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BLX
ADVISORS • ASSET MANAGEMENT • COMPLIANCE

$199,375,348.20
New York Counties Tobacco Trust V
Tobacco Settlement Pass-Through Bonds
Series 2005 S1 through Series 2005 S4

Broome Tobacco Asset Securitization Corporation

ADMINISTRATIVE AGENT REPORT

December 1, 2017

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November 30, 2017

Broome Tobacco Asset Securitization Corporation
Edwin L. Crawford County Office Building
Binghamton, NY 13902

Re: $199,375,348.20
New York Counties Tobacco Trust V
Tobacco Settlement Pass-Through Bonds
Series 2005 S1 through Series 2005 S4

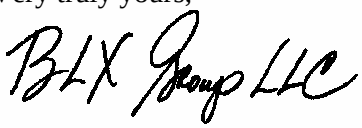
Ladies and Gentlemen:

This report (the "Report") is being delivered to you pursuant to the Administrative Agent Agreement (the "AA Agreement") by and between the Broome Tobacco Asset Securitization Corporation (the "Corporation") and BLX Group LLC. The Report consists of certain calculations and statements made in accordance with Section 4.1(a)(iv) of the AA Agreement and Sections 7.08 and 6.05 of the Series 2005 Supplemental Bond Indenture dated November 1, 2005 (the "Supplemental Indenture") by and between the Corporation and Manufacturers and Traders Trust Company (the "Trustee"). Unless defined herein, all capitalized terms used herein shall have the meanings given such terms in the AA Agreement or Supplemental Indenture as applicable. Specifically, this Report is comprised of the following attachments:

- the Outstanding Bonds as of the next Distribution Date, i.e. December 1, 2017 (the "Next Distribution Date") (see Schedule A hereof);
- the amount of principal to be paid to Bondholders of each Series on the Next Distribution Date, including the amounts of maturing principal, Mandatory Sinking Fund Installments, Turbo Redemption Payments and other redemptions (see Schedule B hereof);
- the amount of interest to be paid to Bondholders of each Series on the Next Distribution Date (see Schedule B hereof);
- the amount on deposit in each Account as of the Next Distribution Date, including the amount on deposit in the Lump Sum Redemption Account (see Schedule C hereof);
- the amounts, and to the extent available, the types of payments constituting TSRs that were received during the preceding 12-month period (see Schedule D hereof);
- whether, to the knowledge of the Corporation, any litigation is pending against the State, the County or the Corporation seeking to invalidate or overturn the MSA, the Local Law, the Agreement or the proceedings pursuant to which the Bonds are issued (see Schedule D hereof).

This Report is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,



BLX Group LLC

Broome Tobacco Asset Securitization Corporation
Schedule A - Outstanding Bonds as of December 1, 2017

Per Section 7.08(a) of the Supplemental Indenture and Section 4.1(a)(iv)(A) of the AA Agreement, the amount of Bonds Outstanding on December 1, 2017 (after the Turbo Redemption described on Schedule B hereof):

Outstanding Current Interest Bonds:	0.00
Outstanding Capital Appreciation Bonds (accreted value):	5,111,544.63
Total Outstanding Bonds:	$5,111,544.63

Broome Tobacco Asset Securitization Corporation
Schedule B - Principal and Interest Payments

Per Section 4.1(a)(iv)(C) of the AA Agreement, the amount of principal to be paid to Bondholders of each Series on December 1, 2017:

Maturing Principal:	$0.00
Mandatory Sinking Fund Installments:	$0.00
Turbo Redemption Payments (accreted value):	$0.00
Other Redemptions:	$0.00

Per Section 4.1(a)(iv)(B) of the AA Agreement, the amount of interest to be paid to Bondholders of each Series on December 1, 2017: $0.00

Broome Tobacco Asset Securitization Corporation
Schedule C - Account Balances as of December 1, 2017

Per Section 7.08(b) of the Supplemental Indenture and Section 4.1(a)(iv)(D) of the AA Agreement, the amount on deposit in each Account as of December 1, 2017 is expected to be: [1]

Collection Account	0.00
Bond Fund	0.00
Lump Sum Redemption Account	0.00
Extraordinary Payment Account	0.00
Turbo Redemption Account	0.00
Rebate Account	0.00

[1] As set forth in the statements provided by the Trustee.

Broome Tobacco Asset Securitization Corporation
Schedule D - TSR Payments and Pending Litigation

Per Section 6.05(a) of the Supplemental Indenture, the amount, and to the extent available, the types of payments constituting TSRs that were received during the preceding 12-month period, is equal to $2,678,363.43

Per Section 6.05(a) of the Supplemental Indenture, to the knowledge of the Corporation, descriptions of any litigation pending against the State, the County or the Corporation seeking to invalidate or overturn the MSA, the Local Law, the Agreement or the proceedings pursuant to which the Bonds are issued follow:

Please see the Appendix herein, which contains an update as of May 31, 2017 to the "Litigation Challenging the MSA, the Qualifying Statute and Related Litigation" section of the Official Statement dated November 15, 2005 prepared in connection with the Bonds.

LITIGATION UPDATE
Litigation Challenging the MSA, the Qualifying Statutes and Related Legislation

General Overview

Certain smokers, smokers' rights organizations, consumer groups, cigarette importers, cigarette distributors, cigarette manufacturers, Native American tribes, taxpayers, taxpayers' groups and other parties have filed actions against some, and in certain cases all, of the signatories to the MSA alleging, among other things, that the MSA and Settling States' Qualifying Statutes and Complementary Legislation are void or unenforceable under certain provisions of law, such as the U.S. Constitution, state constitutions, federal antitrust laws, state consumer protection laws, bankruptcy laws, federal cigarette advertising and labeling law, and unfair competition laws as described below in this subsection. Certain of the lawsuits have further sought, among other relief, an injunction against one or more of the Settling States from collecting any moneys under the MSA and barring the PMs from collecting cigarette price increases related to the MSA. In addition, class action lawsuits have been filed in several federal and state courts alleging that under the federal Medicaid law, any amount of tobacco settlement funds that the Settling States receive in excess of what they paid through the Medicaid program to treat tobacco related diseases should be paid directly to Medicaid recipients.

Qualifying Statute and Related Legislation

Under the MSA's NPM Adjustment, downward adjustments may be made to the Annual Payments and Strategic Contribution Fund Payments payable by a PM if the PM experiences a loss of market share in the United States to NPMs as a result of the PM's participation in the MSA. A Settling State may avoid the effect of this adjustment by adopting and diligently enforcing a Qualifying Statute, as hereinafter described. The State has adopted the Model Statute, which is a Qualifying Statute under the MSA. The Model Statute, in its original form, required an NPM to make escrow deposits approximately in the amount that the NPM would have had to pay to all of the states had it been a PM and further authorized the NPM to obtain from the applicable Settling State the release of the amount by which the escrow deposit in that state exceeded that state's allocable share of the total payments that the NPM would have made as a PM. Allocable Share Release Amendments have been enacted in the State and all other Settling States except Missouri, amending the Qualifying Statutes in those states by eliminating the reference to the allocable share and limiting the possible release an NPM may obtain under the statute to the excess above the total payment that the NPM would have paid had it been a PM.

In addition, at least 45 Settling States (including the State) have passed legislation (often termed "**Complementary Legislation**") to further ensure that NPMs are making escrow payments required by the states' respective Qualifying Statutes, as well as other legislation to assist in the regulation of tobacco sales. Pursuant to the State's Complementary Legislation, every tobacco product manufacturer whose cigarettes are sold in the State, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, is required to certify annually to the Attorney General of the State that it is either a PM or an NPM in full compliance with the State's Qualifying Statute.

The Qualifying Statutes and related legislation (including those of the State), like the MSA, have also been the subject of litigation in cases alleging that the Qualifying Statutes and related legislation violate certain provisions of the U.S. Constitution and/or state constitutions and are preempted by federal antitrust laws. The lawsuits have sought, among other relief, injunctions against the enforcement of the Qualifying Statutes and the related legislation. To date, such challenges have not been ultimately

successful. The Qualifying Statutes and related legislation may also continue to be challenged in the future. Challenges to the Qualifying Statutes and related legislation are described below under "*Litigation*" in this subsection.

A determination that a Qualifying Statute is unconstitutional would have no effect on the enforceability of the MSA itself; such a determination could, however, have an adverse effect on payments to be made under the MSA if one or more NPMs were to gain market share.

A determination that an Allocable Share Release Amendment is unenforceable would not constitute a breach of the MSA but could permit NPMs to exploit differences among states, and thereby potentially increase their market share at the expense of the PMs.

A determination that the State's Complementary Legislation is unenforceable would not constitute a breach of the MSA or affect the enforceability of the State's Qualifying Statute; such a determination could, however, make enforcement of the State's Qualifying Statute against NPMs more difficult for the State.

Litigation

All of the judgments rendered to date on the merits have rejected the challenges to the MSA and Settling States' Qualifying Statutes and Complementary Legislation presented in the cases. In *VIBO*, a tobacco manufacturer who became a party to the MSA in 2004 (General Tobacco) sued the attorneys general of the Settling States, the OPMs, and other SPMs in the U.S. District Court for Western Kentucky in 2008. It alleged that the MSA and the refusal of the PMs to waive the PMs' most-favored nation rights and the Settling States' refusal to settle with the plaintiff on terms that the plaintiff preferred violated the federal antitrust laws and the Equal Protection, Commerce, Due Process, and Compact Clauses of the U.S. Constitution, and that the settling governmental entities fraudulently induced it to enter into the MSA. The plaintiff alleged that MSA participants, such as itself that were not in existence when the MSA was executed in 1998 but subsequently became participants, were unlawfully required to pay significantly more sums to the states than companies that joined the MSA within 90 days after its execution. In 2009, the district court granted motions to dismiss on all claims. First, the district court held that the PMs' involvement in the creation of the MSA, and their assertion of influence on the Settling States by refusing to give up any most favored nation protections that they held under the MSA (and thus deterring the Settling States from providing the plaintiff the settlement terms that the plaintiff desired) was protected from antitrust liability by the *Noerr-Pennington* ("**NP**") doctrine. The judicially created NP doctrine protects from antitrust liability persons or entities that petition or lobby the federal or state government to take actions that may impose restraints on trade. Second, the district court held that the attorneys general's involvement in and enforcement of the MSA, and their refusal to grant the plaintiff certain settlement terms, were sovereign acts of the states and immune from antitrust attack under the state action exemption. Third, the district court ruled that plaintiff had waived all of its federal constitutional challenges based on the Equal Protection, Due Process, and Commerce Clauses when it became a party to the MSA because the MSA provides in Section XV that all parties agree to waive "for the purposes of performance of the [MSA] any and all claims that the provisions of the [MSA] violate the state or federal constitutions". The district court further held that plaintiffs' Compact Clause claim should be dismissed because the MSA does not enhance state power to the detriment of the federal government power. Plaintiff appealed the dismissal of its claims to the U.S. Court of Appeals for the Sixth Circuit. On February 22, 2012, a three judge panel of the U.S. Court of Appeals for the Sixth Circuit ruled that the MSA does not amount to an unlawful conspiracy or anti-competitive behavior by the government and,

accordingly, affirmed the district court's order and dismissed plaintiffs' appeal in this case. The time period for the plaintiffs to file a petition for certiorari to the U.S. Supreme Court expired.

In *Grand River*, certain cigarette manufacturers and distributors who were NPMs brought suit in 2002 against 31 states, including the State, and their attorneys general, alleging, among other things, that the Escrow Statutes contravened the Commerce Clause of the U.S. Constitution, the Sherman Act, and, in the case of plaintiff Grand River, the Constitution's Indian Commerce Clause. The district court had dismissed all claims against the states other than the State for lack of personal jurisdiction, and dismissed all claims except the antitrust claim against the State. On interlocutory appeal, the Second Circuit reversed the district court's dismissal against the non-New York defendants, reversed the dismissal of the dormant Commerce Clause claim, and affirmed the dismissal of the plaintiffs' other constitutional claims. As to the Commerce Clause claim, the Second Circuit held that the plaintiffs "state a possible claim that the practical effect of the challenged statutes and the MSA is to control prices outside of the enacting states by tying both the SPM settlement and NPM escrow payments to national market share, which in turn affects interstate pricing decisions". On remand, the Southern District on March 22, 2011 granted summary judgment to the defendants on all of plaintiffs' Sherman Act and Commerce Clause claims. Plaintiffs appealed to the Second Circuit and petitioned the Southern District to amend its dismissal of plaintiffs' Sherman Act and Commerce Clause claims. On January 30, 2012 the Southern District denied the plaintiffs' motion to amend the Southern District's March 22, 2011 dismissal by summary judgment of plaintiffs' claims that the MSA and related legislation violated the Sherman Act and the Commerce Clause. Plaintiffs then appealed this denial to the Second Circuit. On June 1, 2012 plaintiffs withdrew both appeals before the Second Circuit, which withdrawals were ordered by the Second Circuit on August 10, 2012. The case is now closed before the Second Circuit.

In *Freedom Holdings*, two cigarette importers who were NPMs sought in 2002 to enjoin the enforcement of the State's Qualifying Statute and Contraband Statute, claiming that the MSA and the legislation violated Section 1 of the Sherman Act, and the Commerce Clause of the U.S. Constitution. The Southern District dismissed the plaintiffs' complaint for failure to state a claim. On appeal, a three judge panel of the Second Circuit reversed the district court's dismissal. The Court held that, accepting the allegations of the complaint as true, the complaint alleged an "express market-sharing agreement among private tobacco manufacturers", and that the MSA, Escrow Statutes, and complementary legislation allowed the originally settling defendants to "set supracompetitive prices that effectively cause other manufacturers either to charge similar prices or to cease selling". The Court additionally held that, at the pleading stage, the defendants had not established that the legislation was protected by the state action exemption articulated under *Parker v. Brown* ("**Parker**") and its progeny, or as protected petitioning of government under the NP doctrine. The Court upheld the dismissal of the plaintiffs' Commerce Clause claim—although reserving the dormant Commerce Clause issue that plaintiffs had not asserted—and permitted the plaintiffs to amend to add allegations in their Fourteenth Amendment Equal Protection claim. The Second Circuit issued a subsequent opinion denying a motion for rehearing. The plaintiffs thereafter amended their complaint and brought a motion for a preliminary injunction against the State's Qualifying Statute and Contraband Statute. The district court granted an injunction against the Allocable Share Release Amendment, but otherwise denied the motion. The plaintiffs appealed and the Second Circuit affirmed the district court's denial of the broader preliminary injunction on the ground that plaintiffs had not established irreparable injury. After remand from the Second Circuit, the district court in *Freedom Holdings* conducted an evidentiary hearing and bench trial, and issued judgment for defendants on all of the plaintiffs' claims. The court held that the MSA and its implementing legislation were not illegal per se and not pre-empted by the Sherman Act, that even if it were necessary to reach the

issue of state action exemption, that it shielded the defendants' conduct, and that the MSA and the legislation did not contravene the dormant Commerce Clause. On October 18, 2010, the Second Circuit affirmed the dismissal of the plaintiffs' claims. The U.S. Supreme Court has denied plaintiffs' petition for a writ of certiorari.

In *S&M Brands v. Caldwell*, certain NPMs and cigarette distributors brought an action in a federal district court in Louisiana in 2005 seeking, among other relief: (1) a declaration that the MSA and Louisiana's Qualifying Statute and Complementary Legislation are invalid as violations of the U.S. Constitution and the Federal Cigarette Labeling and Advertising Act; and (2) an injunction barring the enforcement of the MSA and Louisiana's Qualifying Statute and Complementary Legislation. Following the state defendant's motion to dismiss the complaint for lack of jurisdiction, the U.S. District Court for the Western District of Louisiana (the "**Western District**") allowed the case to proceed on claims that the MSA and Louisiana's Complementary Legislation are violations of the federal antitrust laws and of the Compact Clause, Commerce Clause, Due Process Clause and First Amendment of the U.S. Constitution, and the Federal Cigarette Labeling and Advertising Act, and dismissed the claims that alleged violation of the Tenth Amendment of the U.S. Constitution. In September 2009, the Western District granted defendant's motion for summary judgment and dismissed with prejudice all claims by the plaintiffs. In August 2010, the Fifth Circuit affirmed the Western District's order granting summary judgment for the defendants. The Fifth Circuit held that the district court correctly concluded that the MSA did not violate the Compact Clause because the MSA only increases states' power vis-à-vis the PMs and does not result in an accompanying decrease of the power of the federal government. The Fifth Circuit also ruled that the Escrow Statute did not violate the federal antitrust laws for the reasons set forth in its prior decision in *Xcaliber Int'l Ltd. v. Caldwell*, and held that the MSA did not violate federal antitrust laws after adopting the rationales of the Sixth Circuit and other circuits that previously considered the issue. In addition, the Fifth Circuit affirmed the dismissal of plaintiffs' Commerce Clause and Due Process Clause claims because plaintiffs had failed to show that the Louisiana Escrow Statute and the MSA had the effect of increasing cigarette prices outside of Louisiana. With respect to plaintiffs' First Amendment challenge to the MSA and the Escrow Statute, the Fifth Circuit found that the only statute applicable to plaintiffs as NPMs was the Escrow Statute, which the court determined did not compel or abridge plaintiffs' speech. Similarly, the Fifth Circuit found that the MSA and Escrow Statute did not violate the Federal Cigarette Labeling and Advertising Act because plaintiffs are not compelled to join the MSA and the Escrow Statute does not have any connection with cigarette packaging, advertising, or promotion. The U.S. Supreme Court denied plaintiffs' petition for writ of certiorari.

In the other decisions upholding the MSA or accompanying legislation, the decisions were rendered either on motions to dismiss or motions for summary judgment. Courts rendering those decisions include the U.S. Courts of Appeals for the Tenth Circuit in *KT & G Corp. v. Edmondson*, and *Hise v. Philip Morris Inc*.; the Eighth Circuit in *Grand River Enterprises v. Beebe*; the Third Circuit in *Mariana v. Fisher*, and *A.D. Bedell Wholesale Co. v. Philip Morris Inc*; the Fourth Circuit in *Star Sci., Inc. v. Beales*; the Sixth Circuit in *S&M Brands v. Cooper*, *S&M Brands, Inc. v. Summers and Tritent Inter'l Corp. v. Commonwealth of Kentucky*; the Ninth Circuit, in *Sanders v. Brown*; and multiple lower courts.

In January 2011, an international arbitration tribunal rejected claims brought against the United States challenging MSA-related legislation in various states under NAFTA.

The MSA and related state legislation may be challenged in the future. A determination by a court having jurisdiction over the State and the Corporation that the MSA or related State legislation is

void or unenforceable could have a materially adverse effect on the payments by the PMs under the MSA and the amount and/or the timing of Pledged TSRs available to the Corporation and could ultimately result in the complete cessation of the Pledged TSRs available to the Corporation. A determination by any court that the MSA or State legislation enacted pursuant to the MSA is void or unenforceable could also lead to a decrease in the market value and/or liquidity of the Series 2005 TASC Bonds which could adversely affect the amount of pass-through funds available to the Trust to pay NYCTT Bonds Turbo Redemption Payments, and principal of and interest on the Series 2005 NYCTT Bonds.