

**NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION**  
**AUTHORITY MEASUREMENT REPORT**

The major proceeds of the Tobacco Settlement are controlled and maintained by Wilmington Trust, a subsidiary of M & T Bank, as Trustee and Bank of America. We continue to operate on a fixed budget covering operational expenses.

Niagara Tobacco Asset Securitization Corporation continues to rely on the terms and payment thereof from the major tobacco corporations to insure re-payment of interest and other expenses associated with securitization of these funds. With the re-financing of the 2000 Bonds and the 2005 S(4) Turbo Bonds, NTASC has strengthened its ability to pay the principal and interest of the new 2014 Bonds. Current reports and data was obtained during the re-financing process which allowed NTASC to utilize real time data and adjust repayment of the new 2014 Bonds accordingly.

We still assume more smokers are purchasing cigarettes from Indian Reservations, due to the increased tax associated with purchase of domestic cigarettes, and anticipate the continued dispute from the major tobacco corporations regarding the amount due pursuant to the initial Tobacco Settlement with certain funds being withheld in the Disputed Payment Account. We will continue to monitor the amount withheld and deposited into the Disputed Payment Account and continue to seek resolution and full payment from the major tobacco corporations to satisfy the Tobacco Settlement Agreement.