taxpayer burdens and minimize financial risk and the Corporation will be developing financial independence, increased financial flexibility, alternative revenue streams and independent decision making, while maintaining its traditional public service mission to serve the underinsured and uninsured; and

**WHEREAS**, in order to effectuate the purposes of the WCHCC Act, the Corporation is empowered to perform all or part of its purposes, powers, duties, functions, or activities, including the acquisition by purchase and the holding and use of property necessary, convenient or desirable to carry out its corporate purposes, through a subsidiary corporation controlled wholly or in part by the Corporation and formed pursuant to the WCHCC Act and the New York Not-For-Profit Corporation Law; and

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**WHEREAS**, in order to secure to present generations a portion of the benefits intended to be conferred by the MSA and the Decree, and thereby provide a source of financing for a single financial support payment by the County to the Corporation in lieu of certain of the County's current financial support obligations under Section 4.1 of the Transition Agreement, and to further said purpose of the Transition Agreement and certain other County purposes, representatives of the County have advised the Corporation that it is necessary or desirable for the County to sell or transfer its rights, title and interest in and to all or a portion of the moneys to become payable to the County under the MSA and the Decree (hereinafter, the "Tobacco Settlement Revenues") to said subsidiary corporation — in exchange for (among other consideration) the net proceeds of the initial issue of bonds by the subsidiary corporation secured by the Tobacco Settlement Revenues (the "Initial Bonds") and certain residual rights (including the right to receive the net proceeds of future securitizations, if any, of the Tobacco Settlement Revenues) — and thereby facilitate securitizations of such revenues; and

now, therefore, be it

**RESOLVED**, That the President is hereby authorized to take all actions necessary to form a subsidiary corporation, of which the Corporation shall be the sole member, pursuant to the New York Not-For-Profit Corporation Law, subject to all the limitations provided in the WCHCC Act (such subsidiary to be hereinafter referred to as the "WTASC") for the purposes described in the ultimate recital hereof; and be it further

**RESOLVED**, That the WTASC shall have three directors. One director is hereby designated to be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County, *ex officio* (initially, Peter Pucillo). One director is hereby designated to be the representative of the Corporation selected by the Majority Leader of the Westchester County Board of Legislators in accordance with Section 3303(2) of the New York Public Authorities Law (initially, Richard Berman). The third director shall be designated jointly by the other two directors and shall be independent of the Corporation and the County in accordance with the provisions of the Certificate of Incorporation of WTASC; and be it further

**RESOLVED**, That the WTASC shall exercise and perform only such powers as are set forth in the Certificate of Incorporation of the WTASC to facilitate said purpose of the Transition Agreement through securitization of the Tobacco Settlement Revenues to provide a source of financing for certain County financial support obligations to the Corporation, including making an agreement with the holders of any bonds issued by WTASC to include (i) the pledge and agreement of the State of New York set forth in Section 3313 of the WCHCC Act, and (ii) to the extent permitted by the County in any agreement with WTASC, the pledge and agreement of the County set forth in Section 3314 of the WCHCC Act; and be it further

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**RESOLVED**, That the Initial Bonds shall not be issued unless and until the Corporation has approved appropriate amendments of the Transition Agreement implementing the transaction between the County and the Corporation contemplated by this Resolution; and be it further

**RESOLVED**, That this Resolution shall take effect immediately.

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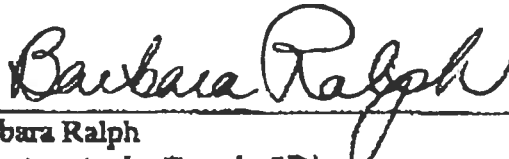
P.05

STATE OF NEW YORK )  
 )ss:  
WESTCHESTER COUNTY )

I HEREBY CERTIFY that I have compared the foregoing Resolution with the original Resolution on file in my office, which was duly adopted by the Governing Board of the Westchester County Health Care Corporation at a legally convened meeting held on the 3rd day of November, 1999 and that the same is a true and complete copy therefrom and the whole of the said original.

I further certify that the full Governing Board consists of 15 voting directors and that 13 of such voting directors were present at such meeting and that 13 of such voting directors voted in favor of the above Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on this 5th day of November, 1999.



Barbara Ralph  
Secretary to the Board of Directors  
Westchester County Health Care Corporation