

BRENDA K. MORI
STEBEN COUNTY LEGISLATURE
3 EAST PULTENEY SQUARE
BATH, NY 14810

RE: County of Steuben, Local Law 8, 2000, filed 09/05/2000

Village

Local Law No. EIGHT of the year 2000

A local law IN RELATION TO THE SALE BY STEUBEN COUNTY OF ITS RIGHT
(Insert Title)
TO RECEIVE PAYMENTS EXPECTED TO BECOME DUE UNDER THE
MASTER SETTLEMENT AGREEMENT AND THE RELATED CONSENT
DECREE AND FINAL JUDGMENT WITH VARIOUS TOBACCO COMPANIES.

Be it enacted by the LEGISLATURE of the
(Name of Legislative Body)

County
~~ONY~~ of STEBEN as follows:
~~TOWN~~

SECTION 1: LEGISLATIVE INTENT.

The Legislature hereby finds that:

A. The County of Steuben is entitled to receive payments under the Master Settlement Agreement (hereafter the "MSA") and the Consent Decree and Final Judgment of the Supreme Court of the State of New York, County of Steuben, dated December 23, 1998 (hereinafter, as the same may be amended or modified, the "Decree") in the class action entitled State of New York et al v. Phillip Morris Incorporated, et al (Index No. 400361/97); and

B. In order to secure to present generations a portion of the benefits intended to be conferred by the MSA and the Decree it is necessary or desirable for the County to sell all or a portion of its rights, title and interest in, to and under the Decree and in and to the monies payable to the County under the MSA and the Decree (all such rights, title and interest hereinafter collectively referred to as the "Tobacco Settlement Revenues") to a local development corporation to be created by the County pursuant to the Not-For-Profit Corporation Law of the State of New York.

SECTION 2. AUTHORIZATION TO TAKE ALL ACTIONS NECESSARY TO EFFECT SALES AND TO BENEFIT FROM THE CONSIDERATION TO BE RECEIVED FROM SUCH SALES.

The County is hereby authorized to sell to the said local development corporation, and to take any and all actions necessary and desirable to effect one or more sales to the said local development corporation of, the County's rights, title and interest in and to all or a portion of the Tobacco Settlement Revenues and to take any and all actions necessary or desirable to enable the County to benefit from the consideration to be received from any such sale. The Chairman of the County Legislature or his designee(s) may approve the terms and conditions of any such transaction and the form and substance of any agreement of sale or other document necessary or desirable to effect any such transaction including the power to execute and deliver any such agreement or other document as may be approved by the person executing the same and to take any and all other actions necessary or desirable to enter into, facilitate or consummate such transaction, including agreeing to pay certain fees and expenses which will be payable regardless of

(If additional space is needed, attach pages the same size as this sheet, and number each.)

whether or not such transaction is consummated. The County shall use approximately \$9,800,000 of the initial proceeds to be received from said corporation from such sale to finance the defeasance of County obligations and the balance of approximately \$10,000,000 to finance certain capital projects to consist of \$4,800,000 for the proposed 911 Project, \$1,000,000 for the Erwin Sewer Expansion Project, subject to approval by the Governor of Senate Bill No. S.7061 and Assembly Bill No. A.10,113, and the balance to fund a capital reserve for projects having a period of probable usefulness of ten (10) years or more. It is the intent of this local law that a sale by the County of Tobacco Settlement Revenues to the said local development corporation is, and it is hereby deemed to be, a true sale and not a borrowing.

SECTION 3. LOCAL DEVELOPMENT CORPORATION.

The Chairman of the County Legislature or his designee(s) is hereby authorized to take all actions necessary to create a corporation pursuant to the New York Not-For-Profit Corporation Law §1411 (hereinafter, the "Corporation"). The Corporation shall be granted all powers as may be deemed necessary by the Chairman of the County Legislature or his designee(s), which powers shall include, but not be limited to, the power to purchase from the County its right, title and interest in and to all or a portion of the Tobacco Settlement Revenues, to issue bonds, notes and other evidence of indebtedness and other securities and to incur other obligations, to create and transfer assets of the Corporation to a trust or other entity, and to take all other actions as may be necessary in connection therewith.

It is the specific intention of the Legislature that the purpose and scope of the Corporation be limited to the transactions contemplated by this local law including the purchase of Tobacco Settlement Revenues from the County, the financing of any such purchase and related transactions.

SECTION 4. COVENANT AND AGREEMENT.

The County is hereby authorized to covenant and agree with the Corporation in a transaction contemplated by this local law for the benefit of the Corporation and the holders from time to time of any bonds, notes or other obligations or other securities (hereinafter collectively, the "Securities") issued by the Corporation that the County will not limit or alter the rights of the Corporation to fulfill the terms of its agreements with the holders of the Securities or in any way impair the rights and remedies of such holders or the security for the Securities until the Securities, together with the interest due thereon or payable in respect thereof and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The Chairman of the County Legislature or his designee(s) is granted the power to make such a covenant to and agreement with the Corporation and to take any and all actions necessary or desirable to cause such covenant and agreement to be made or enforced. The Corporation is hereby authorized to assign to or for the benefit of the holders of its Securities any covenant or agreement made by the County pursuant to this Section.

SECTION 5. EFFECTIVE DATE.

This local law takes effect upon filing in the office of the Secretary of State as provided by §27 of the Municipal Home Rule Law.

(Complete the certification in the paragraph that applies to the filing of this local law and strike out that which is not applicable.)

1. (Final adoption by local legislative body only.)

I hereby certify that the local law annexed hereto, designated as local law No. EIGHT of 2000 of the ~~(County)(City)(Town)(Village)~~ of STEUBEN was duly passed by the LEGISLATURE on 8/28 2000, in accordance with the applicable provisions of law.
(Name of Legislative Body)

~~2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by the Elective Chief Executive Officer*.)~~

~~I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved)(repassed after disapproval) by the _____ and was deemed duly adopted on _____ 20____, in accordance with the applicable provisions of law.
(Name of Legislative Body)
(Elective Chief Executive Officer*)~~

3. (Final adoption by referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved)(repassed after disapproval) by the _____ on _____ 20____. Such local law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on _____ 20____, in accordance with the applicable provisions of law.
(Name of Legislative Body)
(Elective Chief Executive Officer*)

4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved)(repassed after disapproval) by the _____ on _____ 20____. Such local law was subject to permissive referendum and no valid petition requesting such referendum was filed as of _____ 20____, in accordance with the applicable provisions of law.
(Name of Legislative Body)
(Elective Chief Executive Officer*)

* Elective Chief Executive Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

~~5. (City local law concerning Charter revision proposed by petition.)~~

~~I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the City of _____ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general) election held on _____ 20____, became operative.~~

~~6. (County local law concerning adoption of Charter.)~~

~~I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the County of _____ State of New York, having been submitted to the electors at the General Election of November _____ 20____, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the towns of said county considered as a unit voting at said general election, became operative.~~

(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph _____, above.

Brenda K. Mori, Deputy Clerk

Clerk of the County legislative body, City, Town or Village Clerk
or officer designated by local legislative body

(Seal)

Date: August 30, 2000

(Certification to be executed by County Attorney, Corporation Counsel, Town Attorney, Village Attorney or other authorized attorney of locality.)

STATE OF NEW YORK
COUNTY OF STEUBEN

I, the undersigned, hereby certify that the foregoing local law contains the correct text and that all proper proceedings have been had or taken for the enactment of the local law annexed hereto.

[Handwritten Signature]

Signature

COUNTY ATTORNEY

Title

County
~~CITY~~ of STEUBEN
~~TOWN~~
~~VILLAGE~~

Date: August 30, 2000