

WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

Minutes of the JULY 27, 2016 Board of Directors meeting (page 1 of 3)

Noting that the position of Chairman of the Board of Directors is vacant and in accordance with Article II-Section 3 of the Corporation's By-Laws that a Chairman to preside over this meeting can be chosen by the majority of the directors present, the Chairman for this meeting selected was Ann Marie Berg.

Noting a quorum was present; the Westchester Tobacco Asset Securitization Corporation's board meeting was called to order at 11:08 a.m. by Ann Marie Berg, the Chairman for this meeting.

The following items from the agenda were reviewed on an individual basis by the Board members present:

- 1) Approval of the May 12, 2016 at 11:05 Board of Directors minutes.

A motion for approval was made by Richard Wishnie, seconded by Peter Pucillo and unanimously approved.

- 2) Election of Ann Marie Berg as Chairman.

Note: As defined in Article III of the Corporation's By-Laws, the Chairman shall be elected by the Board of Directors at its annual meeting.

A motion for approval was made by Richard Wishnie, seconded by Peter Pucillo and unanimously approved.

- 3) Election of Peter Pucillo as a Director of WTASC.

Note: As defined in Article II section 2(b) of the Corporation's By-Laws.

A motion for approval was made by Ann Marie Berg, seconded by Richard Wishnie and unanimously approved.

- 4) Approval of the 2017 WTASC budget.

A general discussion of the WTASC budget was made by Ann Marie Berg and Dennis Kelly noting the level of revenue is consistent with prior year budgets and the reduction in interest expense of \$723,056 for 2015 Actual versus

WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

Minutes of the JULY 27, 2016 Board of Directors meeting (page 2 of 3)

2017 Budget was primarily due to the significant Turbo bond payment in June 2016 of \$14,045,000. Also noted was the operating expenses are lower by \$9,539 for same comparative period primarily due to Fitch Ratings surveillance withdrawal and avoidance of \$10,000 in surveillance fees.

A motion for approval was made by Peter Pucillo, seconded by Richard Wishnie and unanimously approved.

- 5) Approval of WTASC procurement policy. The need for a procurement policy versus reliance on the WTASC's Travel & Discretionary Funds Policy section 4 was discussed by Ann Marie Berg.

A motion for approval was made by Richard Wishnie, seconded by Peter Pucillo and unanimously approved.

- 6) Approval of Resolution to go forward with the refunding of the 2005 WTASC bonds. The resolution and the timing of the refunding were discussed by the directors noting that prior to approving this resolution; the directors would like to have the Underwriter come in to explain to them the costs and benefits of the refunding of the 2005 Bonds.

This topic was laid on the table until further notice.

A motion for this item to Lay on the Table was made by Peter Pucillo, and seconded by Richard Wishnie and unanimously approved.

- 7) Operations discussion:

a) Fitch Ratings withdrawal of all ratings assigned to U.S. tobacco settlement asset-backed securities and posting of withdrawal on EMMA (*Electronic Municipal Market Access*).

b) S&P Ratings affirmation of WTASC series 1999 AA+ credit rating. The final tranche of \$97,575,000 for the 1999 bonds is due July 15, 2017.

A schedule of Debt Service of Defeased Bonds was presented showing interest and principal payments due, funded by Resolution Funding Corp Interest Strips.

WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

Minutes of the JULY 27, 2016 Board of Directors meeting (page 3 of 3)

Having no other business to attend to, a motion to recess the meeting at 11:48 a.m. was made by Richard Wishnie and seconded by Peter Pucillo and was unanimously approved.