

TSASC, INC.

CURRENT ACTIVITIES, OPERATIONS AND ACCOMPLISHMENTS

The ongoing activities of TSASC, Inc. (“TSASC”) consist of carrying out the requirements of its indenture, including collecting tobacco settlement revenues (“TSRs”), applying TSRs to pay principal and interest on its bonds, remitting to the City of New York any unpledged TSRs and complying with federal tax law in order to maintain the tax exemption of its bonds. In addition, TSASC complies with annual continuing disclosure requirements, issues annual audited financial statements, and complies with state and local reporting requirements.