

Approved on
June 11, 2020

**MINUTES OF MEETING
OF AUDIT AND FINANCE COMMITTEE OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

October 16, 2019

At a meeting of the Directors of the New York City Energy Efficiency Corporation ("NYCEEC") comprising the Audit and Finance Committee of NYCEEC (the "Committee"), held at 1359 Broadway, New York, NY, at 4:00 p.m. on October 16, 2019, the following Directors and Officers of NYCEEC were present:

- Marc Khouzami, Director (participated by telephone)
- Sadie McKeown, Director (participated by telephone)
- Renwick Paige, Director (participated by telephone)
- Curtis Probst, Co-President (participated by telephone)
- Fred Lee, Co-President
- Jay Merves, Treasurer

Also present by invitation were Warren Ruppel and Raymond Blake (both participating by telephone) from Marks Paneth LLC, NYCEEC's independent auditor (the "Auditor"); Sean Berry from BTQ Financial (participating by telephone); and Naeemah Lajoie and Mike Kerstetter from NYCEEC. It was noted that a quorum existed and the meeting was called to order.

Reference was made to the Committee meeting package previously provided by e-mail to the members of the Committee (the "Meeting Package").

Reference was made to the minutes of the Committee's prior meeting as provided in the Meeting Package. It was asked if there were any questions or comments on the minutes. None were raised and a motion was made to approve such minutes. The motion was seconded, voted on and unanimously approved.

Reference was made to the Auditor's annual post-audit report for the audit year ended June 30, 2019 included in the Meeting Package and to the financial statements contained therein (the "Financial Statements"). A detailed summary of the information contained in the report was provided and a discussion was had on (among other things) the audit process and timing to-date, and the fact that the audit did not reveal any instances of fraud or illegal acts, conflict of interest matters or any significant deficiencies in NYCEEC's internal controls.

It was also noted that the Auditor expected to be issuing an unmodified, signed opinion on NYCEEC's Financial Statements by the end of the month.

A motion was made to approve the Financial Statements as presented in the Meeting Package and to recommend that NYCEEC's Board of Directors approve the same. The motion was seconded, voted on and unanimously approved.

A further presentation was given on various sections of the Financial Statements. During such presentation it was noted (among other things) that the 2017 loan for the project known as Cubit was put on non-accrual status as of July 1, 2019 and that doing so had a negative impact on NYCEEC's financial statements.

An overview was given on NYCEEC's work with the City of New York (the "City") in establishing the Property Assessed Clean Energy ("PACE") program for the City. It was noted that the City had approved NYCEEC's budget request in the amount of \$2 million over a 3-year period for NYCEEC's role in helping establish and administer the PACE program for and on behalf of the City. Questions were asked and answered.

Reference was made to the materials in the Meeting Package concerning the NYCEEC loans considered to be "special situations", including the loans for the projects known as 55 Wall, Cubit and 11 West 126th Street. An update was provided on the current status of such loans and the underlying projects and efforts to resolve those situations. Various questions were asked and answered.

Upon a motion duly made, seconded and unanimously approved, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Kerstetter", is written over the printed name.

Mike Kerstetter
Meeting Secretary