



**NIAGARA TOBACCO ASSET
SECURITIZATION CORP.**

**175 Hawley Street
Lockport, NY 14094-2740**

2010 ANNUAL REPORT

2010 was a year of significant change for Niagara Tobacco Asset Securitization Corporation while trying to comply with all the new PARIS requirements and compliance issues with the Authority Budget Office.

Again, the untimely loss of the only Treasurer the Corporation ever had and some different investment issues resulted in many meetings and extras work by the President and Secretary. More board meetings were necessary to keep everyone informed.

Increased compliance and requirements will cause our costs to increase for 2011. We have reassessed our support needs and hired new legal counsel who is familiar with tobacco assets securitization corporations to guide us to assure compliance. We also have retained a new accounting firm who has extensive tobacco assets securitization corporation experience to further bolster the Authority Budget Office requirements.

I am confident our new team will exercise all due diligence to insure the taxpayers' interests are well serviced and will do it's best to insure the best financial outcomes of the Niagara Tobacco Assets Corporation.

Clyde L. Burmaster
President

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