

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

April 29, 2024

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on April 29, 2024 at approximately 3:17 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York 10007.

The following Board members attended, represented by their designees:

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

Brad Lander, Comptroller of the City, represented by Jay Olson;

Sylvia O. Hinds-Radix, Corporation Counsel of the City, represented by Al Rodriguez;

Preston Niblack, Commissioner of Finance of the City, represented by Dara Jaffee;

and

Adrienne Adams, Speaker of City Council, represented by Hector German,

constituting a quorum of the Board. Claudia Martinez 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, who joined in-person and remotely.

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 prior meeting of the Board held on September 18, 2023. The minutes were circulated for the Board’s review. There was no discussion and, upon unanimous vote, the following resolution was approved:

WHEREAS, the Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on September 18, 2023; it is therefore

RESOLVED, that the minutes of the meeting of the Board of Directors held on September 18, 2023 be, and they hereby are, adopted.

Approval of Budget

The second item on the agenda was the approval of the Corporation’s budget and financial plan. Mr. Womack stated that pursuant to the Public Authorities Law, the Corporation is required to submit a budget report and four year financial plan. He explained that 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. There was a brief discussion and, upon unanimous vote, the following resolution was adopted:

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;

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; and

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 Pending EMMA Filing

The third item on the agenda was a discussion of the Corporation’s planned EMMA filing. Mr. Womack explained that, after receipt of the April 2024 Tobacco Settlement Revenue

¹ Filed with the meeting minutes.

distribution, and confirmation from the New York State Attorney General’s office that the payment is final, the Corporation plans to file an EMMA notice regarding the payment. Mr. Womack noted that TSASC has not yet received this confirmation, but will draft and file the EMMA notice when it does. Further, he noted that the Corporation will provide the EMMA notice to the Board via email. The EMMA notice does not require Board review or approval. Mr. Womack noted that this was a review item only, and no vote was taken.

Approval of Procurement of Directors & Officer’s Insurance

The fourth item on the agenda was the review and approval of the Corporation’s procurement of Directors and Officer’s Insurance. Mr. Womack explain that the proposed resolution would approve the procurement of D&O liability policies from several insurance companies through the Corporation’s broker, USI, providing \$50 million of coverage for the period from June 25, 2024 through June 24, 2025 for directors, members, and officers of the Corporation. Mr. Womack explained that the Corporation’s broker has recommended the Corporation build in a large cushion due to the current volatility in the insurance market. There being no further discussion, upon unanimous vote, the following resolution was adopted:

WHEREAS, despite their diligence and good faith, directors and officers of TSASC, Inc. (the “Corporation”) may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation;

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 of the Corporation 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 \$50,000,000 of coverage beginning June 25, 2024 for a period up to June 24, 2025

provided that the annual premium payable by the Corporation to the Insurers will not exceed \$400,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which President, Vice President, Assistant Secretary or Deputy Treasurer deems desirable or appropriate and that the President, Vice President, Assistant Secretary or Deputy Treasurer shall be authorized to procure such insurance coverage.

Approval of Bond Counsel Agreement

The fifth item on the agenda was the approval of the resolution that would authorize the Corporation to enter into a new agreement with its current bond counsel, Orrick, Herrington & Sutcliffe, LLP (“Orrick”). The Board previously authorized an agreement with Orrick to serve as bond counsel. Mr. Womack noted that the current agreement expires August 31, 2024. Further, he explained that the proposed resolution would approve an agreement for the rates listed in the proposed resolution as it would ensure there is no lapse in service. There being no further discussion, upon unanimous vote, the following resolution was adopted:

WHEREAS, TSASC, Inc. (the “Corporation”) previously entered into an agreement with Orrick, Herrington & Sutcliffe, LLP (“Orrick”) to provide bond counsel services to the Corporation for a period ending June 30, 2022 and subsequently extended that agreement through August 31, 2024; and

WHEREAS, such agreement with Orrick provides for fees in an amount not to exceed \$20,000 per fiscal year; and

WHEREAS, the Corporation anticipates requiring additional bond counsel services which shall exceed the fees authorized in the Corporation’s current agreement with Orrick; and

WHEREAS, to ensure there is no lapse in bond counsel services required in the preparation for and execution of any future transactions, the Corporation seeks to enter into a new agreement with Orrick for bond counsel services for the rates listed in Schedule I below; and

WHEREAS, the Corporation’s Procurement Guidelines Section II(5)(ii) and (iii) allows the Corporation to award contracts on a non-competitive basis if the firm selected provides uniquely required services and if the award represents a continuation of existing services from a previous supplier, which is desirable for purposes of continuity or compatibility; it is therefore

RESOLVED, that the Board of Directors of the Corporation hereby approves the Corporation entering into an agreement with Orrick to serve as bond counsel to the Corporation for rates listed in Schedule I below, provided that such agreement contains such other terms and conditions that the Corporation’s President, Treasurer or Secretary deems prudent and reasonable,

and further provided that, for transactions not listed in Schedule I(c) below the Corporation may choose to utilize the hourly rates set forth in Section I(b) below.

Schedule I

Bond Counsel– Orrick

(a) Hourly rates for services provided until such time as the \$20,000 fees authorized in the Corporation’s current agreement with Orrick are exhausted:

Title	Hourly Rate
Partner	\$854.57
Counsel	\$780.82
Associate	\$639.90
Paralegal	\$280.32

(b) Hourly rates for services provided following the exhaustion of the \$20,000 fees available in the Corporation’s current agreement with Orrick, for an amount not to exceed \$80,000:

Title	Hourly Rate
Partner	\$985
Counsel	\$900
Associate	\$750
Paralegal	\$325

(c) Flat fees for specific transactions:

Transaction Description	Flat Rate
Transactions under the current TSASC Indenture, which do not involve significant amendments to the Indenture	\$350,000
Transactions under the current TSASC Indenture that include significant amendments to the Indenture	\$475,000
Transactions under a new appropriation-backed credit	\$535,000
Tender or exchange offer (additional fee)	\$125,000

Approval of Financial Advisor Contract

The sixth item on the agenda was the approval of the Financial Advisor contract. Mr. Womack explained that, following a competitive request for proposals process, issued in

conjunction with the City of New York and other bond financing entities, the Corporation selected Acacia Financial Group to serve as financial advisor to the Corporation. Mr. Womack further explained that the financial advisors will serve for a term beginning July 1, 2024 and ending June 30, 2028, with two optional one-year extensions, at the Corporation’s discretion without requiring additional Board approval. He described that the hourly fees are listed in the proposed resolution.

There being no further discussion, upon unanimous vote, the following resolution was adopted:

WHEREAS, TSASC, Inc. (the “Corporation”), in conjunction with the City of New York related bond financing entities, has completed a procurement process including a competitive request for proposals for a Financial Advisor; and

WHEREAS, as a result of such procurement process, the Officers of the Corporation have recommended the retention of Acacia Financial Group, Inc. (“Acacia”) to serve as the Financial Advisor to the Corporation; it is therefore

RESOLVED, that the President, Treasurer or Secretary of the Corporation is hereby authorized and directed to enter into agreements in the name of the Corporation whereby Acacia serve as the Financial Advisor to the Corporation, upon such terms as the President, Treasurer or Secretary deems reasonable and appropriate for the fees listed in Schedule I, provided, however, that such agreement shall be effective from July 1, 2024 through June 30, 2028 or until its earlier termination as provided therein, and may be extended at the option of the Corporation without additional action from the Board of Directors of the Corporation required for two additional one-year periods.

Schedule I

Financial Advisor: Acacia Financial Group

Position	Hourly Rate
Co-President	\$425
Managing Director	\$400
Senior Vice President	\$375
Vice President	\$325
Assistant Vice President	\$315
Associate	\$300

Analyst	\$250
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Approval of Mission Statement and Performance Measures, and Authorization to Publish Measurement Report

The seventh item on the agenda was the approval of the Corporation’s Mission Statement and completed Measurement Report. Mr. Womack explained that pursuant to Section 2800 of Public Authorities Law, the Board 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. Mr. Womack stated that changes were proposed, and the measurement report had been completed. He further noted that the proposed resolution would approve the Mission Statement and Performance Measures and authorize the Corporation to publish the completed Measurement Report. There being no further 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;

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 Measures² as attached hereto and authorizes the completed Measurement Report³ to be published on the Corporation's website and submitted to the Authorities Budget Office.

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

The eighth and final item on the agenda was presentation by the Audit Committee Chair, Jay Olson. This was a review item only, and no vote was taken. Mr. Olson, Chairperson of the Audit Committee, summarized the Committee's self-evaluation report for calendar year 2023, which report lists the Committee's actions in the prior year and found that the Committee is functioning in satisfactory manner pursuant to its Charter.

Adjournment

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



SECRETARY

² Filed with the meeting minutes.

³ Filed with the meeting minutes.