

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

November 14, 2024

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on November 14, 2024 at approximately 4:00 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, Acting Corporation Counsel of the City, represented by Al Rodriguez;

Preston Niblack, Finance Commissioner, represented by Dara Jaffee; and

Adrienne Adams, Speaker of City Council, represented by Emre Edev;

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 meeting of the Board held on September 26, 2024. The draft minutes were circulated for the Board’s review. There being no further discussion, upon unanimous vote, the following resolution to adopt such minutes was duly approved:

WHEREAS, the Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on September 26, 2024; it is therefore

RESOLVED, that the minutes of the meeting of the Board of Directors held on September 26, 2024 be, and they hereby are, adopted.

Approval of the Resolution Authorizing the Execution of a Security Agreement and Related Documents Relating to the Tobacco Settlement Bonds, Series 2017A and Series 2017B

The second and final item on the agenda was the approval of a resolution that would authorize the execution of a Security Agreement, and related documents, relating to TSASC's outstanding 2017 A and B Tobacco Settlement Bonds. Mr. Womack explained that at an earlier TSASC Board meeting this year, it was discussed that TSASC will be unable to meet the debt service requirements for its outstanding bonds as early as June 1, 2025. Mr. Womack then provided the details of the pledged and unpledged amounts Tobacco Settlement Revenues, including related operating expenses, debt service payment plan, and purpose of entering into the Security Agreement. The draft Security Agreement was provided to the Board for review.¹ Upon consent from the required parties, the proposed resolution would authorize the execution of the Security Agreement. There was no discussion and the following resolution was approved upon unanimous vote:

WHEREAS, TSASC, Inc. (the "Corporation") entered into an Amended and Restated Indenture, as supplemented by a Series 2017 Supplement (as supplemented, the "Indenture"), each dated as of December 1, 2016, by and between the Corporation and The Bank of New York Mellon, a New York banking corporation, as trustee (the "Trustee"); and

WHEREAS, pursuant to the Indenture, the Corporation issued its \$613,370,000 Tobacco Settlement Bonds, Fiscal 2017 Series A (Senior) (the "Series 2017A Bonds") and its \$489,700,000 Tobacco Settlement Bonds, Fiscal 2017 Series B (Subordinate) (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds"); and

¹ Filed with the meeting minutes.

WHEREAS, in return for entering into the Indenture, the Corporation received on January 19, 2017, consideration in the form of \$705,836,447.71 in cash, constituting the net cash proceeds of the Series 2017 Bonds, and the exchange of \$450,000,000 in principal amount of bonds previously issued by the Corporation for \$450,000,000 in principal amount of Series 2017B Bonds with different terms; and the Corporation used such net cash proceeds to, among other things, defease certain bonds with different terms previously issued by the Corporation and secured by the Pledged TSRs (as defined herein); and

WHEREAS, the Series 2017 Bonds are secured by and payable from, among other things, all of the Corporation's right, title and interest in and to 37.40% of the Tobacco Assets (as defined in the Security Agreement (defined and described herein)) (the "Pledged TSRs"); and

WHEREAS, the 62.60% of the Tobacco Assets owned by the Corporation that are not Pledged TSRs (the "Unpledged TSRs") are not collateral for the payment of the Series 2017 Bonds or any other obligation of the Corporation and are currently deposited into the Unpledged TSRs Subaccount (as defined in the Security Agreement) and then paid by the Trustee from time to time to the TSASC Tobacco Settlement Trust (the "Trust"), as registered owner of the Residual Certificate (as defined in the Security Agreement); and

WHEREAS, in accordance with the terms of the Indenture, the Corporation has determined to provide certain additional credit support to the Series 2017 Bonds as provided in the Security Agreement, attached hereto as Exhibit A (the "Security Agreement"), by and between the Corporation and the Trustee, including to pledge, and grant a security interest in and lien on, the Unpledged TSRs to the Trustee, for the benefit of the holders of the Series 2017 Bonds, in order to secure the obligation of the Corporation to pay any Payment Deficiency (as defined in the Security Agreement), all subject to the terms and conditions set forth in the Security Agreement; and

WHEREAS, the Trust and The City of New York (the "City"), as sole beneficiary of the Trust, are consenting to the execution, delivery, and performance by the Corporation of the Security Agreement; and

WHEREAS, the execution and delivery of the Security Agreement shall not alter any of the terms of the Series 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The Security Agreement in substantially the form attached hereto as Exhibit A is hereby approved. The Corporation has determined that the recitals in the Security Agreement are true and correct. Each of the President, Secretary, Treasurer or Deputy Treasurer of the Corporation (each an "Authorized Representative"), acting alone, is hereby authorized to execute such Security Agreement with such changes, additions and deletions as the person so executing shall approve as necessary or desirable, such approval to be conclusively evidenced by such execution.

Section 2. Any Authorized Representative of the Corporation is hereby authorized to execute and deliver such documents, agreements, instruments and certifications and take such other action as may be necessary or desirable to give effect to this Resolution and the transactions described herein, including but not limited to, authorize the preparation and filing of a Uniform Commercial Code financing statement relating to the Security Agreement.

Section 3. Any Authorized Representative of the Corporation is hereby authorized to pay on behalf of the Corporation any fees or any other expenses that he or she shall deem reasonable and appropriate in connection with the transactions contemplated hereby.

Adjournment

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


SECRETARY