

RENSSELAER TOBACCO ASSET SECURITIZATION CORPORATION

ANNUAL REPORT

For the Year Ending December 31, 2013

The Rensselaer Tobacco Asset Securitization Corporation (RTASC) is a special purpose local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality, but separate and apart from, Rensselaer County. RTAC was created on November 27, 2001 for the purpose of issuing Asset Backed Bonds in order to provide funds to purchase all of the County's right, title and interest under the nation tobacco Master Settlement Agreement (MSA). RTASC has issued bonds in 2001 and subordinate Capital Appreciation Bonds in 2005.

In 2013, RTASC collected tobacco settlement revenues in the amount of \$2,223,787 and made interest payments of \$1,534,768 on its bonds of and principal payments of \$745,000. Funds held by the trustee, for purposes of services RTASC's debt, earned \$129,739 in interest revenue.

Expenses associated with servicing the corporation's debt and complying with the Public Authorities Accountability Act amounted to \$61,473 and primarily consisted fees for trustee, audit and financial services. The corporation has no compensated staff, real property or equipment.

No new initiatives or financings were undertaken during the year.

Biographies of Board Members

Michael Slawson, President

Mr. Slawson is Chief Fiscal Officer of Rensselaer County

Lisa Massoth, Vice President

Lisa Massoth is a former Rensselaer County Auditor and is currently a Program and Audit Specialist for Rensselaer County Social Services.

Stephen Pechenik, Sec/Treas.

Stephen Pechenik is the Rensselaer County Attorney.

Charles B. Smith

Mr. Smith has held a variety of management positions in both the private and public sectors.

David Stackrow, Independent Director

Mr. Stackrow is a Certified Public Accountant with the firm Scott, Stackrow & Co.