

**Meeting of the Suffolk Tobacco Asset Securitization Corporation
(STASC)
December 1, 2010**

Minutes

Attendees: Jim Morgo, Chairman and President, STASC; Terrence Pearsall, Treasurer & Secretary, STASC; Robert Fonti, Independent Director, STASC; Eric Naughton, Budget Director, Dennis Brown, Bureau Chief, Municipal Law; Amy Engel, County Executive Assistant, Brian Petersen, AVZ;

Minutes Approved: The minutes from the July 20, 2010 meeting were approved. T. Pearsall made the motion, J. Morgo seconded. Approved unanimously.

Public Authorities Accountability Act (PAAA): There was a discussion about the New York State Authorities Budget Office (ABO) and the new regulations that are in place. STASC sent a letter requesting a waiver from PAAA reporting requirements but there has not been any answer received yet. There still needs to be clarification obtained as to whether online training or previous training for board members will be permitted. If no waiver is granted, Jim indicated that he may resign his post as Chairman/President because the PAAA requirements are quite onerous. It was agreed that another letter should be sent to the ABO requesting that they confirm receipt of the first letter and that they provide a time frame in which we can expect to hear a response.

Retention Agreements: There was a discussion about renewal and terms of agreement for the four companies that provide services to STASC: accounting (AVZ), auditing (Ernst & Young), financial advising (Capital Markets Advisors) and general legal counsel (Farrell, Fritz, P.C.).

There was a brief discussion about the fact that both the accounting firm and the auditors may have more work to do this year due to the PAAA compliance issues. However, AVZ did not raise their fee, even in light of the new responsibilities. AVZ, Ernst & Young and Farrell, Fritz were all approved at the same levels as 2010. Capital Markets was approved at a reduced rate of \$10,000. R. Fonti made the motion and T. Pearsall seconded. Approved unanimously.

Adjourn: Motion to adjourn was made by T. Pearsall, seconded by R. Fonti. Approved unanimously.