

**AUTHORIZING RESOLUTION  
OF  
THE BOARD OF DIRECTORS  
OF  
NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION; AUTHORIZING AND PROVIDING FOR THE ENGAGEMENT OF BLX GROUP LLC TO PROVIDE A MARK TO MARKET INVESTMENT VALUATION ANALYSIS AS IT RELATES TO THE COMPUTATION OF THE ARBITRAGE REBATE LIABILITY WITH RESPECT TO THE TOBACCO ASSET-BACKED BONDS, SERIES 2014 TO REDUCE THE CURRENT AND FUTURE CUMULATIVE ARBITRAGE REBATE LIABILITY AND FUTURE REBATE PAYMENTS TO THE IRS.**

WHEREAS, the Niagara Tobacco Asset Securitization Corporation issued \$44,295,000 in Asset-Backed Bonds, Series 2014, and

WHEREAS, part of the Bonds were refunded and a portion of the proceeds of were used to refund the Corporation's Tobacco Settlement Asset-Backed Bonds, Series 2000 on October 24, 2014, and

WHEREAS, the 2000 Bonds that were issued on November 9, 2000 had a yield of 6.364237%, and

WHEREAS, the Liquidity Reserve Account of the 2000 bonds was funded with proceeds of the sale of the 2000 Bonds and invested in a Forward Delivery Agreement ("FDA") with Citigroup Financial Products, Inc., and

WHEREAS, at the time the Bonds were issued, due to the lower relative interest rate environment and above market rate of the Citi Forward Delivery Agreement, the Citi FDA was transferred to the debt service reserve account for the Bonds, and

WHEREAS, the portion of the Citi FDA that was terminated resulted in a termination amount of \$347,000 paid by Citi Group Financial Products Inc. to the Corporation such termination payment was applied to pay debt service on the 2000 Bonds, and

WHEREAS, the Termination Amount was taken into account to pay debt service on the cumulative rebate liability with respect to the 2000 Bonds, and

WHEREAS, as of the final redemption date of the 2000 Bonds, the cumulative rebates liability was negative (\$3,969,700), and

WHEREAS, in addition to the termination of a portion of the Citi FDA described above, the portion of the Citi FDA that was not terminated was amended to reflect a new amortization schedule consistent with the Liquidity Reserve Requirement of the Bonds, and the date on which proceeds of the Bonds are utilized to pay outstanding principal of the 2000 Bonds, unspent proceeds of the 2000 Bonds cease to be proceeds of the 2000 Bonds and instead are treated as transferred proceeds of the Bonds, and

WHEREAS, unexpended proceeds from the Liquidity Reserve Account in the amount of \$3,390,000 became Transferred proceeds of the Bonds on October 24, 2014, and

WHEREAS, the investment of the Transferred Proceeds of the Citi FDA at a rate of 6.045% is above the yield on the Bonds of 3.817%, generating positive arbitrage and the projected rebate present value of those payments totals \$1,083,000 for the payments dates March 31, 2019, March 31, 2024, March 31, 2029, March 31, 2034, March 31, 2039 and March 31, 2040, and

WHEREAS, BLX Group LLC has identified an alternative rebate liability analysis for NTASC that could reduce NTASC arbitrage rebate liability, and

WHEREAS, the fee for a (1) summary of Mark-to-Market Analysis as it relates to both the 2014 Bonds and the 2000 Bonds; (2) a Mark-to-Market Evaluation and Opinion, prepared by BLX Swap Advisory Group; (3) a Revised Final Arbitrage Rebate Analysis for the 2000 Bonds for the period ending October 24, 2014, which will reflect the implementation of the Mark-to Market Analysis; (4) An interim Arbitrage Rebate Analysis for the Bonds for the installment computation date of March 31, 2019, which will reflect the implementation of the Mark-to-Market Analysis and (5) a Projected Arbitrage Rebate Liability Summary for the Bonds, which will reflect the implementation of the Mark-to-Market Analysis is a flat fee of \$55,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION, that:

1. The President of the NTASC be and is hereby authorized to pay BLX Group LLC the sum of \$55,000 to provide the NTASC (1) a summary of Mark-to-Market Analysis as it relates to both the 2014 Bonds and the 2000 Bonds; (2) a Mark-to-Market Evaluation and Opinion, prepared by BLX Swap Advisory Group; (3) a Revised Final Arbitrage Rebate Analysis for the 2000 Bonds for the period ending October 24, 2014, which will reflect the implementation of the Mark-to-Market Analysis; (4) An interim Arbitrage Rebate Analysis for the Bonds for the installment computation date of March 31, 2019, which will reflect the implementation of the Mark-to-Market Analysis and (5) a Projected Arbitrage Rebate Liability Summary for the Bonds, which will reflect the implementation of the Mark-to-Market Analysis, and be it further

2. The President be and is hereby authorized to execute any and all documents to effectuate a reduction in the current and future cumulative arbitrage rebate liability payments with respect to the above Bonds to the IRS.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Yea	Nea	Absent Abstain
K. Andrews	[ X ]	[ ]	[ ]
C. Burmaster	[ X ]	[ ]	[ ]
K. Castle	[ X ]	[ ]	[ ]
C. Joerg	[ X ]	[ ]	[ ]
W.K. McNall	[ X ]	[ ]	[ ]
R. Updegrave	[ X ]	[ ]	[ ]
	[ ]	[ ]	[ ]

The Resolution was thereupon duly adopted.

**Effective Date.** This Resolution shall take effect immediately.

