

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF TSASC, INC.**

April 23, 2021

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on April 23, 2021 at approximately 2:16 p.m. via online conference and telephone.

The following directors or their alternates were present:

Jacques Jiha, Director of Management and Budget of The City of New York (the “City”), represented by David Womack;

Scott M. Stringer, Comptroller of the City, represented by Michael Stern;

James Johnson, Corporation Counsel of the City, represented by Al Rodriguez;

and Sherif Soliman, Finance Commissioner, represented by Robin Lee,

constituting a quorum of the Board. Rita Pasarell served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

The meeting was called to order by Mr. Womack, Chairperson of the Board.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 4, 2020. The minutes were circulated for the Board’s review. There was no discussion and, upon unanimous vote, the resolution was approved.

WHEREAS, the Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on September 4, 2020; it is therefore

RESOLVED, that the minutes of the meeting of the Board of Directors held on September 4, 2020 be, and they hereby are, adopted.

Approval of Budget

The next item on the agenda was approval of the Corporation's budget and financial plan. Mr. Womack noted that pursuant to Section 2801(2) of the Public Authorities Law, the Corporation is required to submit a budget report to the Authorities Budget Office. The budget contains estimated receipts and expenditures for the current and next fiscal year, and the actual receipts and expenditures for the last completed fiscal year, as well as a projected four year plan. The Budget was circulated to the Board for review.

The current projections reflect a non-final number for the received Tobacco Settlement Revenue payment; the Corporation received the second payment but has not received confirmation from New York State that the number is final.

The current projections show an inability of the Corporation to meet its subordinate debt service funding requirements in Fiscal Year 2024 (December of calendar year 2023) unless additional revenues, beyond what is assumed in the budget, are received. The Corporation will continue to monitor this closely, and weigh all options, including refinancings. There being no further discussion, upon unanimous vote, the below resolution was approved.

WHEREAS, TSASC, Inc. (the "Corporation"), pursuant to Section 2801(2) of the Public Authorities Law (the "PAL"), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at least sixty days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

WHEREAS, the Corporation is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

WHEREAS, the Board of Directors of the Corporation has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

RESOLVED, that the Board of Directors of the Corporation approves the budget information and financial plan as attached hereto¹, provided that the Corporation's Comptroller may make non-material changes to the budget and financial plan prior to its submission.

Discussion of EMMA Filing

The next item on the agenda was a discussion of the Corporation's planned filing to the Electronic Municipal Marketplace Access database ("EMMA") regarding receipt of the payment of the April 2021 Tobacco Settlement Revenue distribution. This was a review item only and no vote was taken. After the New York State Attorney General's office confirms that the payment is final, the Corporation will file the EMMA notice. There was no further discussion.

Approval of Directors & Officers Insurance Policies

The next item on the agenda was approval of the Corporation's procurement of Directors & Officers Insurance Policies from several insurance companies through the Corporation's Broker, USI, providing for \$50 million of coverage for the period from June 25, 2021 through June 24, 2022 for directors, members, and officers of the Corporation. Mr. Womack noted that the proposed resolution provides that the annual premium payable by the Corporation to the insurers shall not exceed \$325,000, which includes a large cushion to account for market fluctuations. Last year, the Corporation paid just over \$196,185, but the Corporation's broker recommended the aforementioned cushion due to the current volatility in the insurance market. The broker is in the process of procuring the policies. There being no further discussion, upon unanimous vote, the below resolution was approved.

WHEREAS, despite their diligence and good faith, directors and officers of TSASC, Inc. (the "Corporation") may be subject to potentially large personal financial

¹ Filed with the meeting minutes

liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation; and

WHEREAS, Article VI of the Bylaws of the Corporation provides that the Corporation shall indemnify each member, director and officer, to the fullest extent permitted by law; and

WHEREAS, Directors' and Officers' Liability Insurance is a prudent supplement to such indemnification; it is therefore

RESOLVED, that the Board of Directors hereby approves the procurement of Directors' and Officers' Liability Insurance policies from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen" and together with AIG, Zurich, Liberty Mutual, the "Insurers") or similarly rated insurers, through USI Insurance Services LLC as broker, providing coverage for the period from June 25, 2021 through June 24, 2022 provided that the annual premium payable by the Corporation to the Insurers will not exceed \$325,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President, Vice President, Secretary or other authorized officer of the Corporation shall deem necessary, desirable or appropriate and that the President, Vice President, Secretary or other authorized officer of the Corporation shall be authorized to procure such insurance coverage.

Review Mission Statement and Performance Measures and Authorization to Publish Measurement Report

The next item on the agenda was the approval of the Corporation's Mission Statement and completed Measurement Report. Mr. Womack noted that pursuant to Section 2800 of Public Authorities Law, the Board of Directors previously adopted a Mission Statement and Performance Measures, which are a means for the Corporation to evaluate whether its performance and policies are consistent with its stated mission. There were no proposed changes to the Mission Statement/Performance Measures and the Measurement Report has been completed. There being no discussion, upon unanimous vote, the following resolution was adopted.

WHEREAS, pursuant to Section 2800 of the Public Authorities Law (the "PAL"), the Board of Directors (the "Board") of TSASC, Inc. (the "Corporation") previously adopted a Mission Statement on October 4, 2007 and amended it on March 2, 2011 to add

Performance Measures by which the Corporation could evaluate whether its policies and performance meet the stated goals of its Mission Statement, and subsequently amended the Mission statement and Performance Measures; and

WHEREAS, the Corporation is required to annually review the Mission Statement and Performance Measures and to publish a Measurement Report which utilize the Performance Measures to evaluate whether the Corporation's policies and performance meet the stated mission of the Corporation; and

WHEREAS, the Board has reviewed the Mission Statement and the completed Measurement Report and finds them to be reasonable and accurate; it is therefore

RESOLVED, that Board accepts the Corporation's amended Mission Statement and Performance Measures as attached hereto and authorizes the completed Measurement Report² to be published on the Corporation's website and submitted to the Authorities Budget Office.

Presentation by Audit Committee Chair regarding Audit Committee's Report and Self-Evaluation

The seventh and final item on the agenda was a presentation by Mr. Stern, the Audit Committee Chair. Mr. Stern stated that the Audit Committee had found it was conducting itself in a satisfactory manner in accordance with its charter.

Adjournment

There being no further business to come before the Board, upon unanimous vote, the meeting was duly adjourned.


ASSISTANT SECRETARY

² Filed with the meeting minutes