

**Chautauqua Tobacco Asset Securitization Corporation ("CTASC")**

**Resolution of the Board of Directors  
May 1, 2007**

WHEREAS, the New York State Legislature has enacted the Public Authorities Accountability Act of 2005 ("the Act"), and CTASC is deemed a "local authority" under the provisions of the Act, and

WHEREAS, the Act requires local authorities such as CTASC to adopt a defense and indemnification plan, therefore be it

RESOLVED, that CTASC hereby adopts an amended defense and indemnification plan for directors and officers of CTASC, as follows:

1. CTASC shall procure directors and officers insurance coverage to be procured through commercial insurers as approved by the CTASC Board from time to time.

2. CTASC shall indemnify its officers and directors as authorized in Article 7 of the New York Not-For-Profit Corporation Law.