

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

April 23, 2014

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on April 23, 2014 at approximately 2:25 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

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| Alan Anders | - alternate for Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”) |
| Michael Stern | - alternate for Scott M. Stringer, Comptroller of the City |
| Raymond Majewski | - alternate for Melissa Mark-Viverito, Speaker of the City Council; |
| John Sarich | - alternate for Michael Hyman, Acting Commissioner of Finance of the City and |
| Albert Rodriguez | - alternate for Zachary W. Carter, Corporation Counsel of the City |

constituting a quorum of the Board. Kathy Blyn 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 and the State of New York.

The meeting was called to order by Mr. Anders.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 11, 2013. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved.

WHEREAS, the Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on September 11, 2013; it is therefore

RESOLVED, that the minutes of the meeting of the Board of Directors held on September 11, 2013 be, and they hereby are, adopted.

Approval of Budget

The second item on the agenda was approval of a budget for the Corporation for fiscal year 2015. Mr. Anders noted that a copy of the budget was included in the packet provided to the Directors and that the budget had been amended since the earlier distribution to reflect additional revenues. Jay Olson, the Treasurer of the Corporation, explained that the additional revenues were the result of the successful resolution of an arbitration relating to revenues that had been payable in 2003. Jeffrey Werner, Counsel to the Office of Management and Budget, then explained that the arbitration related to objections of participating tobacco companies that the State of New York (the "State") had not diligently collected revenues from non-participating companies. He further explained that the arbitration panel concluded that the State had met its obligations and the revenues of the participating companies that had been held in escrow therefore became available to the Corporation. A brief discussion ensued. A motion was made to approve the resolution set forth below with respect to the budget. The motion was seconded and, there being no objections, 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 hereto.

Approval of Directors and Officers Insurance

The third item on the agenda was approval of the procurement of Directors and Officers Liability Insurance. Mr. Anders explained that the proposal at issue was the procurement by Wells Fargo Insurance Services, USA, Inc. of such insurance from several insurance companies and that the insurance would cover the directors, members and officers of the Corporation. He briefly described the terms of such policies. A motion was made to approve the resolution set forth below with respect to the insurance. The motion was seconded and, there being no objections, approved.

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; 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 Corporation hereby approves the procurement of Directors' and Officers' Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen") and Chubb Group of Insurance Companies ("Chubb" and together with AIG, Zurich, Liberty Mutual and Aspen, the "Insurers"), or such other substitute insurers as the President shall determine, providing coverage for the period from May 25, 2014 through May 24, 2015; provided that the annual premium payable by the Corporation to the Insurers, plus the brokers fee, will not exceed \$225,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President or such other officer of the Corporation shall deem necessary,

desirable or appropriate and that the President shall be authorized to procure such insurance coverage.

Annual Approval of Mission Statement and Measurement Report

The fourth item on the agenda was the annual approval of the Corporation's Mission Statement and Measurement Report. Mr. Anders explained that pursuant to the Public Authorities Law the Corporation is required to annually approve its Mission Statement and to publish its Measurement Report. He noted that no changes had been proposed. A motion was made to approve the resolution set forth below with respect to the Mission Statement and Measurement Report. The motion was seconded and, there being no objections, approved.

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 and April 2, 2013; and

WHEREAS, the Corporation is required to annually review the mission statement and performance measurements and to publish a measurement report; and

WHEREAS, the Board has reviewed the mission statement and performance measurements, and the completed measurement report, and found them to be reasonable; it is hereby

RESOLVED that Board accepts the mission statement and performance measurements as attached hereto and authorizes the measurement report to be published on the Corporation's website and submitted to the Authorities Budget Office.

Annual Approval of Policy on the Acquisition and Disposition of Real Property

The fifth item on the agenda was the annual approval of the Corporation's Policy on the Acquisition and Disposition of Real Property (a copy of which was in the packet provided to the Directors). Mr. Anders informed the Directors that the Public Authorities Law requires the annual review and approval of such Policy and that the Governance Committee of the Corporation has recommended the approval. He noted that no changes have been proposed. A

motion was made to approve the resolution set forth below relating to the Policy. The motion was seconded and, there being no objections, approved.

WHEREAS, TSASC, Inc. (the “Corporation”), on July 31, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the “Public Authorities Law”), adopted a Policy on the Acquisition and Disposition of Real Property; and

WHEREAS, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policies; and

WHEREAS, the Governance Committee has reviewed the attached policy and has recommended its approval; it is therefore

RESOLVED, that the Policy on the Acquisition and Disposition of Real Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

Annual Approval of Policy on Disposition of Personal Property

The sixth item on the agenda was the annual review and approval of the Corporation’s Policy on the Disposition of Personal Property (a copy of which was in the packet provided to the Directors), as required pursuant to the Public Authorities Law. Mr. Anders explained that the Governance Committee of the Corporation has recommended the approval of such Policy and that no changes are proposed. A motion was made to approve the resolution set forth below approving the Corporation’s Policy on the Disposition of Personal Property. The motion was seconded and, there being no objections, approved.

WHEREAS, TSASC, Inc. (the “Corporation”), on July 31, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the “Public Authorities Law”), adopted a Policy on the Disposition of Personal Property; and

WHEREAS, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policy; and

WHEREAS, the Corporation has reviewed the attached policy and has deemed it to be reasonable and appropriate; it is therefore

RESOLVED, that the Policy on the Disposition of Personal Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

Appointment of Assistant Treasurer

The seventh item on the agenda was the appointment of Laura Tarbox as Assistant Treasurer of the Corporation. A motion was made to approve the resolution set forth below with respect to such appointment. The motion was seconded, upon which Mr. Anders noted that Ms. Tarbox has been performing the work of such office without the title and this action of the Board would provide her with such title. Congratulations were expressed to Ms. Tarbox by the Directors and, there being no objections, the motion was approved.

WHEREAS, the Board of Directors of TSASC, Inc. (the “Corporation”) is duly authorized pursuant to Section 713 of the New York Not-For-Profit Corporation Law to appoint such officers and employees as it may require for the performance of its duties; and

WHEREAS, the Corporation desires to appoint an Assistant Treasurer to assist the Treasurer in the performance of his duties; and

WHEREAS, the Board believes that Laura Tarbox is highly qualified to assume the duties of Assistant Secretary it is therefore

RESOLVED, that Laura Tarbox is hereby appointed as Assistant Treasurer of the Corporation.

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

The eighth and final item on the agenda was a presentation by Mr. Stern, the Chairperson of the Audit Committee, with respect to the Audit Committee’s Annual Report and self-evaluation. Mr. Stern informed the Directors that the Audit Committee met twice in 2013 and that it is the assessment of the Committee that it has conducted itself in a satisfactory manner.

Adjournment

There being no further business to come before the Board, on motion duly made and seconded, there being no objections, the meeting was duly adjourned.



SECRETARY