

RESTATED CERTIFICATE OF INCORPORATION

OF

MONROE TOBACCO ASSET SECURITIZATION CORPORATION

under Section 805 of the Not-For-Profit Corporation Law

THE UNDERSIGNED, being over the age of eighteen years and the Director of Finance-Chief Financial Officer of the County of Monroe, New York, for the purpose of amending and restating the certificate of incorporation hereby certifies as follows:

1. The name of the Corporation is Monroe Tobacco Asset Securitization Corporation (the "Corporation"). The name has not been changed.
2. The certificate of incorporation of the Corporation was filed by the Department of State on May 11, 2000.
3. The certificate of incorporation of the Corporation is hereby amended and restated as follows:
 - a. Paragraph SIXTH, subparagraph (a) is amended to delete the words "which is described in subparagraph (e) of Paragraph THIRD above" and to add the words "subject to such uses" in the third line after the word "or" such that the subparagraph now reads:

"(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes which include, but are not limited to, the Corporation's responsibilities under the Obligations and the Residual Certificate or, subject to such uses, accrue and be paid to the New York Job Development Authority."

*Adopted
7/20/00*

b. Paragraph SIXTH, subparagraph (b) is amended to add the words "but only if and" in the fifth line after the word "it" such that the subparagraph now reads:

"(b) The property of the Corporation is irrevocably dedicated to charitable purposes. 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, except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it but only if and to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended."

c. Paragraph EIGHTH is amended to delete the words "THIRD above" and to add in place thereof the words "(a) of Section 1411 of the Not-For-Profit Corporation Law" such that the paragraph now reads:

"EIGHTH: 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 debts and liabilities of the Corporation of whatsoever kind or nature (which shall include, but not be limited to the Corporation's responsibilities under the Obligations and the Residual Certificate), distribute all of the remaining assets and property of the Corporation to the County for furtherance of the purposes set forth in paragraph (a) of Section 1411 of the Not-For-Profit Corporation 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."

d. Paragraph NINTH, subparagraph (g) is amended to add the words "including regular members' and directors' meetings at least annually," in the third line after the word "action"; and is further amended to add the words "maintaining a separate telephone line, using the Corporation's own letterhead and business forms" in the fourth line after the word "taken"; and is further amended to delete the words "Regular member's and directors' meetings shall be held at least annually" in the last line after the word "accounts" such that the subparagraph now reads:

"(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, including regular members' and directors' meetings at least annually, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, maintaining a separate telephone line, using the Corporation's own letterhead and business forms, and maintaining accurate and separate books, records, and accounts, including, but not limited to, intercompany transaction accounts;"

e. Paragraph ELEVENTH is amended to delete the words "prior to the first meeting of the Board of Directors requiring the vote of the Independent Director (as hereinafter defined) and at all times thereafter (except as noted hereafter in the event of death, incapacity, resignation or removal)," in the fourth line after the word "and" such that the paragraph now reads:

"ELEVENTH: The Corporation shall be managed by a Board of Directors consisting of three to five Directors, consisting of two ex officio positions including the County Executive of the County and the Director of Finance-Chief Financial Officer of the County (the "Ex Officio Directors"), up to two additional Directors selected by the Member of the Corporation (the "Appointed Directors") and one Independent Director (as hereinafter defined) selected by the Member of the Corporation (the "Independent Director").

The Independent Director must be a person who is not, and has not been for a period of five years prior to his or her appointment as the Independent Director (i) a creditor, customer, supplier, advisor or other person who derives any of its revenues from its activities with the County or its affiliated entities (the County and its affiliated entities other than the Corporation being referred to in this Certificate of Incorporation as the "County Group"); (ii) an official, member, stockholder, director, officer, employee, agent or affiliate of the County Group (the "Principal"); (iii) a person related to any person referred to in clause (i) or (ii); or (iv) any person who receives compensation for administrative, legal, accounting or other professional services from the County Group or a Principal; or (v) a trustee, conservator or receiver for any member of the County Group. In the event of the death, incapacity, resignation or removal of the Independent Director, the Member promptly shall appoint a replacement Independent

Director. The Board of Directors shall not vote on any matter requiring the vote of the Independent Director under this Certificate of Incorporation unless and until the Independent Director is serving on the Board. The Independent Director shall serve for the term of office provided in the By-laws of the Corporation and may be removed by the Member with cause."

f. Paragraph SIXTEENTH is amended to delete the words "a majority of Directors of the Corporation which shall include the affirmative vote of at least three ex officio Directors" and to add in place thereof the words "the affirmative vote of a majority of the entire Board of Directors of the Corporation (unless the provisions thereof to be adopted, amended or repealed expressly refer to the Independent Director, in which case the vote must be the affirmative vote of the entire Board of Directors of the Corporation, including the Independent Director) and the affirmative vote of all the Members of the Corporation" in the first line after the word "by", such that the paragraph now reads:

"SIXTEENTH: The By-laws of the Corporation may be adopted, amended or repealed by the affirmative vote of a majority of the entire Board of Directors of the Corporation (unless the provisions thereof to be adopted, amended or repealed expressly refer to the Independent Director, in which case the vote must be the affirmative vote of the entire Board of Directors of the Corporation, including the Independent Director) and the affirmative vote of all the Members of the Corporation."

g. Paragraph TWELFTH, concerning the initial directors, is deleted because it is not required in a restated certificate of incorporation.

h. Paragraph SEVENTEENTH is amended to add the words "THIRD ABOVE or subparagraph (e) of Paragraph" in the second line after the word "Paragraph"; and is further amended to add the words "to the extent not paid from proceeds of Obligations" in the third line after the word "deemed" such that the paragraph now reads:

"SEVENTEENTH: Any fees and expenses of the Corporation incurred to engage the services described in subparagraph (d) of Paragraph THIRD above or subparagraph (e) of Paragraph NINTH above, and any indemnification payments pursuant to Paragraph FOURTEENTH above shall be

deemed, to the extent not paid from proceeds of Obligations, "operating expenses" as defined in the Indenture pursuant to which any Obligations shall be issued and shall be subject to the conditions applicable to "operating expenses" set forth therein."

i. Paragraph EIGHTEENTH is amended to delete the words "in any manner now or hereafter provided herein or by statute" and to add the words "by affirmative vote of the Members and a majority of the entire Board of Directors" in the second line after the word "Incorporation"; and is further amended to add the word "ELEVENTH" and delete the word "SEVENTEENTH" in the fourth line after the word "NINTH" such that the paragraph now reads:

"EIGHTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation by affirmative vote of the Members and a majority of the entire Board of Directors; provided, however, that so long as any Obligations remain outstanding, the Corporation shall not amend, alter, change or repeal any provision of paragraphs THIRD, FIFTH, NINTH, ELEVENTH AND EIGHTEENTH of this Certificate of Incorporation (the "Restricted Articles") without the affirmative vote of all of the members of the Board of Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director) and the holders of 100% of each class of the Corporation's Membership interests, and provided, further, that the Corporation shall not amend or change any provision of any Article other than the Restricted Articles so as to be inconsistent with the Restricted Articles. No amendment to this Certificate of Incorporation or to the By-laws of the Corporation shall be made without prior written notice to rating agencies which have rated indebtedness of the Corporation which is outstanding at the time of the amendment."

The text of the certificate of incorporation of the Corporation is hereby amended and restated as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

MONROE TOBACCO ASSET SECURITIZATION CORPORATION

THE UNDERSIGNED, being over the age of eighteen years and the Director of Finance - Chief Financial Officer of the County of Monroe, New York, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 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 Monroe Tobacco Asset Securitization Corporation (hereinafter referred to as the "Corporation").

SECOND: The Corporation will be a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and, as provided in Section 1411 of the Not-For-Profit Corporation Law, will be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law. The Corporation shall be a public instrumentality of, but separate and apart from the County of Monroe, New York (the "County").

THIRD: The purpose for which the Corporation is to be formed and operated, exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is to lessen the burdens of government by engaging solely in the following activities:

(a) To acquire from the County all or any portion of the rights of the County under and pursuant to the Master Settlement Agreement ("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, as the same may be amended or modified, in the class action entitled *State of New York et. al. v. Philip Morris Incorporated et. al.* (Index No. 400361/97) including, without limitation, all or any portion of rights of the County to receive the moneys due to it thereunder (the "Tobacco Assets");

(b) To purchase, acquire, own, hold, sell, assign, pledge and otherwise deal with the Tobacco Assets, any collateral securing the Tobacco Assets and any proceeds or further rights associated with the Tobacco Assets;

(c) To issue and sell one or more series or classes of bonds, notes and other obligations (the "Obligations") through public letting, private placement, or negotiated underwriting to finance the acquisition referred to in subparagraph (a) above, secured or collateralized by the Tobacco Assets (or any part thereof). No Obligations shall be issued without the affirmative majority vote of the Directors of the Corporation;

(d) To engage the services of one or more underwriters, placement agents, consultants, attorneys, financial advisors and other persons whose services shall be necessary or desirable in connection with the acquisition and financing referred to above;

(e) To act as depositor, settlor or transferor of a trust (the "Trust") and to deposit, transfer or convey to such Trust a residual certificate issued by the Corporation, subordinate to all Obligations issued by the Corporation, under which all payments of Tobacco Assets, earnings on investments by the Corporation and net proceeds of borrowings by the Corporation (other than refundings) after its initial borrowing, in excess of those necessary to meet the Corporation's expenses and its responsibilities with respect to its Obligations, will be paid to the holder of the Certificate (the "Residual Certificate") and to transfer, sell and assign to the County the Corporation's beneficial ownership of the Trust (the "Beneficial Ownership Interest"); and

(f) In general, to perform any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

FOURTH: The acquisition referred to in subparagraph (a) of paragraph THIRD above and the payment or transfer of moneys and the Beneficial Ownership Interest to the County in consideration therefor will achieve the lawful public purpose of lessening the burdens of government, the carrying out of such purposes and the exercise of the powers conferred on the Corporation being the performance of an essential governmental function.

FIFTH: The operations of the Corporation will be principally conducted within the territory of the County. 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 paragraph THIRD above;

(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 the duly appointed Independent Director (as defined in paragraph ELEVENTH below)) and all of the Corporation's members, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or 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) merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by paragraph THIRD 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 paragraph THIRD hereof or except as expressly permitted in the Indenture or Indentures pursuant to which Obligations shall be issued.

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 or other 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). Every member of the Corporation shall be deemed to have consented to the foregoing by virtue of such member's appointment as member of the Corporation.

SIXTH: Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law:

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes which include, but are not limited to, the Corporation's responsibilities under the Obligations and the Residual Certificate or, subject to such uses, accrue and be paid to the New York Job Development Authority.

(b) The property of the Corporation is irrevocably dedicated to charitable purposes. 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, except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it but only if and to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of paragraph (g) of Section 1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans. The Corporation shall not accept a mortgage loan or loans from the New York Job Development Authority.

SEVENTH: (a) 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.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

EIGHTH: 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 debts and liabilities

of the Corporation of whatsoever kind or nature (which shall include, but not be limited to the Corporation's responsibilities under the Obligations and the Residual Certificate), distribute all of the remaining assets and property of the Corporation to the County for furtherance of the purposes set forth in paragraph (a) of Section 1411 of the Not-For-Profit Corporation 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.

NINTH: The principal office of the Corporation shall be located in the County of Monroe in the State of New York and such office shall be functionally separate from those of any member of the County Group (as defined in paragraph ELEVENTH below) (although such office may be in a facility leased from a member of the County Group on arms-length terms). The Corporation at all times shall:

(a) maintain separate accounting records and other corporate records from those of each member of the County Group;

(b) not divert the Corporation's funds to any other person or for other than the use of the Corporation and not commingle any of the Corporation's assets with those of any member of the County Group;

(c) pay any 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 any member of the County Group;

(d) maintain its own deposit account or accounts, separate from those of any member of the County Group, with commercial banking institutions and/or trust companies;

(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, the costs incurred in so doing shall be fairly allocated to or among the Corporation and such persons for whose benefit the goods and services are provided, and the Corporation and each such person shall bear its fair share of such costs;

(f) conduct its business in its own name and conduct all material transactions between the Corporation and any member of the County Group (as defined in paragraph ELEVENTH) only on an arm's-length basis;

(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, including regular members' and directors' meetings at least annually, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, maintaining a separate telephone line, using the Corporation's own letterhead and business forms, and maintaining accurate and separate books, records, and accounts, including, but not limited to, intercompany transaction accounts;

(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 a member of the County Group);

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

(j) ensure that no member of the County Group will supply funds to, or guarantee debts of, the Corporation;

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

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

(m) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principles and be audited annually and be issued separately from, although they may be consolidated with, any reports prepared for any member of the County Group; and

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

TENTH: The types or classes of Membership in the Corporation and the number of Members of the Corporation shall be described in the By-laws. The Member of the Corporation shall be identified in the By-laws.

ELEVENTH: The Corporation shall be managed by a Board of Directors consisting of three to five Directors, consisting of two ex officio positions including the County Executive of the County and the Director of Finance-Chief Financial Officer of the County (the "Ex Officio Directors"), up to two additional Directors selected by the Member of the Corporation (the "Appointed Directors") and one Independent Director (as hereinafter defined) selected by the Member of the Corporation (the "Independent Director").

The Independent Director must be a person who is not, and has not been for a period of five years prior to his or her appointment as the Independent Director (i) a creditor, customer, supplier, advisor or other person who derives any of its revenues from its activities with the County or its affiliated entities (the County and its affiliated entities other than the Corporation being referred to in this Certificate of Incorporation as the "County Group"); (ii) an official, member, stockholder, director, officer, employee, agent or affiliate of the County Group (the "Principal"); (iii) a person related to any person referred to in clause (i) or (ii); or (iv) any person who receives compensation for administrative, legal, accounting or other professional services from the County Group or a Principal; or (v) a trustee, conservator or

receiver for any member of the County Group. In the event of the death, incapacity, resignation or removal of the Independent Director, the Member promptly shall appoint a replacement Independent Director. The Board of Directors shall not vote on any matter requiring the vote of the Independent Director under this Certificate of Incorporation unless and until the Independent Director is serving on the Board. The Independent Director shall serve for the term of office provided in the By-laws of the Corporation and may be removed by the Member with cause.

TWELFTH: Intentionally Omitted

THIRTEENTH: The duration of the Corporation shall be perpetual.

FOURTEENTH: 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.

FIFTEENTH: The Secretary of New York State 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: Monroe Tobacco Asset Securitization Corporation, c/o Finance Department, 400 County Office Building, 39 West Main Street, Rochester, New York 14614.

SIXTEENTH: The By-laws of the Corporation may be adopted, amended or repealed by the affirmative vote of a majority of the entire Board of Directors of the Corporation (unless the provisions thereof to be adopted, amended or repealed expressly refer to the Independent Director, in which case the vote must be the affirmative vote of the entire Board of Directors of the Corporation, including the Independent Director) and the affirmative vote of all the Members of the Corporation.

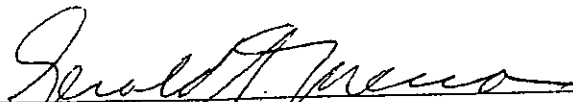
SEVENTEENTH: Any fees and expenses of the Corporation incurred to engage the services described in subparagraph (d) of Paragraph THIRD above or subparagraph (e) of Paragraph NINTH above, and any indemnification payments pursuant to Paragraph FOURTEENTH above shall be deemed, to the extent not paid from proceeds of Obligations, "operating expenses" as defined in the Indenture pursuant to which any Obligations shall be issued and shall be subject to the conditions applicable to "operating expenses" set forth therein.

EIGHTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation by affirmative vote of the Members and a majority of the entire Board of Directors; provided, however, that so long as any Obligations remain outstanding, the Corporation shall not amend, alter, change or repeal any provision of paragraphs THIRD, FIFTH, NINTH, ELEVENTH AND EIGHTEENTH of this Certificate of Incorporation (the "Restricted Articles") without the affirmative vote of all of the members of the Board of Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director) and the holders of 100% of each class of the Corporation's Membership interests, and provided, further, that the Corporation shall not amend or change any provision of any Article other than the Restricted Articles so as to be

inconsistent with the Restricted Articles. No amendment to this Certificate of Incorporation or to the By-laws of the Corporation shall be made without prior written notice to rating agencies which have rated indebtedness of the Corporation which is outstanding at the time of the amendment.

4. The amendments contained herein and the restatement contained herein were approved by the affirmative vote of the sole Member and the affirmative vote of the entire Board of Directors.

IN WITNESS WHEREOF, this Restated Certificate has been subscribed this 20th day of July,
2000 by undersigned.



Gerald J. Mecca
Director of Finance / Chief Financial Officer
County of Monroe Finance Department
400 County Office Building
39 West Main Street
Rochester, New York 14614

RESTATED CERTIFICATE OF INCORPORATION
OF
MONROE TOBACCO ASSET SECURITIZATION CORPORATION

(Under Section 1411 of the Not-For-Profit Corporation Law of the State of New York)

Filed by: Gerald J. Mecca
Director of Finance - Chief Financial Officer
County of Monroe
400 County Office Building
39 West Main Street
Rochester, New York 14614