

**MINUTES
OF
MEETING OF THE SOLE MEMBER / AUDIT COMMITTEE /
GOVERNANCE COMMITTEE / BOARD OF DIRECTORS
OF
ROCKLAND TOBACCO ASSET SECURITIZATION CORPORATION**

MEETING – June 12th, 2012 at 5:00 P.M.

1. Sole Member Meeting

In Attendance: C. Scott Vanderhoef, Sole Member
Howard T. Phillips, Jr., Director
N. Aaron Trooder, Director
Stephen DeGroat, Director
Dorothy C. Filoramo, Independent Director
Thomas Simeti, Secretary
Brian J. Quinn, Esq., Counsel

- Mr. Vanderhoef opened the meeting of the Sole Member.
- Secretary Simeti advised that the Notice Meeting has been posted and sent to the newspaper to comply with the requirements of the Open Meetings Law.
- Consent to Waiver of Notice of Meeting signed by Mr. Vanderhoef.
- Minutes of the Meeting of the Sole Member held on March 13, 2012 received and accepted for filing by Mr. Vanderhoef.
- Audited Financial Statements of the Corporation for the year ended December 31, 2011 reviewed and accepted by Mr. Vanderhoef.
- No other business transacted that may properly come before the Sole Member.
- Public Comment: None.
- Meeting of Sole Member closed by Mr. Vanderhoef.

1. Meeting of the Audit Committee

Committee Members: Howard T. Phillips, Jr., Chairman
C. Scott Vanderhoef Member
Stephen DeGroat Member

Others in Attendance: N. Aaron Trooder, Director
Dorothy C. Filoramo, Independent Director
Thomas Simeti, Secretary
Brian J. Quinn, Esq., Counsel

- Chairman Phillips opened the meeting of the Committee.
- Consent to Waiver of Notice of Meeting of Committee signed by Directors in attendance.
- Acceptance of the Audited Financial Statements of the Corporation for the year ended December 31, 2011.

Motion by Director Vanderhoef; Seconded by Director DeGroat; All in Favor; Motion Carried.

- Transaction of other business that may properly come before the meeting.
 - Treasurer DeGroat discussed the financial status of the Corporation and a letter from Orrick Sutcliffe & Herrington recommending that the Corporation transfer of \$300,000 to the Department of Health Tobacco Account.
Motion by Director DeGroat; Seconded by Director Vanderhoef; All in Favor; Motion Carried.
- Discussion regarding Journal News inquiries regarding Corporation and recommendation that any inquiries should be handled through Secretary Simeti.

- Public Comment: None.

- Meeting of the Committee closed.

Motion by Director DeGroat; Seconded by Director Vanderhoef; All in Favor; Motion Carried.

2. Meeting of the Governance Committee

Committee Members: Howard T. Phillips, Jr., Chairman
N. Aaron Trooder, Member
Dorothy Filoramo, Member

Others in Attendance: C. Scott Vanderhoef Member
Stephen DeGroat Member
Thomas Simeti, Secretary
Brian J. Quinn, Esq., Counsel

- Chairman Phillips opens the meeting of Committee.

- Consent to Waiver of Notice of Meeting signed by Directors in attendance.
- Transaction of other business that may properly come before the meeting.
 - Discussion regarding Journal News inquiries regarding Corporation and recommendation that any inquiries should be handled through Secretary Simeti.
- Public Comment: None.
- Meeting of the Committee closed.
Motion by Director Filoramo; Seconded by Director Troodler; All in Favor; Motion Carried

3. Board of Directors Meeting

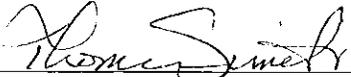
Directors: C. Scott Vanderhoef, Sole Member and Director
Howard T. Phillips, Jr., Director
N. Aaron Troodler, Director
Stephen DeGroat, Treasurer and Director
Dorothy C. Filoramo, Independent Director

Others in Attendance: Thomas Simeti, Secretary
Brian J. Quinn, Esq., Counsel

- Chairman Phillips opened the meeting of Board.
- Consent to Waiver of Notice of Meeting of Board signed by Directors in attendance.
- Report of the Audit Committee received and accepted by the Board.
Motion by Director Troodler; Seconded by Director Filoramo; All in Favor; Motion Carried
- Report of the Governance Committee reviewed and accepted by the Board.
Motion by Director Filoramo; Seconded by Director Troodler; All in Favor; Motion Carried
- Minutes of the Meeting held on March 13, 2012 reviewed and accepted by the Board.
Motion by Director DeGroat; Seconded by Director Vanderhoef; All in Favor; Motion Carried
- Audited Financial Statements of the Corporation for the year ended December 31, 2011 reviewed and accepted by the Board.
Motion by Director Filoramo; Seconded by Director Troodler; All in Favor; Motion Carried
- Ratify, confirm and approve all corporate actions previously taken by the Board of Directors and Officers.
Motion by Director Vanderhoef; Seconded by Director DeGroat; All in Favor; Motion Carried
- Authorize the Directors and Officers to do all things necessary or advisable and proper to carry on the business of the Corporation.
Motion by Director DeGroat; Seconded by Director Vanderhoef; All in Favor; Motion Carried

- Meeting of the Board closed. Motion made by Director Troodler; Seconded by Director Filoramo; All in Favor; Motion Carried.

Dated: June 12, 2012
New City, New York

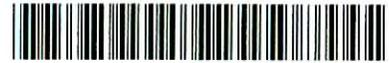


Thomas Simeci, Secretary

Attachment: Financial Statements Year Ended December 31, 2012 prepared by O'Connor Davies, LLP

UBS Muni Bond Derivative Settlement
c/o GCG
P.O. Box 9798
Dublin, OH 43017-5698
(800) 515-4034

UBS



Claim No:1000455

UBS0200040288



August 30, 2012

ROCKLAND TOBACCO ASSET-SECURITIZATION
GENERAL COUNSEL
MONTABANO CONDON & FRANK, PC
67 NORTH MAIN ST.
NEW CITY, NY 10956

NOTICE LETTER

Re: A \$63.3 Million Fund Created as the Result of an Out-of-Court Settlement Between Various State Attorneys General and UBS AG

Dear Eligible Counterparty:

This letter and the accompanying forms contain important information about your eligibility to share in a \$63.3 million settlement fund (the "Fund") established pursuant to an out-of-court settlement between UBS AG ("UBS") and 25 State Attorneys General to resolve matters more specifically explained in "An Agreement Among the Attorneys General of the States and Commonwealths of Alabama, California, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Kansas, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas and Wisconsin and UBS dated May 4, 2011 (referred to herein as either the "Settlement Agreement" or the "Settlement"). A full copy of the Settlement Agreement can be obtained by visiting www.stateAGmunisettlement.com. Capitalized terms used herein and the accompanying forms shall have the same meanings as specified in the Settlement Agreement, unless otherwise noted.

What this Packet Includes: This packet includes: (1) This Notice Letter; (2) an Election to Participate; (3) a Release Form ("Release"); and (4) a Question and Answer Pamphlet.

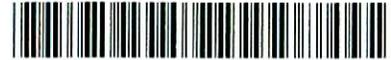
Your Eligibility: You have been identified as an Eligible Counterparty because (1) you entered into one or more Municipal Bond Derivative transactions between January 1, 2001 and December 31, 2004, inclusive; (2) where the provider of the Municipal Bond Derivative who won the bid or was the broker of the Municipal Bond Derivative, was UBS; and (3) the Municipal Bond Derivative has been alleged by the Attorneys General to have been impacted by the Relevant Conduct described in the Settlement Agreement.

Requirements: In order to receive a share of the \$63.3 million Fund, you must complete and submit to the Claims Administrator both (1) the Election to Participate form and (2) the executed Release. Your submission must be postmarked **no later than October 15, 2012**.

Your Share: As identified in paragraph 1 of the Release, if you elect to participate in the Settlement you will receive a payment of **\$55,969.43**.

Release: By signing the Release, you give up your right to sue UBS for certain claims, which include claims being brought against UBS in civil class actions consolidated in the case of *In re Municipal Derivatives Antitrust Litigation*, described further below. A recovery against UBS in a lawsuit, if any, could be greater or less than Your Share under the Settlement Agreement.

As noted above, you may review the Settlement Agreement in its entirety at www.stateAGmunisettlement.com. What follows is (1) a brief summary of the Settlement Agreement; (2) a brief description of the *In re Municipal Derivatives Antitrust Litigation*; and (3) instructions on how to receive payment under the Settlement Agreement and other information. You may also refer to the enclosed Question and Answer Pamphlet for more information.



General Description and Summary of the Settlement Agreement:

The Settlement Agreement describes the details of an investigation conducted by certain Attorneys General that began in Spring 2008. The investigation concerns alleged violations of state and federal antitrust and other laws by UBS and other providers, brokers and advisors, involving the marketing, sale and placement of Municipal Bond Derivatives. The State Attorneys General have alleged in the Settlement Agreement that: (i) certain UBS employees participated in an illegal scheme with other brokers and providers with whom they had relationships to put their mutual pecuniary interest ahead of those of the Municipal Bond Derivative clients they represented; (ii) UBS and other providers and brokers were principal players in the Relevant Conduct¹ and obtained unjust profits as a result; and (iii) the wrongful conduct caused Issuers in virtually every state, district, and territory in the United States to be paid artificially suppressed rates or yields on Municipal Bond Derivative transactions.

Following an investigation by the Attorneys General in which they determined that not all municipal bond derivative transactions entered into by UBS or brokered by UBS were affected by the Relevant Conduct, UBS and the Attorneys General entered into the Settlement Agreement whereby, among other things, UBS agreed to pay restitution to Eligible Counterparties in return for a Release of claims against UBS (as defined in the Release). By claiming from the Fund, you will not give up your right to sue any other entity that may also be responsible for injuries to you related to the Relevant Conduct. You will also not be giving up your right to sue UBS for the time period prior to January 1, 2001 or after December 31, 2006. You will, however, give up your right to sue UBS for the 2001-2006 time period, a period that is longer than the period for which you are being paid under the Settlement Agreement (2001-2004), which means you could not sue UBS for certain claims that are currently being pursued on your behalf in the *In re Municipal Derivatives Antitrust Litigation*, described in the next section. In connection with the *In re Municipal Derivatives Antitrust Litigation*, Class Counsel has submitted comments to the proposed States' Settlement stating their concerns about participation in its proposed distribution. Class Counsel has had an opportunity to review this Notice Packet. In determining whether to participate in the States' Settlement with UBS, prospective recipients should consult counsel. The views of Class Counsel and the Attorneys General in this regard may be obtained by communicating with them directly. Contact information for them is provided in question 21 of the enclosed Question and Answer Pamphlet and Addendum B to that pamphlet.

Any variance between this Notice Letter and the Settlement Agreement will be controlled by the Settlement Agreement.

Related Pending Civil Actions

Beginning in March 2008, UBS AG, was named as a defendant along with numerous other financial institutions and brokers in civil suits filed in state and federal courts in New York, the District of Columbia, California, and West Virginia. To date, 36 such actions have been filed, 32 of which named UBS as a defendant. The named plaintiffs in these complaints are governmental, quasi-governmental, and not-for-profit entities that issue and/or receive the proceeds of municipal bonds and invest those bond proceeds in Municipal Bond Derivatives provided or brokered by the defendants. Some of the cases have been brought as putative class actions on behalf of these entities nationwide, and others as individual actions.

One of these cases is a putative class action on behalf of private and public entities in California under California's Cartwright Act (Business & Professions Code § 16720), which provides for treble damages (triple the amount of actual loss) to a successful plaintiff.

A number of these lawsuits bring class actions on behalf of a putative class of entities that entered into Municipal Bond Derivatives transactions with any provider or broker (not just UBS) at any point in time from 1992 through the present. Thus, you might be both a member of a putative class and also eligible to receive restitution under this Settlement.

All of the cases have now been transferred to the U.S. District Court for the Southern District of New York and consolidated for pretrial proceedings in a single litigation entitled *In re Municipal Derivatives Antitrust Litigation*, MDL No. 1950, Master Civil Action No. 08-2516 (S.D.N.Y.). The complaints allege that the defendants, including UBS, conspired to violate federal and state antitrust laws by allocating customers, and fixing or stabilizing rates of return on certain Municipal Bond Derivatives from 1992 to the present. The lawsuits seek damages, restitution, disgorgement and such other relief as may be granted by the court. These claims include claims based on derivative transactions that you executed and that UBS did not win but where UBS's conduct nonetheless may have affected the ultimate value of that transaction. Also, the class action is seeking compensation for certain types of Municipal Bond Derivatives won by UBS during the period 1992 to the present, a longer period than the 2001-2004 period for which compensation is being paid under the Settlement Agreement.

¹ Relevant Conduct is defined in the Settlement Agreement as UBS engaging in any of the following conduct from January 1, 2001 through December 31, 2006, whether by itself or in concert with others: (i) rigging bids or fixing the prices or other terms and conditions of any Municipal Bond Derivatives; (ii) agreeing not to bid for any Municipal Bond Derivatives; (iii) engaging in any other anticompetitive, deceptive, unfair or fraudulent conduct, including misrepresenting or omitting material facts, relating to any Municipal Bond Derivatives that is described in Paragraphs 1 - 42 of [the Settlement] Agreement (Allegations).



In order to participate in the Settlement, you will be required to sign the Release, which gives up your right to sue UBS for certain claims for damages, including claims being brought in the *In re Municipal Derivatives Antitrust Litigation* or in any suit against UBS you bring on your own.

As with any class action in court, any settlement in the *In re Municipal Derivatives Antitrust Litigation* would have to be approved by a judge. Your allocated share of any recovery resulting from a class resolution, should it occur and be approved by the court, or from the resolution of litigation you institute, may be greater or less than your eligible share under this Settlement.

This Settlement is different from a class action settlement. First, the Settlement is pursuant to the sovereign authority of the 25 State Attorneys General who entered into the Settlement Agreement. Second, the Settlement is an out-of-court settlement and thus has not been subject to preliminary and final court approval proceedings, a fairness hearing or objections.

The accompanying Question and Answer Pamphlet contains a more detailed explanation of the civil actions pending in the Southern District of New York in the *In re Municipal Derivatives Antitrust Litigation* and the contact information for interim class counsel in that case.

Instructions on How You May Receive Payment

To receive a payment from the Fund, you must timely submit to the Claims Administrator the enclosed (1) Election to Participate and (2) Release. You should carefully read through the materials and be sure to submit both the Election to Participate and the executed Release. Failure to submit both forms in accordance with the instructions and as set forth in the Settlement Agreement may result in the rejection of your claim.

The documents must be postmarked **NO LATER THAN OCTOBER 15, 2012**. They should be returned to the following address in the enclosed self-addressed postage prepaid envelope:

UBS Muni Bond Derivative Settlement
c/o GCG
P.O. Box 9798
Dublin, OH 43017-5698

Election to Not Participate or Otherwise Not Respond

If you elect not to participate or otherwise do not respond to this Notice Letter, the Settlement Agreement shall have no effect on the claims or causes of action for damages, disgorgement, restitution or any other relief that you may have against UBS for the Relevant Conduct, including any right you might have to participate in the pending class actions or to pursue your own independent action. **It is recommended that you consult with an attorney for legal advice as to your options.**

Additional Information

For more information please refer to the Question and Answer Pamphlet enclosed with this Notice Letter. You may also:

- Visit the website: www.stateAGmunisettlement.com
- Write the Claims Administrator, GCG, Inc. at:

UBS Muni Bond Derivative Settlement
c/o GCG
P.O. Box 9798
Dublin, OH 43017-5698

Information as to how to contact the private class counsel in the *In re Municipal Derivatives Antitrust Litigation* is contained in the Question and Answer Pamphlet (at Question 21).

Sincerely,
The Claims Administrator