

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

May 8, 2025

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on May 8, 2025 at approximately 4:27 p.m., conducted at 255 Greenwich Street, Room 6-M4, 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 Michael Stern;

Muriel Goode-Trufant, Corporation Counsel of the City, represented by Michael Moore;

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. 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, 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 November 14, 2024. The minutes were circulated for the Board’s review. No further discussion was held 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 November 14, 2024; it is therefore

**RESOLVED**, that the minutes of the meeting of the Board of Directors held on November 14, 2024, and they hereby are, adopted.

Approval of Budget

The next 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. Mr. Womack noted that the Subordinate Liquidity Reserve Account will be fully depleted to pay for the upcoming June 1, 2025 debt service payment and the Corporation will need to draw Unpledged TSRs pursuant to the Security Agreement for such payment and upcoming debt service payments for fiscal years 2026, 2027 & 2028. No further discussion was held 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 hereto<sup>1</sup>, provided that the Corporation's Comptroller may make non-material changes to the budget and financial plan prior to its submission.

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<sup>1</sup> Filed with the meeting minutes.

### Discussion of Pending EMMA Filing

The next item on the agenda was a discussion of the Corporation's planned EMMA filing. Mr. Womack explained that, after receipt of the April 2025 Tobacco Settlement Revenue ("TSR") distribution, the Corporation plans to file an EMMA notice. The notice provides information related to the TSRs received, and the need for the Corporation to deplete the Subordinate Liquidity Reserve Fund and utilize Unpledged TSRs pursuant to the Security Agreement, in order to make the June 1, 2025 and December 1, 2025 debt service payments. A draft EMMA notice was provided to the Board. Mr. Womack noted that this was a review item only, and no vote was taken.

### Approval of Procurement of Directors & Officer's Insurance

The next 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, 2025 through June 24, 2026 for directors, members, and officers of the Corporation. The proposed resolution authorizes a not-to-exceed payment of \$410,000, which includes a large cushion to account for market fluctuations. The broker is currently working to procure the policies, and TSASC will have as needed discussions with the policy providers. The Board will be updated once the policies have been procured. There being no further discussion, upon unanimous vote, the below 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, 2025 for a period up to June 24, 2026 provided that the annual premium payable by the Corporation to the Insurers will not exceed \$410,000, 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 Independent Auditor Agreement

The next item on the agenda was a resolution which would authorize the Corporation to enter into an agreement with CBIZ CPAs P.C. ("CBIZ") for independent auditor services. Following a competitive request for proposals, the evaluation committee recommends the selection of CBIZ to serve as independent auditor for the financial statements ending June 30, 2025, 2026, 2027 and 2028, with an optional one-year extension for the financial statements ending June 30, 2029, for the rates listed in the proposed resolution. The Audit Committee has recommended that the Board retain CBIZ as independent auditor. The Corporation's Comptroller, Raymond Lee, was present to answer any questions. There was no discussion, and upon unanimous vote, the below resolution was adopted.

**WHEREAS**, pursuant to a request for proposals for independent auditors, the selection committee of TSASC, Inc. (the "Corporation") has selected the firm of CBIZ CPAs P.C.; and

**WHEREAS**, the Audit Committee has recommended the retention of CBIZ CPAs P.C. as the Corporation's independent auditors; it is hereby

**RESOLVED**, that the President, Secretary, Treasurer or other authorized Officer of the Corporation is authorized to enter into an agreement with CBIZ CPAs P.C. to serve as independent auditor for the Corporation's financial statements for the fiscal years ending June 30, 2025, 2026, 2027 and 2028, with a one one-year extension at the discretion of the Corporation to conduct the audit of the Corporation's financial statements for the fiscal year ending June 30, 2029, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the President, Secretary, Treasurer or other authorized Officer of the Corporation

shall deem necessary, and which agreement shall provide for compensation not to exceed the following rates:

Audit:

<b>Fiscal Year</b>	<b>Fixed Fee</b>
2025	\$20,775
2026	\$21,195
2027	\$21,615
2028	\$22,035
2029*	\$22,455

\* At the discretion of the Authority.

Hourly Rates for Special Projects:

<b>Position</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Shareholder & Managing Director	\$575	\$605	\$635	\$670	\$700
Senior Manager	\$350	\$370	\$390	\$405	\$425
Manager	\$300	\$315	\$330	\$350	\$370
Senior Associate	\$250	\$265	\$275	\$290	\$305
Associate	\$200	\$210	\$220	\$230	\$245

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

The final item on the agenda was presentation by the Audit Committee Chair, Michael Stern. This was a review item only, and no vote was taken. Mr. Stern, Chairperson of the Audit Committee, summarized the Committee’s self-evaluation report for calendar year 2024, 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