

**MINUTES OF THE MEMBER
NIAGARA TOBACCO ASSET SECURITIZATION CORP. (NTASC)**

April 11, 2014
12:30 P.M.

Shamus Restaurant
98 West Avenue
Lockport, NY 14094

Present: Clyde L. Burmaster
Kyle Andrews
Karen Castle
Sam Ferraro
James Hagenbach
William Ross

Absent: Jeff Glatz
John Ottaviano, Esq.
Guests:
Todd Miles, Esq. – Harris Beach
Susan Schmelzer – Raymond James
Tom Malecki – Drescher & Malecki
Luke Malecki – Drescher & Malecki

The Niagara Tobacco Asset Securitization Corporation Annual Meeting was called to order at 12:42 p.m. by President Burmaster.

APPROVAL OF MINUTES:

The minutes of the January 29, 2014 meeting were provided to all Board Members. A motion was made by Kyle Andrews to accept the minutes as presented. Seconded by Sam Ferraro.

Approved: 6 – 0

TREASURER'S REPORT:

The Treasurer's report through April 11, 2014 was provided to all Board Members for their review. A motion was made by Kyle Andrews to accept the Treasurer's Report as presented. Seconded by Jim Hagenbach.

Approved: 6 – 0

The Board was also given final calculations of the fifteenth annual settlement payment (\$4,078,678.36). It was also explained to the Board, the actual amount deposited may be less as the tobacco agency may deposit into the disputed account. Payment from the actual amount received will be as follows pursuant to the semi-annual direction letter to M&T Bank as Trustee: \$105,000 to NTASC as operating funds for 2014; \$1,268,040.63 to Debt Service for interest on Senior Bonds; and \$1,085,000 to Debt Service Account for principal payment on Bonds.

NEW BUSINESS:

1. Reaffirm the appointment of John Ottaviano, Esq. of Rupp, Baase, Pfalzgraf, Cunningham & Coppola, LCC as Counsel for NTASC for the year 2014.

A motion was made by William Ross to reaffirm the appointment of John Ottaviano, Esq. as Counsel. Seconded by Jim Hagenbach.

Approved: 6 - 0

2. Thomas and Luke Malecki provided the Board with an overview of the annual audit of NTASC for the period ending December 31, 2013. They indicated there are no major changes or events impacting this audit. A motion was made by Sam Ferraro to accept the 2013 annual audit (with the correction of correct municipality). Seconded by Jim Hagenbach

Approved: 6 – 0

3. The Board Members were reminded to complete and return the Annual Evaluations of Board of Directors to Karen at their earliest convenience.

OLD BUSINESS:

1. Todd Miles, Esq. of Harris Beach and Susan Schmelzer of Raymond James are present to provide an update to the 2000 Series Bond refinancing. Difficulties have arisen with objections being raised by Oppenheimer Funds regarding the refinancing of the 2000 Series Bonds. Oppenheimer Funds a primary bondholder of the 2000 Series as well as the sole bondholder of the 2005 Turbo Bonds. Communication is on going with Raymond James and Oppenheimer to resolve their differences. Susan Schmelzer indicates a clear answer should be had within one to two weeks. As she and Todd Miles see it now, NTASC has three options:
 - a. Oppenheimer will tender 2005 Bonds (for cents on the dollar) back to NTASC; NTASC will refinance the 2000 Series Bonds, including a portion of the 2005 Bonds; Niagara County would be proposed to receive residual funds.
 - b. A straight refinance of the 2000 Series Bonds which would allow for the payment of all expenses incurred with all residual funds to Oppenheimer Funds for the subordinate bondholders.
 - c. Do nothing at all. NTASC would still have debt for this indenture (\$125,000 due IHS Global for the Consumption Report and approx. \$100,000-\$125,000 due Fitch Ratings for bond ratings).

No action was taken on this matter. It will be revisited at a later date and time.

The next Board Meeting will be scheduled at the pleasure of Board.

A motion to adjourn was made at 2:26 p.m. by Sam Ferraro. Seconded by Kyle Andrews.

Approved: 6 - 0

Respectfully Submitted,

Karen Castle
Secretary/Treasurer