

CHEMUNG TOBACCO ASSET SECURITIZATION CORPORATION
MISSION STATEMENT

As of May 25, 2010

I. BACKGROUND:

Pursuant to Chapter 506 of the Laws of 2009, known as the Public Authorities Reform Act of 2009 ("PARA"), which added a new Section 2824-a in Public Authorities Law ("PAL") state and local public authorities are required to develop and adopt a mission statement and related performance measures to assist the authority determine how well it is carrying out its mission. For local authorities, as defined within PAL Section 2, this Mission Statement and the related Performance Measures are to be filed with the New York State Authority Budget Office ("ABO") by March 31, 2011.

Pursuant to a Certificate of Incorporation filed on the 11th day of October, 2000 (the "Certificate"), the Chemung Tobacco Asset Securitization Corporation (hereinafter, the "Corporation") was established by the County of Chemung (the "County") as a domestic, not-for-profit local development corporation pursuant to Not-for-Profit Corporation Law ("N-PCL") Section 1411. The Corporation constitutes a "local authority" pursuant to PAL Section 2 and therefore is subject to the transparency, compliance and reporting requirements established pursuant to PARA and the Public Authorities Accountability Act of 2005 ("PAAA").

Pursuant to the Certificate and the Corporation's By-laws, the Corporation was established by the County as a single-purpose entity in connection with the County's securitization of revenues under a certain Master Settlement Agreement ("MSA"), dated as of November 23, 1998 and entered into by and among the attorneys general of 46 states (including New York), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands (collectively, the "Settling States") and the four largest United States tobacco manufacturers: Philip Morris Incorporated ("Philip Morris"), R.J. Reynolds Tobacco Company ("Reynolds Tobacco"), Brown & Williamson Tobacco Corporation ("B&W") and Lorillard Tobacco Company ("Lorillard") (collectively, the "original Participating Manufacturers" or "OPMS"). In furtherance of securitizing revenues due the County under the MSA, the County established the Corporation and pledged revenues due under the MSA for securitization purposes. Thereafter, the Corporation participated in certain pooled bond financings, including New York Counties Tobacco Trust I.

II. CORPORATION MISSION STATEMENT

The Corporation was established by the County as a single-purpose financing vehicle to maximize revenues available to the County under the MSA, with the resulting public purpose of benefiting the taxpayers of the County through current and future budget relief and revenue maximization. This public purpose and mission has been accomplished by the Corporation through participation in New York Counties Tobacco Trust I. The Corporation's continuing public purpose and mission is to satisfy its obligations under Trust Indentures associated with

New York Counties Tobacco Trust I and from time to time assess additional MSA revenue securitization opportunities. Additional Corporation purposes and mission include compliance with applicable provisions of PAAA and PARA, along with periodic reporting and audit responsibilities associated with New York Counties Tobacco Trust I.

The Corporation's Sole member shall be the Chairman of the Legislature of the County, ex-officio or his or her designee, who pursuant to the Corporation's Bylaws appoints a Board of Directors which Board shall include four directors who shall serve ex officio, they being the Chairman of the Legislature, the County Executive, the County Treasurer and the County Budget Officer and one director of which shall be an Independent Director. The Corporation is managed by Officers appointed by the Board of Directors, including a President, Vice President, Treasurer and Secretary. The Corporation's stakeholders are therefore the County itself, acting by and through the County Legislature, who in his/her respective elected and appointed capacities serve the citizens and taxpayers of the County.

The Corporation's goals include continued compliance with current obligations and responsibilities associated with its participation in New York Counties Tobacco Trust I. In addition, the Corporation's goals further include collaborative review with the County of future MSA revenue maximization opportunities. In furtherance of these stated goals, the Corporation will endeavor to comply with all applicable provisions of PAAA and PARA. With these stated goals established, the Corporation's values are to maintain the highest ethical standards applicable to the Corporation in furtherance of the Corporation's purposes and powers, as set forth within the Certificate.

III. ANNUAL PERFORMANCE REVIEW MEASURES

The Corporation shall annually review this Mission Statement and identify whether the Corporation (i) continues to meet its stated mission, goals and values; (ii) can quantify measures of improvement to better meet its stated mission, goals and values; (iii) can become more effective and efficient; and (iv) is meeting the interests of the Corporation's stakeholders.

In furtherance of the foregoing Performance Measures, the Corporation shall further undertake the following annual measures:

- 1) Assure that all current Corporation Board members have acknowledged that they have read and understood the mission of the Corporation;
- 2) An annual review and affirmation of the Corporation's membership and board structure;
- 3) An annual review and affirmation of policies regarding Board appointment of Management of the Corporation, along with articulation of the respective roles of each.