

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION

Special Meeting to Discuss Bond Refinancing

Held On July 25, 2016

A meeting of the Board of Directors of Dutchess Tobacco Asset Securitization Corporation (the "Corporation"), a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation law of the State of New York, was duly called to order at 10am at 22 Market Street, Poughkeepsie, New York.

Mr. Betros opened the meeting. Mr. Wozniak agreed to serve as secretary of the meeting.

Also attending: James M. Fedorchak, President of the Corporation
Ronald Wozniak, Director
Michael Betros, Director
Heidi Seelbach, Treasurer of the Corporation
Beth Ferguson, Financial Advisor
Tom Myers, Legal Counsel,
Orrick, Herington & Sutcliff, LLP, via telephone

Mr. Fedorchak called Mr. Simonetty's cell phone 914-715-2768, and spoke to him prior to the meeting and all attending the meeting heard him state that he agrees to whatever the Board decides as he trusts their judgment.

Mr. Myers indicated that we are getting closer to mailing the disclosure documents; to give you an idea - this is not complete and this is what we are talking about. It describes the bond, the security and the bulk of this relates to tobacco companies, their positions, market shares, who are paying what and histories of payment and party settlement with the tobacco companies and what will be done with respect to the tobacco in the future. There is credit for the tobacco manufacturers to disclosure cigarette sales. That is what is unique of this without or lack of sales tax to non-native Indians. That was one of the big

concerns, how do you calculate the credit, getting the information from the Indian nations which operate casinos and contract with the State, they will share with the State.

Mr. Myers further indicated that: Price the bonds later, and so to get us to that point we prepared a resolution that authorizes Mr. Fedorchak to execute the necessary documents to move it forward and reach a conclusion. This is the last meeting before closing this transaction. Highlight the matter: last week informed by Ned that S&P basically says they need three (3) more weeks. S&P needs to get more rating information and do internal calculations so they need three more weeks. We have been doing a lot of calls and working with counsel to make the documents ready. This is monumental. Mr. Myers continued by saying that the hope was to be able to mail the documents today or tomorrow, however, because of the S&P delay that is not being done.

Mr. Fedorchak asked: is there anything in the capital bond or in the resolution that we are considering today that may be changed because of S&P?

Mr. Myers replied: No, we would not proceed today if we think we would get what we should from S&P.

Mr. Fedorchak asked if S&P pulls the rug, we are on the hook for the ratings fee and global insights which is about \$75,000 in expenses that is our share. We have no control over S&P. S&P and global is what we are committed to.

Mr. Wozniak asked regarding S&P what are the chances they are different?

Mr. Myers responded that we call that a “fitch”. If S&P are pulling a fitch, we have asked S&P – please let us know. The S&P said absolutely not, we are not going in that direction. The S&P board of directors are reviewing the policy and procedures to just do a double check.

In order to proceed there must be a certain rating. S&P collects the information and submits to the committee, then there is an analysis of the

submission, based upon that then the person who made the analysis is then brought before the committee to answer questions from the committee.

Ms. Ferguson believes we should hear the middle of August from S&P.

Mr. Fedorchak inquired if we have to meet during that time, when we receive the ratings from S&P.

Ms. Ferguson also asked: Do we need to approve on the date of the sale?

Mr. Myers stated that we could make a provision for someone else to sign if necessary. The first thing to sign should be after Labor Day. The time frame is probably: receive rating by August 19-20, then we mail it out, then price after Labor Day.

Mr. Wozniak asked when did all of this start?

Mr. Fedorchak replied that it started September or November of 2014. Ms. Ferguson answered this as well, same dates/time frame.

We are approving the various documents, drafts of which were circulated, these documents were: a continuing disclosure document, after you issues the bonds, we have been using BLX to do this on our behalf, we have an indenture, and a bond purchase agreement that tells that we are okay with the bonds and flow to the County.

Mr. Myers indicated that if any modifications are made, they are made pursuant to the review of legal. There is no additional work after issuance of the bond.

Mr. Fedorchak reads the resolved paragraphs of the Resolution indicating that is what is being voted on. Mr. Fedorchak inquired if there are any questions.

Mr. Wozniak votes yes.

Mr. Myers votes yes.

Mr. Fedorchak states: The record will reflect that Mr. Simonetty's call and agreed to whatever we are voting on.

Ms. Ferguson indicates that a trible b is what we are looking for from S&P.

No one opposed.

It was questioned as to whether or not they were voting on behalf of Mr. Simonetty, he had called, however, Mr. Fedorchak indicated no as we must have a visual of his vote, not just by phone.

The meeting was closed at 10:30am.

There being no further business, upon motion duly made, seconded and unanimously adopted, the meeting was adjourned at 10:30am.

Dated: July 25, 2016

Secretary

/kvh