



Fiscal Year 2019 Annual Report

Pursuant to Section 2800(2)(a) of the Public Authorities Law

NEW YORK CITY ENERGY EFFICIENCY CORPORATION

Reporting Period: FY2019 (July 1, 2018 to June 30, 2019)

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FY2019

Report on Operations and Accomplishments

Name of Public Authority: New York City Energy Efficiency Corporation
(a/k/a "NYCEEC")

Background and Mission:

The New York City Energy Efficiency Corporation (a/k/a "NYCEEC", pronounced "NY-SEEK") is a New York 501(c)(3) not-for-profit, specialty finance company that provides financing for energy efficiency and clean energy projects. As of the end of FY2019, NYCEEC has a fulltime staff of 13 professionals with a broad range and depth of experience.

As a not-for-profit specialty lender, NYCEEC has a mission: "to deliver financing solutions and advance markets for energy efficiency and clean energy in buildings." Impact is NYCEEC's primary concern, yet at the same time, to achieve continued impact, NYCEEC continues to try to ensure the sustainability of the organization. The following discusses both NYCEEC's impact and some of the key elements of NYCEEC's sustainability as a lender.¹

Significant Accomplishments in FY2019:

Overall, NYCEEC's impact in FY2019 showed an increase over the prior year, with an increased focus on low- and moderate-income sector and more robust credit underwriting, both of which are intended to strengthen NYCEEC's foundation for far-greater future growth in impact. A snapshot of NYCEEC's FY2019 impact metrics are summarized below.

<u>Projected Impact Metric</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change</u>
Clean Energy Projects Financed (MM)	\$142	\$152	6.6%
Buildings Upgraded	212	220	3.6%
Affordable Housing Units	4,978	5,395	7.7%

Other notable accomplishments for NYCEEC in FY2019 include:

- financed 10 new projects, for total clean energy project costs financed by NYCEEC of approximately \$152 million as of June 2019;
- continued to work on deepening its partnerships with the City of New York and the New York State government;
- worked with the City of New York to successfully pass legislation authorizing a commercial Property Assessed Clean Energy program in New York City, for which NYCEEC is expected to be the program administrator;
- increased focus on the low- and moderate-income sector (7 of the 10 transactions closed in FY 2019 involved affordable housing properties);

¹ The information provided here is based on the co-CEO's June 18, 2019 Letter to the NYCEEC Board of Directors and the May 1, 2019 NYCEEC Performance Metrics update.

- continued to "advance the field" in several ways, through consulting with green banks, partnering with participants in new low- and moderate-income retrofit models, working to establish new pre-development loan programs, speaking at conferences, publishing case studies, and serving as a model for other community based clean energy lenders and local green banks;
- augmented its credit framework by revising credit underwriting guidelines, and enhancing risk management and construction surveillance processes and procedures;
- explored several new funding sources and worked on creating new financing partnerships;
- hired a new co-CEO; and
- pursued new grant opportunities.

Audited Financials

See Annex

Description of Grants and Subsidies

In FY 2019 NYCEEC did not make any grants nor give any subsidies.

Operating and Financial Risks

NYCEEC is exposed to various risks of loss-related to torts; theft of, damage to, and destruction of assets; non-repayment of loans according to their terms; errors and omissions; and injuries to employees. NYCEEC has established various policies, procedures and other internal control structures to mitigate these risks and also carries commercial insurance coverage for these risks.

Description of Bond Ratings

In FY 2019 NYCEEC did not issue any bonds nor have any bonds outstanding.

Long Term Liabilities

During fiscal year 2019, the corporation subleased office space in Manhattan. The sublease started on September 14, 2018 and extends through October 31, 2027. The sublease is more fully described in the corporation's audited financial statements for FY 2019.

During fiscal year 2019, NYCEEC maintained a contributory, defined-contribution 401(k) plan covering all employees who met specific eligibility requirements. This plan is more fully described in the corporation's audited financial statements for FY 2019.

During fiscal year 2019, NYCEEC had borrowed funds from various lenders, including the Deutsche Bank Americas Foundation, FJC (a New York not-for-profit corporation), Bank of America, the MacArthur Foundation and Deutsche Bank. As of the end of FY 2019, NYCEEC owed approximately \$21.7 million under these loans. These loans are more fully described in the corporation's audited financial statements for FY 2019.

FY2019 Authority Mission Statement and Performance Measurements

Name of Public Authority: New York City Energy Efficiency Corporation
("NYCEEC")

Public Authority's Mission Statement:

The mission of the New York City Energy Efficiency Corporation is to "deliver financing solutions and advance markets for energy efficiency and clean energy in buildings."

Date Adopted: February 6, 2019

Performance Goals: NYCEEC's performance goals for fiscal year 2019 are displayed in the table below.

	Initiative	Measurement	Current	Target annual performance (cumulative)		
			June 2018	FY19	FY20	FY21
Finance projects	Improve portfolio metrics	<ul style="list-style-type: none"> Project costs financed (mil) using NYCEEC debt Median impact metric (a) Capital multiplier (Total project costs financed / NYCEEC total net assets) 	\$144	\$161	\$199	\$245
			\$789	<FY18	<FY19	<FY20
			3.9x (b)	4.6x	5.0x	5.8x
	Increase LMI loan originations	• LMI project costs financed (mil) (c)	\$28.8	\$34	\$44	\$56
	Invest selectively in innovation	• New transaction innovations with potential scale, replicability and partners	(d)	+1	+2	+4
Advance the field	Assist NYC in PACE design, launch and execution	• NYC PACE volumes	n/a	(e)	(e)	(e)
	Develop markets through partnering with other lenders	• Lender partnerships	9	11	15	20
	Engage in "local green bank movement"	• Relationships (e.g., consulting agreements, memberships) with local green banks or relevant member organizations	0	1	3	5
Build capacity	<i>Several initiatives focused on organizational capacity and financial sustainability</i>	<ul style="list-style-type: none"> Liquidity: cash and cash equivalents (mil) Leverage: debt to total assets (target TBD depending on rates, terms and covenants) Capital growth: net assets (mil) (f) 	\$16.1	\$5-\$15	\$5-15	\$5-15
			34%	40-60%	40-60%	40-60%
			\$37.2	\$35.0	\$40.0	\$42.5
Impact multiple	Driving clean energy investment 20x greater than our capital	<ul style="list-style-type: none"> Total direct and indirect EE/CE investment facilitated by NYCEEC activities Total direct and indirect benefits of NYCEEC activities (\$) / NYCEEC net assets (\$) (b) 	\$144	\$166	\$259	\$424
			3.9x	4.7x	6.5x	10.0x

(a) Measures \$ cost per ton of GHG impact of NYCEEC capital by project. Project median mitigates impact of outliers. Calculate as: NYCEEC \$ commitment (less known/expected lender participations) x total loan term / expected lifetime GHG reduction

(b) Based on reported total net assets (contributed capital plus net earnings); \$37.2 million at year-end FY18.

(c) Includes all affordable housing projects and projects located in LMI census tracts.

(d) New metric. Definition to be developed. Cumulative to date number TBD.

(e) Targets will be developed once program terms finalized (post-legislative approval).

(f) FY19 projections assume further write-downs in existing portfolio; beyond FY19, capital growth through grants and retained earnings will be required to meet plan objectives.

Performance Results:¹

In fiscal year 2019, NYCEEC financed 10 new projects, 7 of which were for affordable housing properties. As of the end of fiscal year 2019, NYCEEC's lifetime financing for clean energy projects has enabled approximately \$152 million in project costs and the upgrading of 220 Buildings and 5,395 affordable housing units.

In fiscal year 2019, NYCEEC "advanced the field" by consulting for local green banks, which included receiving a \$50,000 award in connection with assisting the launch of a municipal green bank. Furthermore, during fiscal year 2019, NYCEEC worked with the City of New York to successfully pass legislation authorizing a commercial Property Assessed Clean Energy ("PACE") program in New York City, for which NYCEEC will be the program administrator.

Overall, NYCEEC showed strong performance in fiscal year 2019.

¹ The information provided here is based on the co-CEO's June 18, 2019 Letter to the NYCEEC Board of Directors and the May 1, 2019 NYCEEC Performance Metrics update.

Schedule of Bonds and Notes

See "Schedule of Authority Debt" in PARIS Annual Report for FY 2019

Employee Compensation Schedule

See "Staff Listing" in PARIS Annual Report for FY 2019

Biographies of NYCEEC Board of Directors and Staff

As of June 30, 2019

Directors - as of June 30, 2019

1. Jeff Brodsky
2. Mark Chambers
3. Kim Darga
4. Ashok Gupta
5. Greg Hale
6. Marc Khouzami
7. Sadie McKeown
8. Renwick Paige
9. Bruce Schlein
10. Elizabeth Zeldin

Staff - as of June 30, 2019

1. Posie Constable
2. Erangi Dias
3. Peter Erwin
4. Mayra Kalisch
5. Michael Kerstetter
6. Naeemah Lajoie
7. Susan Leeds
8. Fred Lee
9. Jessica Luk
10. Jay Merves
11. Patrick O'Donnell
12. Curtis Probst

Jeff Brodsky – NYCEEC Director
Vice Chairman
Related Companies

Jeffrey Brodsky is Vice Chairman of Related Companies where he works closely with Related's executive team to optimize business development and drive improved performance and results, across the platform and internationally.

Mr. Brodsky is a member of the Real Estate Board of New York Residential Management Council and the recipient of its 2006 George M. Brooker Management Executive of the year award, the Board of Directors of the Corporation for Supportive Housing, the National Housing Conference, the National Leased Housing Association, the Realty Advisory Board of N.Y., and the Homeland Security Task Force of the Real Estate roundtable. He is the 2009 recipient of the Institute for Real Estate Management (IREM) NY Chapter Certified Property Manager of the Year Award, and is Chairman of Urban Green, the US Green Building Council chapter in New York.

Mr. Brodsky holds a Bachelor of Science degree in Mechanical Engineering from Rensselaer Polytechnic Institute and received a Master's degree in Business Administration from New York University.

Mr. Brodsky was first elected to serve as a NYCEEC director in May of 2011.

Mark Chambers – NYCEEC Director
Director
NYC Mayor’s Office of Sustainability

Mark Chambers most recently served as the Director of Sustainability and Energy for the Government of the District of Columbia, where he led an interdisciplinary team at the Washington D.C. Department of General Services to creatively implement energy management and resource conservation efforts across 30 million square feet of real estate, spanning all the District’s property assets including municipal offices, public schools, public housing, libraries, homeless shelters, data centers, emergency management services and parks and recreation facilities. In this role, he helped lead the development, administration and implementation of the District’s SustainableDC commitments, most notably negotiating the nation’s largest municipal wind and solar renewable power purchase agreements. An urbanist and licensed architect, Chambers has dedicated his career to working on high performance design, zero waste policy and City scale building energy efficiency, with a focus on equitable economic growth, public engagement and promoting transparency through data and innovation.

Chambers holds a bachelors degree in Architecture as well as a masters degree in Public Policy and Management with a concentration in urban and regional economic development from Carnegie Mellon University in Pittsburgh, PA. He and his wife live in Washington Heights with their two children.

Mr. Chambers was designated by the City to serve on NYCEEC’s board in June of 2017.

**Kim Darga– NYCEEC Director
Associate Commissioner of the Division of Preservation
New York City Department of Housing Preservation and Development**

Kim Darga is the Associate Commissioner of the Division of Preservation at the New York City Department of Housing Preservation and Development (HPD), which includes the divisions of Preservation Finance and Property Disposition and Finance. In this role, she leads the agency’s preservation-focused strategic initiatives and financing programs, including development and implementation of initiatives in *Housing New York* and *Housing New York 2.0* – the City’s plan to build and preserve 300,000 affordable units. Kim oversees HPD’s preservation pipeline, including the financing of multifamily, single-family, and mixed-use affordable housing.

Prior to joining HPD, Kim worked in various economic development and urban planning capacities in New York and elsewhere. Kim received a M.P.P from University of Michigan.

Ms. Darga was first appointed to serve as a NYCEEC director in December of 2018.

Ashok Gupta – NYCEEC Director
Senior Energy Economist
NRDC

Ashok Gupta is Senior Energy Economist at the Natural Resources Defense Council (NRDC), a non-profit organization of scientists, lawyers and environmental specialists dedicated to protecting public health and the environment with 1.2 million members, where he works with his colleagues on global warming policies, electric utility regulation, energy efficiency, renewables, sustainable building design and reducing petroleum dependence. He was previously Director of Programs at NRDC as well as the Director of the Air/Energy Program. He has been with NRDC since 1991.

Mr. Gupta served as NRDC's representative on Mayor Bloomberg's Sustainability Advisory Board and Energy Policy Task Force. He received the US Green Building Council's 2007 Leadership Award for Advocacy, the Environmental Steward Award from Solar One in 2006, the Environmental Professional of the Year Award from the Association of Energy Engineers in 2003, and the Environmental Advocates' 2001 Advocate Award for leadership in support of clean air and energy. Mr. Gupta also serves on the Boards of Directors of the Coalition for Environmentally Responsible Economies, Building Energy Exchange, PACE Now, and Bridging the Gap.

Mr. Gupta has a bachelor's degree in physics and math from Georgetown University and a master's degree in economics from American University.

Mr. Gupta was first elected to serve as a NYCEEC director in June of 2016.

Greg Hale – NYCEEC Director
Senior Advisor
Office of the Governor, State of New York

Greg Hale is Senior Advisor to the Chairman of Energy & Finance, Office of the Governor, State of New York, where he is working on the New York State Green Bank and various other clean energy finance and economic development initiatives.

Prior to joining the Governor’s Office, Greg was the Director of Efficiency Finance at NRDC’s Center for Market Innovation, where he focused on developing the market for energy efficiency building retrofits in the commercial, multi-family and institutional property sectors. At NRDC, Greg worked closely with financial institutions, real estate owners and occupants, governmental entities, energy services and technology companies, and NGOs to: (i) make the retrofit business case clear to building owners and occupants; and (ii) develop, promote and scale various innovative financing mechanisms for the retrofit marketplace. Greg’s work also included an emphasis on energy efficiency leasing practices. Greg is a founding board member of the New York City Energy Efficiency Corporation, and served on the steering committee of the PACENow Coalition.

Prior to NRDC, Greg spent 17 years in the real estate industry, first as a real estate lawyer at Skadden, Arps, et al., and then as co-owner and general counsel of Cirque Property L.C., a real estate investment company which acquired, financed, managed and sold a portfolio of properties throughout the western United States.

Greg is a graduate of Dartmouth College and The University of Michigan Law School.

Mr. Hale was first elected to serve as a NYCEEC director in May of 2011.

Marc Khouzami – NYCEEC Director
Director
Deutsche Bank Asset and Wealth Management

Marc Khouzami is a Director in Deutsche Bank's Asset and Wealth Management group. At Deutsche Bank, Mr. Khouzami works as a generalist private equity investor focused on sustainability covering a variety of sectors including energy, waste and water management, recycling, industrials, building materials, packaging, agriculture, and chemicals. Prior to joining Deutsche Bank in 2009, Mr. Khouzami was an Associate at Citi's Alternative Investments, Sustainable Development Investments group which served as a generalist growth equity vehicle of Citi Alternative Investments, making investments in a range of sectors including renewable and alternative energy, energy efficiency, waste and water management, and sustainable materials and products. Before Citi, Mr. Khouzami worked at Paragon Capital Partners, Oxygen Cable and Lehman Brothers.

Mr. Khouzami holds a bachelor's degree in mathematics and economics from Vanderbilt University and an MBA from Columbia University.

Mr. Khouzami was first elected to serve as a NYCEEC director in June of 2016.

**Sadie McKeown – NYCEEC Director
Chief Operating Officer & Executive Vice President
Community Preservation Corporation**

Sadie McKeown is the Chief Operating Officer and Executive Vice President at the Community Preservation Corporation (CPC).

In this capacity, Sadie oversees all of CPC’s lending activities, business operations and investor relations, as well the operation of all Regional Field offices. She is also responsible for the company’s innovative Green Financing Initiative which combines public incentives for energy retrofits with private dollars to reduce a borrower’s energy, heat, and water costs as well as their carbon footprint.

After starting her career at CPC as a Mortgage Originator in 1992, Sadie later served as Senior Vice President and Director of Lending in CPC’s Hudson Valley Region, where she led the company’s Downtown Main Street initiatives.

Sadie earned her Master’s degree in Human Services Administration with a concentration in Housing from Cornell University. She received her Bachelor’s degree in Communications from Fordham University.

Ms. McKeown was first elected to serve as a NYCEEC director in March of 2016.

Renwick Paige – NYCEEC Director
Founder & President
Energy Infrastructure Partners

Renwick (Renny) Paige is the Founding Partner and President of Energy Infrastructure Partners.

Renny has spent over 28 years in infrastructure finance and private equity. He led transportation, utility and education financings at Lehman Brothers and launched the project finance and air cargo product lines for Financial Guaranty Insurance Company (GE Capital). He led the Acquisitions Department at US Water and also worked at JP Morgan.

Renny received a JD from University of Pennsylvania Law School and also attended Wharton Graduate School and received a BA from Amherst College.

Mr. Paige was first elected to serve as a NYCEEC director in March of 2012.

Bruce Schlein – NYCEEC Director
Director, Community Reinvestment Act Business Strategy & Execution
Citi

Bruce Schlein is a Director in Citi's Community Reinvestment Act (CRA) Business Strategy & Execution group, where he develops clean energy solutions for low and moderate income households and communities, having recently transitioned from Citi's Alternative Energy Finance (AEF) group in Capital Markets Origination.

Prior to AEF, Bruce served as Director of Corporate Sustainability with Citi business and operations units to identify and develop solutions for emerging environmental and social issues and opportunities. Previously he worked as a sustainability specialist for Bechtel on petrochemical and civil projects in China and Romania, and for international development agencies including Save the Children, Catholic Relief Services in Bosnia Herzegovina and the U.S. Peace Corps in Papua New Guinea.

Bruce is a graduate of Cornell University and holds a Masters in International Affairs from Johns Hopkins Nitze School of Advanced International Studies (SAIS).

Mr. Schlein was first elected to serve as a NYCEEC director in June of 2016.

Elizabeth Zeldin – NYCEEC Director
Senior Program Director
Enterprise Community Partners, Inc.

Elizabeth Zeldin is a Senior Program Director at Enterprise Community Partners, Inc. At Enterprise, Ms. Zeldin leads a team that has developed and executed a new neighborhood-focused program at Enterprise, weaving affordable housing preservation with capacity building, green, resilience, and health. Ms. Zeldin started at Enterprise in 2007 as a lending program officer. Prior to joining Enterprise, Ms. Zeldin worked at the New York City Department of Housing Preservation and Development, HR&A Advisors, New York City Independent Budget Office and other organizations.

Ms. Zeldin holds a bachelor's degree in economics from Rutgers University and a Masters in economics from New York University.

Ms. Zeldin was first elected to serve as a NYCEEC director in June of 2016.

Posie Constable
Director, Business Development
NYCEEC

Posie heads NYCEEC's business development efforts to provide financing for projects that save energy or reduce greenhouse gases. She has spearheaded NYCEEC's efforts to help buildings comply with the City's Clean Heat law (Local Law 43) by providing innovative funding throughout the five boroughs for heavy oil fuel conversions.

With over 28 years of experience at various firms on Wall Street, Posie has served as trading manager of various asset classes, managed the business development and origination of new products and acted as industry spokesperson in operations, accounting and regulatory matters.

Posie holds an MBA in Finance from Fordham University and is a graduate of University of Colorado, Boulder (Asian Studies). She received her certificate in Landscape Design from the New York Botanical Gardens.

Ms. Constable was hired in March of 2012.

Erangi Dias
Associate Director, Business Development
NYCEEC

Erangi is an Associate Director of Business Development for NYCEEC. Erangi sources and executes financing transactions for new projects that save energy or reduce greenhouse gases, working with customers to understand their financing needs, and provide custom solutions.

Prior to joining NYCEEC, Erangi was a Vice President at Citigroup, where she held roles in Corporate and Investment Banking, and Credit Risk Management. While at Citigroup, she spent five years focusing on Project Finance, primarily in the Renewable Energy sector. Erangi has worked on numerous structured financings for Wind, Solar and Geothermal projects in North America.

Erangi holds a BS in Economics from the Wharton School at the University of Pennsylvania.

Ms. Dias was hired in April of 2015.

**Peter Erwin -
Program Associate
NYCEEC**

Peter is a Program Associate for NYCEEC. Peter manages NYCEEC initiatives related to the City of New York, as well as communication with various stakeholders in the clean energy financing sphere. Peter has experience in real estate finance and urban planning.

Prior to joining NYCEEC, Peter was a Project Manager at the New York City Department of Housing Preservation & Development (HPD), where he led the financing of numerous rehabilitation projects for affordable multi-family housing. Peter's development experience includes public and private capital sources, Low-income Housing Tax Credits, Brownfield Redevelopment Tax Credits, and New York City affordable housing policy.

Peter holds an MS in Urban Planning from Columbia University and a BA in Mathematics from Hamilton College.

Mr. was hired in October of 2017.

Mayra Diaz-Kalisch
Executive Assistant
NYCEEC

Mayra is the Executive Assistant to the CEO and Administrative Coordinator for the NYCEEC Team. She is responsible for assisting the CEO and the Director of Operations as well as supporting the overall efforts of the NYCEEC team. With more than 20 years of experience supporting executives and managing offices, Mayra brings to this role a deep knowledge and experience working with public and private boards, organizing meetings and speaking events, and overall office management.

Prior to joining NYCEEC, Mayra served as Administrative Assistant to the President of The Deutsche Bank Americas Foundation/Community Development Finance Group in New York from 2013-2017.

Mayra has served on the steering committee for Philanthropy New York's Assistants and Coordinators Network (PACNET), attended SUNY's Empire State College, and has received additional training in social media from the Social Media School and Media Bistro.

Ms. Kalisch was hired in April of 2017.

Michael Kerstetter
Deputy General Counsel
NYCEEC

Michael is NYCEEC's Deputy General Counsel. He assists the Director of Legal & Business Development in managing the day-to-day legal affairs and operations of the organization and provides legal advice on various programs and projects. In addition, Michael provides support to NYCEEC's transaction managers in negotiating and closing financing and other transactions.

Michael has broad experience advising clients on various corporate matters and representing them on a diverse array of commercial, financial, climate change mitigation and adaptation, real estate, and other transactions. Prior to joining NYCEEC, he was Counsel at the New York City Economic Development Corporation and was a Research Fellow at the Sabin Center for Climate Change Law at Columbia Law School. Michael started his legal career at White & Case LLP as a project finance and climate change attorney in the firm's New York and Abu Dhabi offices. He also served for over four years in the United States Coast Guard.

Michael holds a JD from Fordham University School of Law and a BA in Editorial Journalism from the University of Washington. He is admitted to practice in New York.

Mr. Kerstetter was hired in March of 2015.

Naeemah Lajoie
Director, Operations
NYCEEC

Naeemah is the Director of Operations for NYCEEC. Naeemah is responsible for managing the operational and administrative affairs of the organization.

Prior to joining NYCEEC, Naeemah served as Director of Budget and Planning for the City of New York's Energy Management team at the Department of Citywide Administrative Services (DCAS), where she was instrumental in developing and managing financial and operational tools in support of the City's PlaNYC and One City: Built to Last initiatives to reduce greenhouse gas emissions from City government operations. Naeemah has over 15 years of finance, strategy, and operational experience in the private, not-for-profit and public sectors. She began her career in the financial services industry with tenures in Equity Research at Merrill Lynch, and in Credit Portfolio Management at Credit Suisse.

Naeemah holds a Bachelor of Business Administration in Finance from Eastern Michigan University, and received a Professional Certificate in Not-For-Profit Accounting and Governmental Reporting from New York University.

Ms. Lajoie was hired in November of 2015.

Fred Lee
Director, Legal and Business Development
NYCEEC

Fred is the Director of Legal and Business Development for NYCEEC. Fred manages the day-to-day legal affairs of the organization, in addition to leading underwriting and execution of new transactions.

Fred has experience in clean tech, real estate finance and the public sector. Prior to joining NYCEEC, Fred was Assistant Director in the Center for Economic Transformation at the New York City Economic Development Corporation, where he led the Clean Technology and Energy team. He served as project lead on a variety of energy efficiency and renewable energy projects and focused generally on developing the clean technology and energy sectors in NYC. Prior to entering the energy related industry, Fred was a structured finance attorney, focusing on securitization of real estate related securities.

Fred holds an MBA with a concentration in real estate finance from Columbia Business School and a JD from Cornell Law School. He also holds a BA in Political Science from Amherst College.

Mr. Lee was hired in August of 2011.

Susan Leeds
Co-CEO
NYCEEC

Susan is the co-Chief Executive Officer of NYCEEC. Susan is the day-to-day leader and visionary, and drives the team towards fulfilling NYCEEC's mission.

Susan is a seasoned professional with over seventeen years of experience in financial markets. Prior to joining NYCEEC, Susan developed a funding strategy for an energy efficiency project developer and advised a major national bank on product opportunities in energy efficiency finance. Susan has also managed financial sector advocacy for the Natural Resources Defense Council (NRDC), one of the nation's leading environmental action groups. Additionally, she has held executive positions at a non-profit financial advocacy institution and at for-profit financial institutions in the mortgage and asset-backed space, including Deutsche Bank and GE Capital.

Susan holds an MBA in finance from the Wharton School at the University of Pennsylvania and a BA from the University of Pennsylvania.

Ms. Leeds was hired in May of 2011.

Jessica Luk
Associate Director, Communications and Development
NYCEEC

Jessica leads NYCEEC's marketing and communications, as well as its development activities.

Jessica brings to NYCEEC a breadth of experience in finance, business development and sustainability policy. These include JPMorgan, a venture-backed information services company and the NYC Mayor's Office of Sustainability (MOS). At MOS, under former Mayor Michael Bloomberg, Jessica helped develop the financing and green jobs components of the Greener, Greater Buildings Plan.

Jessica holds an MBA from the Wharton School and an MA in Environmental Studies from the University of Pennsylvania. She also graduated with a BA in Economics and in History of Art from Yale University.

Ms. Luk was hired in February of 2012.

Jay Merves
Director, Business Development and Finance
NYCEEC

Jay is the Director of Business Development and Finance at NYCEEC. Jay is responsible for leading business development activities, sourcing, negotiating, and closing transactions, and managing relationships with customers and counterparties, including project developers and lenders.

Jay has extensive experience in his career managing complex financial transactions at global financial institutions. These include GE Capital, Chase, ACE Insurance, and Credit Suisse. Prior to joining NYCEEC, Jay served as a consultant in the areas of clean energy finance and risk management, and conducted an assignment on the development of PACE related projects. Jay's areas of expertise include clean energy financings, structured credit, and synthetic securities.

Jay holds an MBA from the Stanford University Graduate School of Business and a BS in Economics from the University of Pennsylvania.

Mr. Merves was hired in December of 2012.

Patrick O'Donnell
Director of Engineering
NYCEEC

Patrick is the Director of Engineering for NYCEEC. He assists in the development and implementation of NYCEEC's policies and best practices with regard to energy efficiency and building technologies. Patrick provides engineering due diligence and assists in the execution of energy retrofit transactions.

Patrick has over 6 years of diverse experience in energy efficiency and building systems optimization. Working as a consultant in the commercial and industrial facilities sector, he has performed a multitude of investment-grade energy audits, retro-commissioning, and feasibility studies. He also has expertise in building automation systems, energy project retrofits, and implementation.

Prior to joining NYCEEC, Patrick worked as a project implementation engineer for Michaels Energy where he managed energy efficiency retrofit projects from benchmarking through design, construction, commissioning, and evaluation. Additionally, Patrick has experience with energy program development, LEED facilitation, whole building energy modeling, and new construction design assistance.

Patrick holds a bachelor of science in mechanical engineering and environmental studies from Iowa State University and is fluent in Spanish. He is a LEED accredited professional and a registered Professional Engineer.

Mr. O'Donnell was hired in February of 2016.

Curtis Probst
Co-CEO
NYCEEC

Curtis Probst became the co-CEO of NYCEEC in April 2018. He previously served on the Board of NYCEEC since 2015. As a co-CEO he is jointly accountable to the Board, and shares responsibility for the overall strategy and staffing of the organization. He also has specific oversight for certain organizational functions which generally focus on capital raising, treasury operations and risk management.

Prior to joining NYCEEC in his current role, Curtis worked for over three years as a Managing Director at Rocky Mountain Institute, a global energy think tank, leading their sustainable finance practice. Curtis previously worked at Goldman Sachs for over 15 years, most recently as a Managing Director in their investment banking division. Before joining Goldman Sachs, Probst worked at Salomon Brothers for over eight years, most recently as a Vice President in their structured and project finance group.

Curtis serves, or has served, on the boards of various organizations with an energy or environmental focus. Additionally, he has been an adjunct faculty member at Columbia University since 2016, lecturing on the topic of clean energy finance. He has spoken at numerous conferences in the United States, Canada and Europe, and authored or co-authored reports on different energy and financing topics.

Curtis received a BComm from the University of Calgary and an MPA from Columbia University. He is a Chartered Financial Analyst, and a member of the CFA Institute.

Mr. Probst was hired in April of 2018.

Schedule of Projects

See Annex

Real Property Report

NYCEEC did not own, acquire or sell any real property during this fiscal year.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION CODE OF ETHICS FOR DIRECTORS, OFFICERS AND EMPLOYEES

I. INTRODUCTION AND PURPOSE

The Board of Directors (“Board”) of New York City Energy Efficiency Corporation (the “Corporation”) has adopted this code of ethics (“Code”) with respect to its Directors, Officers and Employees. This Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between personal and professional relationships, and (b) full, fair and understandable disclosure in the periodic reports required to be filed hereby. This Code (a) provides examples of situations involving conflicts of interest; (b) establishes disclosure procedures; and (c) outlines corrective action for violations. It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Director, Officer and Employee will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the Corporation.

II. GUIDELINES

A. Prohibition. A Director, Officer or Employee may not make personal investments in enterprises that he or she has reason to believe may be directly involved in decisions to be made by him or her, in his or her capacity as Director, Officer or Employee of the Corporation, or that will otherwise create substantial conflict between his or her duty to the Corporation and his or her private interest. Additionally, a Director, Officer or Employee is prohibited from accepting employment that impairs or could impair his or her independence of judgment in the exercise of his or her official duties.

B. Personal Interest. A Director, Officer or Employee shall be deemed to be “interested” in cases in which the Director’s, Officer’s or Employee’s personal interest conflicts with the interest of the Corporation. The following are situations in which a Director, Officer or Employee would be deemed to be “interested”, which list is not intended to be exhaustive:

- Where a Director, Officer or Employee or a member of his or her immediate family¹ has an Ownership Interest² in an entity from which the Corporation purchases services or supplies.

¹ Immediate family means a spouse, domestic partner, unemancipated child, and if they live with the Director, Officer or Employee, a parent or sibling.

² An Ownership Interest means an interest in an entity that exceeds 5% of the entity or an investment of \$35,000 in cash or other form of commitment, whichever is less, or 5% or \$35,000 of the entity's indebtedness, whichever is less, and any lesser interest in an entity when the person exercises managerial control or responsibility regarding any such entity, but shall not include interests held in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person, or in any blind trust that holds or acquires an ownership interest.

- Where a Director, Officer or Employee or a member of his or her immediate family has an Ownership Interest in an entity with which the Corporation contracts.
- Where a Director, Officer or Employee or a member of his or her immediate family has an Ownership Interest in an entity with which the Corporation negotiates or effects a transaction or an entity that substantially benefits from a transaction that the Corporation negotiates or effects.

A Director, Officer or Employee shall not be deemed to be "interested" by virtue of his or her status as an official or employee of the City of New York.

When a Director, Officer or Employee is "interested" in a matter: (a) the Director, Officer or Employee must disclose the nature and extent of his or her interest to the Board or committee of the Board, whichever will be considering the matter; and (b) the Director, Officer or Employee, acting as a Director, Officer or Employee, must take no part in the consideration, determination or approval of the matter on the part of the Corporation.

C. Confidential and Inside Information. Confidential information acquired by a Director, Officer or Employee in the course of his or her duties as a Director, Officer or Employee must be held in confidence and may not be used as a basis for personal gain by the Director, Officer or Employee, his or her immediate family or others. Information relating to transactions pending with the Corporation is not to be given to any person unless it has been published or otherwise made generally available to the public by the Corporation.

A Director, Officer or Employee must refrain from transmitting any information about the Corporation or its deliberations or decisions or any other information the Director, Officer or Employee obtained from the Corporation that might be prejudicial to the interests of the Corporation to any person other than in connection with the discharge of the Director's, Officer's or Employee's responsibilities, except to the extent the information is publicly available.

A Director, Officer or Employee must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

D. Gratuities/Conduct. A Director, Officer or Employee must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her immediate family to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Director, Officer or Employee in the performance of his or her corporate duties. In addition, a Director, Officer or Employee should never use his or her official position to secure unwarranted privileges or exemptions; nor should a Director, Officer or Employee, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Director, Officer or Employee should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust. Meals provided during meetings with contractors that are reasonable under the circumstances and where paying directly is impracticable (e.g. sandwiches at

meetings), shall not be deemed to violate this policy. Gifts of an aggregate of less than \$75 in a twelve month period from an individual firm or employees of a single firm that does business or intends to do business with the Corporation shall not be deemed to violate this policy.

III. DISCLOSURE PROCEDURE

A. If at any time a Director, Officer or Employee is in doubt as to the proper application of this Code, the Director, Officer or Employee should immediately make all the facts known to the General Counsel of the Corporation, or in the absence of a general counsel, the New York City Law Department, and be guided by the instructions he or she receives. Except as otherwise directed by those instructions, the Director, Officer or Employee should refrain from exercising responsibility with regard to the Corporation in any matter that might reasonably be thought to be affected by his or her interest.

B. Each Director, Officer and Employee shall make the annual filings required of Directors and Officers and Employees under N.Y. Pub. Auth. Law § 2825(3).

IV. VIOLATIONS

If a Director, Officer or Employee violates any of the provisions of this Code, such Director, Officer or Employee shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, Officers or Employees may be subject, at the Board's discretion, to removal for cause.

FY2019

Management Assessment of Internal Control Structure and Procedures

This document memorializes the assessment of NYCEEC's internal control structures and procedures that is undertaken annually by NYCEEC management pursuant to Section §2800(2)(a)(9) of the Public Authorities Law of the State of New York.

Name of Public Authority: New York City Energy Efficiency Corporation

A. Define the Authority's Major Business Functions

The mission of the New York City Energy Efficiency Corporation ("NYCEEC") is to "deliver financing solutions and advance markets for energy efficiency and clean energy in buildings." In FY2019, NYCEEC sought to achieve this mission mainly by engaging in the following activities:¹

1. Financing Projects. Originating, closing and servicing various different types of clean energy and energy efficiency financing products, including pre-development loans, direct equipment loans, project financings backed by PPAs and ESAs, green mortgages, and the provision of loan loss reserves and other types of credit support.
2. Advancing the Field. Acting as a market innovator and leader in "advancing the field" by engaging in activities such as (a) assisting the City of New York in the design and launch of the City's commercial PACE program to achieve scale across building sectors; (b) developing energy efficiency and clean energy financing markets by partnering with other lenders; and (c) supporting the growth and success of the "local green bank movement".
3. Building NYCEEC Capacity. Continuing to build NYCEEC capacity by (a) improving NYCEEC infrastructure to drive greater impact; (b) raising additional capital; (c) increasing investment in communications; and (d) seeking grant opportunities aligned with existing activities or directly supporting NYCEEC's strategic goals.

B. Determine the Risks Associated with Its Operations

By engaging in the activities described above over the course of FY2019, NYCEEC was exposed to various risks of loss-related to torts; theft or loss of, damage to, and destruction of assets; non-repayment of loans according to their terms; errors and omissions; and injuries to employees.

C. Identify the Internal Control Systems in Place

NYCEEC has a robust set of internal control systems in place. This includes, but is not limited to:

- Annual internal review of insurance coverage;
- Annual financial audit;
- Annual A-133 Single Audit;
- Procurement Policy;

¹ The activities listed here are derived from NYCEEC's current three-year strategic plan.

- Conflict of Interest Policy;
- Salary and Compensation Policy;
- Time and Attendance Policy;
- Paid and Sick Leave Policy;
- Whistleblower Policy;
- Freedom of Information Law Policy;
- Anti-Harassment Policy;
- Policies and Procedures Manual; and
- Credit Underwriting Guidelines.

D. Assess the Extent to Which the Internal Control System is Effective

For FY2019, based on a retrospective review of NYCEEC's activities during the fiscal year, and any losses, claims or other adverse events that may have arisen during such period, NYCEEC management has determined that to the best of its knowledge, the internal control systems, policies and procedures in place at NYCEEC appear to have been highly effective and appropriate given the specific activities undertaken by NYCEEC's staff in achieving the organization's mission.

As part of the annual audit, NYCEEC's independent auditors evaluated NYCEEC's internal controls related to financial reporting to identify any deficiencies or material weaknesses. This evaluation did not reveal any material weaknesses.

NYCEEC also undergoes an annual A-133 Single Audit to test internal controls and compliance. NYCEEC's independent auditor completed the A-133 Single Audit for fiscal year 2019 and did not identify any material weaknesses.

E. Take Corrective Action

No corrective action necessary at this time.

Management Certification

NYCEEC's management hereby certifies, as of August 25, 2020, that they followed a process that assessed and documented the adequacy of NYCEEC's internal control structure and policies for the fiscal year ending June 30, 2019. To the extent such assessment identified any material deficiencies, NYCEEC has developed or is developing corrective action plans to reduce any corresponding risk related to such deficiencies.

Description of NYCEEC

In October of 2010 the New York City Energy Efficiency Corporation (“NYCEEC”) was incorporated under the laws of the State of New York (the “State”) as a Not-for-Profit Corporation. NYCEEC is a non-profit specialty finance company that provides loans and innovative financing solutions, coupled with technical engineering guidance, to help building owners undertake energy efficiency and clean energy projects that reduce greenhouse gas emission and save money. NYCEEC finances energy efficiency, combined heat and power, fuel conversion, demand response and building-scale renewable energy projects.

On November 29, 2012, NYCEEC received notice from the Internal Revenue Service (“IRS”) that its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code was approved, and it is exempt from federal income taxes. NYCEEC is considered a public charity under Section 170(b)(1)(A)(vi) of the internal revenue code. NYCEEC is also exempt from State and local income and sales taxes.

NYCEEC is governed by a Board of Directors whose membership includes public officials and private individuals. In fiscal year 2014, NYCEEC’s Board of Directors voted to become self-perpetuating and NYCEEC is not a component unit of The City of New York (the “City”).

NYCEEC makes pre-development, construction and permanent loans and provides credit enhancement in the form of loan loss reserves exclusively for energy efficiency and clean energy projects in buildings. NYCEEC also partners with various lending organizations to finance such projects while encouraging best practices with respect to energy efficiency retrofit implementation and ongoing performance monitoring.

Board of Directors

a. Board Structure

As of the end of FY 2019, NYCEEC's Board of Directors (the "Board") totaled 10 total members and four vacant seats. Those members include City officials, business owners in the clean energy field and community leaders.

NYCEEC Board Members (as of June 30, 2019)

1. Jeff Brodsky - *Chairperson*
2. Mark Chambers
3. Kim Darga
4. Ashok Gupta
5. Greg Hale
6. Marc Khouzami
7. Sadie McKeown
8. Renwick Paige
9. Bruce Schlein
10. Elizabeth Zeldin
11. *(vacant)*
12. *(vacant)*
13. *(vacant)*
14. *(vacant)*

The Board has three committees. Committee names and memberships as of the end of FY 2019 are listed below:

Audit and Finance Committee:

Renwick Paige
Sadie McKeown
Marc Khouzami

Governance and HR Committee:

Greg Hale
Jeff Brodsky
Bruce Schlein

Executive Committee:

Jeff Brodsky
Greg Hale
Renwick Paige

b. NYCEEC Board Meeting Minutes

See Annex

c. NYCEEC Audit & Finance Committee Minutes

See Annex

d. NYCEEC Governance & HR Committee Minutes

See Annex

e. NYCEEC Executive Committee Minutes

See Annex

f. List of board meeting attendance

10/24/2018	8 out of 10 directors
2/6/2019	8 out of 10 directors
4/16/2019	7 out of 10 directors
6/26/2019	9 out of 10 directors

g. Board Performance Evaluation

See Annex

NYCEEC Committee Members

As of June 30, 2019

The Board has three committees. Committee names and membership is listed below:

Executive Committee:

Jeff Brodsky
Greg Hale
Renwick Paige

Audit and Finance Committee:

Renwick Paige
Sadie McKeown
Marc Khouzami

Governance and HR Committee:

Greg Hale
Jeff Brodsky
Bruce Schlein

Major Authority Units and Subsidiaries

For FY 2019, NYCEEC was comprised of the following major units/departments: business development, engineering, marketing and communications, operations and legal.

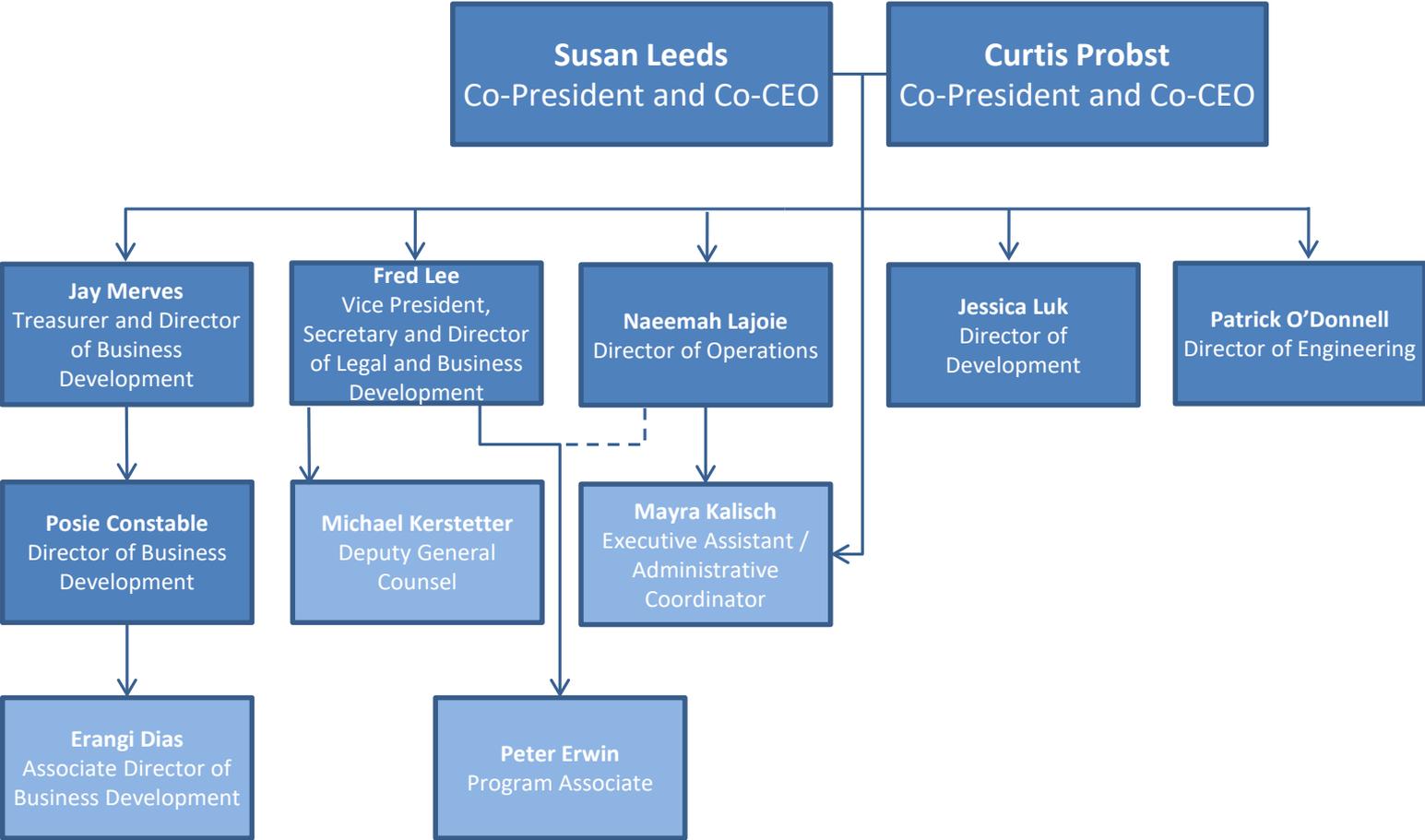
For FY 2019, NYCEEC did not have any major subsidiaries.

Number of Employees and Executive Management Team

As of June 30, 2019 NYCEEC had 12 employees and the executive management team consisted of the following individuals

- Susan Leeds – *co-President and co-CEO*
- Curtis Probst – *co-President and co-CEO*
- Fred Lee – *Vice President and Secretary*
- Jay Merves – *Treasurer*

NYCEEC Organizational Chart



Articles of Incorporation and By-Laws

See Annex

List of Material Operations and Program Changes During the Reporting Year

NYCEEC did not have any significant changes in its material operations and programs during the Fiscal Year.

Budget Report for New York City Energy Efficiency Corporation

Fiscal Year Ending: 06/30/2020

Run Date: 08/08/2019

Status: CERTIFIED

Certified Date:08/08/2019

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets.

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year (Adopted) 2020	Proposed 2021	Proposed 2022	Proposed 2023
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rentals & Financing Income	\$3,870,433.00	\$4,370,448.00	\$4,914,000.00	\$3,151,100.00	\$3,308,655.00	\$3,474,087.75
Other Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Operating Revenues						
Investment Earnings	\$21,560.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
State Subsidies / Grants	\$160,638.00	\$152,272.00	\$415,000.00	\$415,000.00	\$415,000.00	\$415,000.00
Federal Subsidies / Grants	\$64,756.00	\$39,578.88	\$20,000.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies / Grants	\$1,021,009.00	\$768,132.00	\$1,070,000.00	\$1,070,000.00	\$1,070,000.00	\$1,070,000.00
Public Authority Subsidies	\$600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Revenues	\$0.00	\$299,999.88	\$391,000.00	\$400,000.00	\$400,000.00	\$400,000.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$5,738,396.00	\$5,632,930.76	\$6,812,500.00	\$5,038,600.00	\$5,196,155.00	\$5,361,587.75
EXPENDITURES						
Operating Expenditures						
Salaries And Wages	\$1,800,004.00	\$2,016,668.00	\$2,160,000.00	\$2,224,800.00	\$2,291,544.00	\$2,360,290.00
Other Employee Benefits	\$453,264.00	\$511,903.00	\$536,763.00	\$563,601.00	\$591,781.00	\$621,370.00
Professional Services Contracts	\$748,852.00	\$536,590.00	\$919,000.00	\$919,000.00	\$919,000.00	\$919,000.00
Supplies And Materials	\$10,965.00	\$6,477.00	\$11,000.00	\$11,330.00	\$11,670.00	\$12,020.00
Other Operating Expenditures	\$356,627.00	\$393,338.50	\$430,000.00	\$442,900.00	\$456,187.00	\$469,873.00
Non-Operating Expenditures						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$659,063.00	\$961,707.00	\$920,000.00	\$766,000.00	\$804,300.00	\$844,515.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$3,865,656.00	\$2,571,981.00	\$105,000.00	\$110,250.00	\$115,763.00	\$121,551.00
Total Expenditures	\$7,894,431.00	\$6,998,664.50	\$5,081,763.00	\$5,037,881.00	\$5,190,245.00	\$5,348,619.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures	(\$2,156,035.00)	(\$1,365,733.74)	\$1,730,737.00	\$719.00	\$5,910.00	\$12,968.75

Budget Report for New York City Energy Efficiency Corporation

Fiscal Year Ending: 06/30/2020

Run Date: 08/08/2019

Status: CERTIFIED

Certified Date:08/08/2019

The authority's budget, as presented to the Board of Directors, is posted on the following website: www.nyceec.com

Additional Comments

Board Performance Evaluations

See Annex

Description of Assets or Services Bought Without Competitive Bidding

A copy of NYCEEC's PAAA annual Procurement Report for FY 2019, from the Public Authorities Information Reporting System, is available on NYCEEC's website.

During FY 2019, except as described in such report, all NYEEC acquisitions of assets and services were done through competitive procurements.

Description of Material Pending Litigation

As of the end of FY 2019, NYCEEC was not involved in any material pending litigation except as may be noted in the audited financial statements for such fiscal year.

Board and Committee Meeting Minutes

See Annex

Salary, Compensation and Reimbursement Policy

The corporation's employee handbook was originally approved by NYCEEC's board of directors in June 2013 and subsequently updated in June 2014. The handbook includes the corporation's policies on salary, compensation and reimbursement. The relevant policies are copied below.

Salary and Compensation

WORK HOURS AND COMPENSATION-RELATED PRACTICES

INTRODUCTION

Depending on the number of hours you work, you will be designated a full-time, part-time, or temporary employee. All employees, whether designated full-time, part-time, or temporary are classified as either exempt or non-exempt. Employees will be advised of their classification at the time of hire and upon any subsequent change in job title or responsibilities affecting that status.

SIXTY (60) DAY INTRODUCTORY PERIOD

As a new employee, you will have a sixty (60) day introductory period. This period gives you the opportunity to adjust to a new working environment and gives NYCEEC the opportunity to observe your performance. An employee is considered a regular employee after successful completion of the introductory period. NYCEEC reserves the right to extend an employee's introductory period.

During the introductory period, you will receive those benefits mandated by law (e.g., disability, Workers' Compensation, and Unemployment Insurance), and certain, but not all of the additional benefits extended to regular full-time employees who have completed the introductory period. Please see Section X below regarding a summary of and eligibility for offered Benefits.

Notwithstanding this introductory period, at all times during and after this period you are free to resign at will, just as NYCEEC is free to terminate your employment at will.

REGULAR FULL-TIME EMPLOYEES

You are considered a regular full-time employee if you are normally scheduled to work forty (40) or more hours per week.

You may be eligible for NYCEEC benefits pursuant to the terms and conditions of the applicable benefit plan, program, or policy.

REGULAR PART-TIME AND HOURLY EMPLOYEES

You are considered a regular part-time employee if you are normally scheduled to work fewer than 40 hours per week on a regular basis. You are considered an hourly employee if you work fluctuating hours and are not regularly scheduled to work.

You may be eligible for additional NYCEEC benefits pursuant to the terms and conditions of the applicable benefit plan, program, or policy.

TEMPORARY EMPLOYEES

You are considered a temporary employee if you are scheduled at NYCEEC's option to work on an as-needed basis.

Temporary employees are not eligible to participate in any NYCEEC benefit plan, program, or policy.

EXEMPT AND NON-EXEMPT STATUS

Exempt status is determined by applicable federal and state laws. Exempt employees are paid on a salaried basis and are not eligible for overtime compensation.

Non-exempt status is determined by applicable federal and state laws. Non-exempt employees are paid straight time pay for all hours actually worked up to the 40th hour in a workweek plus time-and-one-half their regular rate of pay for all hours actually worked in excess of forty (40) hours in any given workweek.

Additional information regarding exempt/non-exempt status, as well as deductions from pay, can be found in NYCEEC's Salary Basis Policy, set out as Attachment A to this Employee Manual.

OVERTIME

From time to time, NYCEEC may require employees to work overtime so that work is completed and up-to-date.

Exempt employees are required to work the hours necessary to cover all work demands without extra compensation.

For non-exempt employees, any overtime worked, including before and after your regular work hours, must be authorized by your supervisor.

For overtime calculation purposes, the week begins on Saturday and ends on Friday, and includes hours actually worked. For purposes of computing overtime, NYCEEC does not count paid time off or holidays as hours "actually worked."

TIMEKEEPING

To ensure that employees are accurately paid and that NYCEEC is in compliance with applicable law, complete records of employee hours worked must be kept. All employees must accurately record their time on the electronic ADP timekeeping system maintained by NYCEEC.

This means that all employees must accurately record all time worked and any days off including the use of accrued leave time. All time must be entered into and finalized on the

ADP system no less frequently than the Friday before the issuance of payroll on a biweekly (every two (2) weeks) basis.

No employee may enter time for another employee without proper authorization. In the event of an issue or error in recording your time, please report the matter to immediately the Director of Operations.

PAY PERIOD

The pay period is for the fourteen day period from Saturday through the second following Friday. You will receive your pay biweekly on the Thursday before the end of the pay period.

OFFICE HOURS

NYCEEC's regular office hours begin at 9:00 am, Monday through Friday. Notwithstanding these hours, employees are expected to devote the amount of time necessary to perform their job responsibilities.

ALTERNATIVE WORK SCHEDULES

NYCEEC is committed to providing an environment that creates flexibility in balancing the challenging demands of the workplace. We recognize that sometimes it is in everyone's interests to consider alternative work schedules.

Examples of such schedules might be

- Flexible start/end time
- Telecommuting
- Reduced hours (which may include a status change to part-time)
- Remote access

NYCEEC's primary obligation must always be to serve our clients and consequently, the business needs of the organization must always be the primary guide for determining eligibility for an alternative work schedule. In addition, these options may not be appropriate for particular positions or situations.

Only eligible employees, who have successfully completed at least six (6) months of employment, and who hold, in NYCEEC's CEO's sole discretion, positions that are amenable to an alternative work schedule will be considered for such an arrangement. If you would like to work an alternative schedule, you should make such request in advance to the CEO.

With respect to any arrangement, which involves work outside of the NYCEEC office:

- You may be required to be on-site as necessary to attending meetings, or trainings, or based on other business necessity.
- NYCEEC may provide remote access to its network. Please see the Director of Operations for additional information.
- Any employee working an alternative work schedule will be required to meet the same performance standards as other employees.

- Any decision to grant, or deny a request, or to change an arrangement under this policy, is within NYCEEC's sole discretion. In any event, alternative work schedules will be reviewed on an annual basis.

LUNCH PERIOD/BREAKS

The lunch period for all regular, full-time employees is one (1) hour. Part-time employees who work more than six (6) hours in a day are entitled to a lunch period of thirty (30) minutes. Regular, full-time employees are also entitled to two (2) breaks of ten (10) minutes each during the course of the day.

Reimbursement Policy

Article I

Purpose

This policy provides NYCEEC employees and contractors with guidelines for the reimbursement of business expenses incurred in the conduct of necessary organization business, and to control and minimize such costs.

This policy establishes guidelines for the reimbursement of business-related travel and meal expenses for NYCEEC Employees and Contractors.

These guidelines are for both the individuals submitting reimbursement forms and for the NYCEEC senior staff and Directors charged with the responsibility of reviewing and approving the business-related expenses of others.

Article II

Procedures

Section 1. Responsibility

All NYCEEC employees and contractors must request reimbursement of business-related expenses by submitting a completed and approved reimbursement form in accordance with this policy along with relevant receipts (for all purchases over \$5). In addition, the employee and contractors must make all efforts to gain prior approval from the CEO or an Officer *before* the following expenses are incurred:

1. Out-of-town travel
2. Conferences

3. Webinars

All travel and meal allowance reimbursements should be submitted as one complete package on a per-trip basis within 20 days after a trip for NYCEEC staff and 10 days for contractors.

NYCEEC is a 501 (c)(3) organization and is eligible to receive sales-tax exempt certification in most states. NYCEEC has a sales-tax exempt certification for New York State, which should be used for business travel in the state, lodging and other business related purposes.

Before traveling, NYCEEC staff should alert the Associate Director, Operations & Administration to the location (if outside of New York) of the business travel and all efforts will be made to get the sales-tax exempt certification for that state for staff to use while traveling for purposes including but not limited to car rental, lodging, etc.

Section 2. General

NYCEEC will reimburse employees and contractors for usual and reasonable expenses incurred in the conduct of the organizations business. This policy applies to:

- Use of business-related equipment for NYCEEC employees, such as cell phones and Blackberry's (for Directors and Associate Directors only)
- Personal wireless device data plan charges on minutes and data used for business purposes up to 50 % based on average monthly use
- Wireless internet access equipment i.e. wireless access cards for laptop use
- Background investigation costs required and pertaining to working for NYCEEC i.e. DOI background check related expenses
- Renewal of professional licensing fees i.e. bar association renewals, etc.
- All travel and business-related expenses incurred by NYCEEC employees and contractors

NYCEEC employees and contractors must ensure goods or services they are purchasing for \$25 or more are not available from sources within the company prior to incurring an expense. If the goods or services are not available from within the organization, the employee or contractor must obtain *prior* approval from his/her manager before purchasing, and to the extent possible, should use the corporate credit card to purchase such goods or services totaling \$25 or more. Employees and contractors are expected to exercise prudent business judgment in relation to all expenses covered by this policy.

All reimbursement forms for goods or services from employees and contractors must be submitted for payment not later than 30 days from the date the expense was incurred. Estimated expenses are prohibited, unless approved by the CEO.

Section 3. Transportation

In-Town

The following guidelines should be used when traveling in-town for business purposes if you plan to seek reimbursement for travel expenses:

1. Public transportation (subways, buses, ferries) should be used whenever possible and is reimbursed on an expense voucher for traveling to meeting from the office. Traveling from meetings back to the office is also a reimbursable expense. If meetings are a significant distance from the office and pose an inconvenience to staff returning to their homes, NYCEEC will reimburse for travel from the meeting to their homes.

2. If public transportation is not reasonably possible, using a taxi cab is permissible. The employee or contractor needs to submit receipts for such uses to be reimbursed within 30 days after use of taxi cab.

Out-of-Town

Air and Train Transportation: Employees and contractors are encouraged to make reservations for train or plane travel as early as possible to get the best rates. All business air and train travel will be by coach/tourist/economy class unless due to time sensitivity, business-class travel is required. When making airline and train reservations, employees are to request flights and trains in accordance with required departure/arrival times that utilize the lowest fare prices and direct routes for a traveler's flight or train itinerary.

Taxi and other Local Transportation: The cost of taxis or town car service to and from places of business, hotels, airports or railroad stations in connection with business activities are reimbursable. However, the use of airport subway or bus service is strongly encouraged.

Car Rental: The use of car rentals is only permissible for economic need and not personal convenience. All rentals should be at economy rates, i.e., standard or compact size cars. The use of full-size cars is acceptable when four or more employees are traveling together and sharing the rental.

Airport parking of personal automobiles, tolls and mileage incurred when on NYCEEC business will be reimbursed.

Driving: NYCEEC encourages car rentals for out-of-town travel when applicable. If a car rental isn't readily available, NYCEEC will reimburse employees based on mileage stated on directions generated through Map Quest or other similar direction services. OR the IRS allows reimbursement for \$.55 for every business mile driven and NYCEEC will reimburse employees and contractors at this same rate for driving expenses. Note- This rate is subject to change per IRS guidelines.

Section 4. Meals

In-Town

NYCEEC employees and contractors should avoid conducting business over meals. Reimbursement may be requested for meals over \$20 under unavoidable circumstances. The business purpose as well as the name and affiliation of the parties involved must be disclosed. There is a \$50 per annum threshold for employees to accept payment of meals by outside partners.

Out-of-Town

NYCEEC will reimburse employees and contractors for reasonable and appropriate out-of-town business meals and incidental expenses (snacks) at the per diem rate of \$70.00. The per diem rate for international travel is \$90.00. NYCEEC employees should use the corporate card to make meal purchases whenever possible; NYCEEC contractors should use a personal credit card or their business credit card for these purchases whenever possible and must submit all receipts within 10 days after travel.

The cost of magazines, pharmaceuticals and other non-food incidentals are not reimbursable even if incurred while on business travel.

There is a \$50 per annum threshold for employees to accept payment of meals by outside partners.

Section 5. Lodging

NYCEEC will pay only room rental costs supported by the hotel bill. Employees and contractors are required to break down billing for meals and other expenditures from lodging on the reimbursement request. When traveling, employees and contractors are expected to use reasonably priced hotels or motels, whenever possible. Incidental expenses are the employee's responsibility.

Convention Rate:

Hotel accommodations at official conference/convention hotels are permissible. Employees should make efforts to choose the most economical hotel accommodations if official conference/convention hotel offering are not available.

Section 6. Telephone Use

NYCEEC encourages the use of personal cell phones for employees and contractors as much as possible for business-related calls during out-of-town travel versus using hotel phones and these business-related calls can be reimbursed. If an employee purchases a calling

card, purchases an international data plan, rents a cell phone or buys a SIM card for business purpose use, these costs are also reimbursable. Personal calls are not eligible for reimbursement.

Section 7. Business Meals

As a general matter, NYCEEC staff and contractors do not expect to conduct business over meals. If a circumstance arises where a business meal is required and meets a \$20 or more threshold, employees should make every effort to pay for meals using the corporate card, and should submit receipts for reimbursement within 30 days of the event. Contractors should use a credit card (business or personal) and a written explanation with business purpose as well as the name and affiliation of the parties involved must be disclosed within 30 days of the event.

Payment for incidentals (snacks, etc.) for Board meetings should be purchased with the corporate card and are reimbursable. Receipts should be given to the Associate Director, Operations and Administration for tracking purposes.

Section 8. NYCEEC will reimburse the International Traveler for the following

- Airport departure and arrival fees
- Passports and Visas
- Immunizations and Inoculations
- Traveler Check fees
- Currency exchange commissions and fees
- Use of telephone cards or cell phone SIM cards or international data plans for work email access

Section 9. Procedures for Reimbursement of Expenses

The employee or contractor claiming reimbursement for expenses must bear sole responsibility for ensuring that documentation is complete and:

1. Prepare the expense/travel reimbursement form accurately and include original receipts. Receipts are required for in-town public transportation (i.e. bus and subway) and taxi cab rides over \$5. If purchasing a subway card using the corporate card, a receipt is also required.
2. Ensure the out-of-town travel expense voucher contains a copy of the itinerary (location and duration of the business trip), and a description of the business purpose. Out-of-town

reimbursement forms are to be prepared on a *per trip basis* and submitted for reimbursement within 30 days of returning from the trip for NYCEEC staff and contractors.

3. NYCEEC employees and contractors should avoid conducting business over meals. Reimbursement may be requested for meals under unavoidable circumstances such as impromptu meetings with business partners. The business purpose as well as the name and affiliation of the parties involved must be disclosed. There is a \$50 per annum threshold for employees to accept payment of meals by outside partners.

Section 10. Approvals

The CEO and/or Corporate Officer will approve reimbursement forms.

All travel plans require prior approval from the CEO or the Associate Director, Operations and Administration. Approval must be requested by means of an itinerary memorandum or email, which discloses the business purpose as well as the location and duration of the trip.

Travel or business expenses that are not in accordance with this policy are the employee's or contractor's responsibility unless approved in writing by the NYCEEC CEO or the Associate Director, Operations and Administration.

NYCEEC's CEO must obtain an approving signature of all reimbursements from an Officer of the Corporation.

Section 11. Expense Support

The following documentation, along with a description of the business purpose, is required to be given for reimbursement of business expenses:

- Transportation: Original Airline, train or bus ticket/stub and proof of payment.
- Car Rental: Original car rental agreement/paid invoice and/or proof of payment.
- Driving: Proof of mileage driven and for what business purpose i.e. print out of directions from Map Quest or a similar direction service.
- Lodging: Original invoice provided by hotel and proof of payment.
- Out-of-Town Meals: Receipts verifying meals within the allowable Per Diem for Domestic and International travel rates.
- Business Meals: Credit card or cash receipt proof of payment for all in-town and out-of-town business meals, the names and affiliation of parties entertained, and the business purpose.

- Telephone: Employees and contractors are encouraged to use cell phones whenever possible for business calls during out-of-town travel. Original receipt or hotel bills itemizing business calls and business purpose are required for reimbursement.
- Personal cell phone use for business: Copy of bill and note on the bill indicating percentage used for business purposes.
- Taxi and Other Local Transportation: Receipts required for costs totaling over \$5.
- Other Expenses: Credit card proof of payment or cash receipts is required for all items. *Note-These are subject to management discretion and approval by the CEO.

* Business reimbursement claims must be submitted with proof of payment. Employees and contractors should make every effort to pay for out-of-town meals using the corporate card or a credit card, and should submit the credit card authorization receipt demonstrating proof of payment for reimbursement. Itemized receipts will not be accepted in the place of a credit card authorization receipts. If the credit authorization receipt is lost or unavailable, NYCEEC will accept a copy of the employee's credit card statement as proof of payment.

New York City Energy Efficiency Corporation: The Disposition of Personal Property

In FY19, NYCEEC followed the policy of NYCEDC for the Disposition of Personal Property which is as follows:

Personal Property Valued at \$5,000 or Less

Whenever New York City Economic Development Corporation (the "Corporation") wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value of \$5,000 or less, it shall obtain offers from one or more persons or entities as the Corporation's contracting officer for personal property dispositions (the "Contracting Officer") or his or her designee deems appropriate. The Corporation shall maintain a record of the persons or entities approached and their responses. The Corporation may conduct discussions with some or all of the persons and entities. The property may be disposed of to whichever person or entity the Contracting Officer or his or her designee selects based on the proposed price and any other factors that the Contracting Officer or his or her designee deems appropriate.

All personal property that the Contracting Officer or his or her designee considers to be of no sale value and no use to the Corporation may be destroyed or otherwise disposed of in such manner as is determined by the Contracting Officer or his or her designee. Notwithstanding the foregoing, records may only be destroyed or disposed of at a time and in a manner not in conflict with applicable law, regulation or contract.

No approval of a disposition of a type described above is required from the Board of Directors or any committee thereof. All disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

Personal Property Valued in Excess of \$5,000

Whenever the Corporation wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value in excess of \$5,000 it shall first obtain an appraisal of the property if, because of the unique nature of the property or the unique circumstances of the proposed transaction, it is not readily valued by reference to an active market for similar property. However, an appraisal of the property will not be required if an appraisal of the property or similar property has been made within the past two years.

The person or entity to which the property shall be disposed of shall be determined through a procurement conducted in accordance with Title 5-A of Article 9 of the Public Authorities Law. The Corporation shall publicly advertise for proposals for the disposal of the property in accordance with Title 5-A, provided that it may dispose of the property without public advertising, obtaining such competition as is feasible under the

circumstances, when permitted to do so under Title 5-A. All requirements of Title 5-A and other applicable laws, if any, related to the disposition shall be complied with.

Prior to the disposal of the property, the project manager involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract for the disposal, and shall keep the Contracting Officer or his or her designee informed of all major issues that arise and of the status of the disposition.

The disposal must be approved by the Board of Directors or Executive Committee of the Board if the disposal (1) is on a sole source basis for an amount in excess of \$20,000, (2) is for an amount in excess of \$100,000 and has been competitively procured, or (3) is for property valued in excess of \$5,000 and will be disposed of for less than fair market value. For disposals for less than those amounts, no approval is required of the Board of Directors or a committee thereof. In all cases, the disposal must be approved by the Contracting Officer or his or her designee and disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

The Contracting Officer shall cause a record to be maintained of all personal property disposed of for an amount in excess of \$5,000 and shall cause to be prepared and transmitted all reports relating to the disposition of personal property required by Title 5- A.

Contracting Officer

The person who, from time to time, oversees the Corporation's unit for the procurement of contracts for goods and services shall be the Corporation's Contracting Officer for personal property dispositions.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION

PROCUREMENT POLICY

Article I Purpose

The purpose of this procurement policy (this "Policy") is to set forth the policies of the New York City Energy Efficiency Corporation (the "Corporation") with respect to the Corporation's procurement of all goods and services (including information technology, consulting and other services of any type). Where any laws, rules or regulations applicable to the Corporation's funds, or any portion thereof, prescribe procurement requirements that differ from those set forth in this Policy, the requirements of such laws, rules or regulations shall govern with respect to the procurement of all contracts that will be or may be subject to such requirements. The Corporation's procurements shall be managed by its personnel.

Article II Procedures

Section 1. Procurement Methods

Contracts by the Corporation shall be awarded by one of the following four methods:

a. Small Purchase Procurement

All procurements for an amount larger than \$20,000 but not more than \$100,000¹ shall be made using the small purchase procurement method (a "Small Purchase Procurement"). In each Small Purchase Procurement, the Corporation shall solicit proposals through a written request for proposals ("RFP"). The Corporation shall use reasonable efforts to obtain proposals from at least three responsible persons or entities. Except where the Corporation determines that another period of time is reasonable and appropriate under the circumstances, each RFP shall give bidders at least three weeks from the date the RFP is issued to submit proposals. Procurement requirements shall not be artificially divided so as to constitute a Small Purchase Procurement under this subsection.

¹ If Section 3-08 (or any successor provision) of New York City's Procurement Policy Board Rules permits the City to make a small purchase procurement for goods, information technology, consulting services or other services or any other matter for a larger amount than the limit set forth above for the Corporation, then such higher limit shall also apply to the Corporation.

b. Competitive Procurement

All procurements for an amount larger than \$100,000 shall be made using the competitive proposals procurement method (a "Competitive Procurement"). In each Competitive Procurement, the Corporation shall solicit proposals through a written RFP, which shall thoroughly describe the goods or services sought by the Corporation. The Corporation shall use reasonable efforts to obtain proposals from at least three responsible persons or entities. The Corporation shall provide adequate public notice of the solicitation by publication of the RFP on the Corporation's web site and on any other web site or in any publication that the Corporation deems reasonable. Except where the Corporation determines that another period of time is reasonable and appropriate under the circumstances, each RFP shall give bidders at least three weeks from the date the RFP is issued to submit proposals.

The contract resulting from a Competitive Procurement, if any, shall be awarded to the responsible and responsive bidder whose proposal is determined in writing to be the most advantageous to the Corporation, taking into consideration the evaluation factors set forth below and any other factors deemed relevant by the Corporation.

c. Non-Competitive/Sole Source Procurement

A contract may be awarded for goods or services, without competition (meaning solicitation of a proposal from only one source, or if after solicitation of proposals from a number of sources, competition is determined inadequate), to a single source (a "Sole Source Procurement") when (i) such award is permitted by the Federal, state or local law, rule or regulation applicable to the funds being used; (ii) such award is authorized by a majority vote of the Corporation's Board of Directors, or when, with the Board's approval, the Corporation's President or another Officer of the Corporation determines in writing that there is only one source for the required goods or services; (iii) the award of a contract under another available procurement method is infeasible; and (iv) one of the following circumstances apply: (A) the goods or services are available only from a single source; (B) the Corporation's President or another Officer of the Corporation determines in writing that emergency circumstances exist such that time is of the essence; (C) where applicable, the awarding agency authorizes non-competitive proposals; or (D) after solicitation of a number of sources, competition is determined to be inadequate.

d. Micro-Purchase Procurement

For any procurement of goods or services of any type totaling \$20,000 or less, the Corporation shall obtain proposals from one or more persons or entities as it deems appropriate (a "Micro-Purchase Procurement"). If the Corporation only obtains a proposal from one person or entity pursuant to this subsection, it shall not be considered a Sole Source Procurement under this Policy. Procurement requirements shall not be artificially divided so as to constitute a Micro-Purchase Procurement under this subsection. Procurements duly undertaken as Micro-Purchase Procurements that result in fair and reasonable prices for the Corporation need not follow the evaluation and selection process described in Section 2 below; provided, that reasonable efforts (that are in any case consistent with the Corporation's prevailing practices)

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shall be undertaken to document the procurement and selection process of all Micro-Purchase Procurements.

Section 2. Evaluation and Selection Process

a. General Policy

The Corporation shall conduct all procurements in a manner that promotes full and open competition.

b. Evaluation Process

Proposals submitted in connection with Small Purchase Procurements and Competitive Procurements shall be evaluated on the basis of the following criteria ("Evaluation Criteria"): the bidder's competence and capacity to perform the services or provide the goods as proposed; the bidder's qualifications; relevant knowledge and experience; the bidder's reputation in the industry; cost; and such other criteria as the Corporation may consider appropriate.

As shall have been provided in the RFP, and under relevant Corporation guidelines, if any, discussions may be conducted with one or more bidders who submit proposals determined by the Corporation to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements and for other appropriate purposes. Such bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and all bidders shall be accorded fair and equal treatment with respect to any opportunity granted by the Corporation to revise proposals, and such revisions may be permitted by the Corporation after submissions and prior to award for the purpose of obtaining best and final offers or for other appropriate purposes. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders.

c. Consultant Selection Committee

In the procurement of all consulting and professional services, the Corporation shall organize a committee of at least three qualified Corporation personnel (a "Selection Committee"). The Selection Committee shall evaluate current statements of qualification and performance data on file with the Corporation (if any) regarding the bidders under consideration. The Selection Committee or CEO shall obtain proposals in accordance with Section 1; review such proposals in a manner consistent with this Section 2, and may conduct discussions with some or all of the bidders and then, based on the Selection Committee's review of all proposals against the Evaluation Criteria, shall rank the bidders, in order of preference, considered to be the most appropriate to provide the services required.

d. Negotiation

In the procurement of all consulting and professional services, the CEO, or a designated employee of the Corporation, shall negotiate a contract with the most appropriate firm or person identified by the Selection Committee, at a compensation level that is fair and reasonable to the

Corporation. In making compensation decisions, the Corporation shall take into account the estimated value, the scope, the complexity and the professional nature of the services to be rendered. Within a reasonable period of time, should the Corporation be unable to negotiate a satisfactory contract with the first ranked bidder at a price the Corporation determines to be fair and reasonable, the Corporation shall terminate negotiations with that bidder, and then undertake negotiations with the second ranked bidder (if applicable). Failing accord with the second ranked bidder, the Corporation shall terminate such negotiations and then undertake negotiations with the third ranked bidder (if applicable). Should the Corporation be unable to negotiate a contract with any of the selected firms within a reasonable period of time, the Corporation may select additional persons or firms in an order based on the quality of their proposals and their proposed prices, competence and qualifications, and may continue negotiations in accordance with this subsection until an agreement is reached.

e. Award

The Corporation may only award contracts for goods to the responsible bidder whose product is of the best quality, as determined by the Corporation, and whose bid conforms with all material terms and conditions of the RFP, is the lowest in price and provides the best value for the goods being purchased.

The Corporation may only award contracts for consulting and professional services on the basis of demonstrated competence and qualification for the type of service required, and at a fair and reasonable price and after the evaluation and selection process described above in this Section 2 has been duly undertaken.

The Corporation may elect to cancel a RFP at any time and is not required to make an award to any of the bidders, should the Corporation determine, in its sole and absolute discretion, that none of the proposals satisfied its needs. Similarly, the Corporation, in its sole and absolute discretion, may select more than one bidder should the Corporation determine that it is necessary or appropriate for multiple persons or entities to provide the goods or services being procured.

No contract that will be or may be funded under the City Contract or that is otherwise subject to the requirements of the City Contract shall be awarded or entered into by the Corporation until, to the extent required by the City Contract, the City's prior consent has been duly obtained. As used herein, the term "City" means the City of New York, and the term "City Contract" means the Contract dated November 18, 2010 between the City and the Corporation, as such Contract was amended by the Amendment dated March 9, 2016, and as it may be further amended, amended and restated, modified, supplemented or replaced from time to time.

Section 3. Record Keeping

The Corporation shall maintain records sufficient to detail the significant history of all procurements for at least six years after the final payment or expiration or termination of the City Contract (or for such longer period as may be required by law). These records should include, but are not limited to: (i) the rationale for the method of procurement, (ii) the names of the bidders, (iii) the bidder(s) selected or rejected, and (iv) the basis for the contract price. The types of records maintained shall in any case be consistent with the Corporation's prevailing practices.



In the case of all Sole Source Procurements, the Corporation shall document its procurement activity, account for the existence of infeasibility for the solicitation of the goods or services through the Competitive Procurement process, account for any additional circumstances related to the use of the Sole Source Procurement process and retain all significant records related to the procurement procedures for at least six years after the final payment or expiration or termination of the City Contract (or for such longer period as may be required by law).

The Corporation shall perform, document and retain cost or price analysis in connection with all procurements, including contract modifications. The Corporation shall determine the method and degree of analysis to be performed based on the facts and circumstances surrounding the particular procurement situation. Notwithstanding the foregoing, however, the Corporation shall make independent estimates before receiving bids or proposals. With respect to all Sole Source Procurements, no such cost or price analysis shall be required, however, if price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation.

Section 4. Consulting Contracts

a. Provisions to be Included in Consulting Contracts

To the extent applicable, consulting and professional services contracts shall contain any provisions required pursuant to the City Contract or any other applicable contract or law and shall otherwise be consistent with the Corporation's policies.

b. Consulting Contract Amendments

Contracts may be amended by the Corporation to extend the term, increase the maximum contract price, change the scope and for any other reason; provided, that:

1. with respect to a consulting or professional services contract resulting from a Small Purchase Procurement, any amendment to increase the maximum contract price to greater than \$100,000 shall not be permitted except in accordance with this Policy, the Corporation's other applicable policies (if any) and prevailing practices; and
2. with respect to a consulting or professional services contract resulting from a Micro-Purchase Procurement, any amendment to increase the maximum contract price to greater than \$20,000 shall not be permitted except in accordance with this Policy, the Corporation's other applicable policies (if any) and prevailing practices.

Section 5. Insurance

The Corporation shall cause all contractors to maintain insurance coverage in accordance with the Corporation's policies, as they relate to contractors, and applicable law.

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Section 6. Loans and Credit Enhancements

All agreements for or relating to loans, credit enhancements or equity investments shall not be considered a contract for purposes of this Policy.

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NEW YORK CITY ENERGY EFFICIENCY CORPORATION INVESTMENT REPORT

For the fiscal year ending June 30, 2019.

Pursuant to §2925(6) of the Public Authorities Law of the State of New York

1. Investment Guidelines. A copy of the current investment guidelines of the New York City Energy Efficiency Corporation (the "Corporation"), as reviewed by the Corporation's Board of Directors (or a designated committee thereof) and duly approved on October 26, 2016 (the "Guidelines") is attached to this report at Exhibit A. Since the last investment report, the Guidelines have not been amended.
2. Explanation of Guidelines. The Corporation is required under §2925 of the Public Authorities Law of the State of New York to adopt comprehensive investment guidelines which detail the Corporation's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of the Corporation's funds. The Guidelines attached at Exhibit A are those guidelines.
3. Audit Results. As part of the Corporation's FY2019 annual financial audit, the Corporation's investments were reviewed by an independent auditor. The results of the audit are described in the notes to the Corporation's audited financial statements.
4. Investment Income Record. In FY2019, the Corporation's investments consisted solely of cash and cash equivalents held in the various deposit accounts maintained by the Corporation with JP Morgan Chase. In such fiscal year, these investments earned \$63,613 in interest income from the financial institution(s) with which the accounts were maintained. During this fiscal year, the Corporation did not retain the services of any investment banker, broker, agent, dealer or adviser rendering investment associated services. As such, no fees, commissions or other charges were paid to any such individuals.

Investment Guidelines

As of June 30, 2013, NYCEEC determined that its most cost-effective and prudent course of action with respect to investing its operating and uncommitted and/or undisbursed capital funds would be to hold such funds (pursuant to a certain Pledge and Assignment Agreement between NYCEEC and JPMorgan Chase Bank, N.A.) in interest and non-interest bearing commercial bank account(s) that are collateralized to the extent practical. NYCEEC's analysis included an assessment of interest rates, credits earned on non-interest-bearing accounts, collateralization costs, comparable bank fee structures, FDIC insurance availability and Federal guidelines. It is our policy to monitor these variables and to make changes as deemed appropriate and necessary by NYCEEC staff and its board. Notwithstanding the foregoing, a portion of NYCEEC's uncommitted capital funds is held in an interest-bearing money market account as contractually required by the foundation that granted such funds to NYCEEC. With respect to committed and/or disbursed capital funds pursuant to closed transactions, to the extent applicable, NYCEEC will determine the most cost-effective and prudent course of action with respect to investing such funds, consistent with the investment restrictions applicable to such closed transactions.

Annex A



New York City Energy Efficiency Corporation

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended June 30, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

NEW YORK CITY ENERGY EFFICIENCY CORPORATION

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
New York City Energy Efficiency Corporation

We have audited the accompanying financial statements of New York City Energy Efficiency Corporation ("NYCEEC"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYCEEC as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2N to the financial statements, during the year ended June 30, 2019, NYCEEC adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



New York, NY
October 31, 2019

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents (Notes 2H and 4)	\$ 10,464,125	\$ 9,582,698
Government grants receivable (Notes 2K and 6)	368,197	497,866
Contributions receivable (Notes 2J and 5)	36,987	-
Fees and interest receivable (Note 2L)	324,264	411,707
Prepaid expenses and other assets	62,567	53,373
Total current assets	11,256,140	10,545,644
Noncurrent assets		
Restricted cash and cash equivalents (Note 4)	5,748,139	5,617,778
Restricted cash - escrows held (Note 4)	817,233	871,170
Restricted deposit with NYCHDC (Note 8)	985,000	985,000
Loans receivable, net (Notes 2D, 2E, 7 and 10)	38,748,587	42,156,858
Property and equipment, net (Notes 2F and 12)	30,750	71,899
Total noncurrent assets	46,329,709	49,702,705
TOTAL ASSETS	\$ 57,585,849	\$ 60,248,349
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses (Note 2G)	\$ 874,529	\$ 816,822
Notes payable (Note 13)	1,744,851	40,000
Total current liabilities	2,619,380	856,822
Noncurrent liabilities		
Escrows due (Note 9)	842,234	871,171
Notes payable (Note 13)	20,000,000	21,261,810
Total noncurrent liabilities	20,842,234	22,132,981
TOTAL LIABILITIES	23,461,614	22,989,803
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS (Note 2B)		
Net assets without donor restrictions	1,710,899	3,207,826
Net assets with donor restrictions (Note 15)	32,413,336	34,050,720
TOTAL NET ASSETS	34,124,235	37,258,546
TOTAL LIABILITIES AND NET ASSETS	\$ 57,585,849	\$ 60,248,349

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	For the Year Ended June 30, 2019			For the Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Contributions (Notes 2J and 5)	\$ 7,557	\$ 300,000	\$ 307,557	\$ 600,000	\$ -	\$ 600,000
Government grants (Notes 2K and 6)	938,972	-	938,972	1,246,403	1,246,403	-
Fee income (Note 2L)	140,920	-	140,920	228,147	228,147	-
Interest from loans receivable (Note 2L)	4,359,629	-	4,359,629	3,642,286	3,642,286	-
Interest income from banks (Note 2M)	63,613	-	63,613	21,560	21,560	-
Net assets released from restrictions (Notes 2B and 15)	1,937,384	(1,937,384)	-	-	3,756,672	(3,756,672)
TOTAL SUPPORT AND REVENUE	<u>7,448,075</u>	<u>(1,637,384)</u>	<u>5,810,691</u>	<u>5,738,396</u>	<u>8,895,068</u>	<u>(3,156,672)</u>
EXPENSES						
Program services	7,939,610	-	7,939,610	6,957,046	6,957,046	-
Management and administration	876,927	-	876,927	822,282	822,282	-
Fundraising	128,465	-	128,465	115,103	115,103	-
TOTAL EXPENSES	<u>8,945,002</u>	<u>-</u>	<u>8,945,002</u>	<u>7,894,431</u>	<u>7,894,431</u>	<u>-</u>
CHANGE IN NET ASSETS	(1,496,927)	(1,637,384)	(3,134,311)	(2,156,035)	1,000,637	(3,156,672)
Net assets - beginning of year	3,207,826	34,050,720	37,258,546	39,414,581	2,207,189	37,207,392
NET ASSETS - END OF YEAR	<u>\$ 1,710,899</u>	<u>\$ 32,413,336</u>	<u>\$ 34,124,235</u>	<u>\$ 37,258,546</u>	<u>\$ 3,207,826</u>	<u>\$ 34,050,720</u>

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Summarized Totals for the Year Ended June 30, 2018)

	For the Year Ended June 30, 2019				2018 Total
	Program Services	Supporting Services		2019 Total	
		Management and Administration	Fundraising		
Salaries and wages	\$ 1,516,460	\$ 414,818	\$ 90,302	\$ 2,021,580	\$ 1,800,004
Payroll taxes and employee benefits (Note 16)	388,550	106,285	23,137	517,972	453,264
Total personnel services	<u>1,905,010</u>	<u>521,103</u>	<u>113,439</u>	<u>2,539,552</u>	<u>2,253,268</u>
Professional and consulting fees	341,287	253,851	2,605	597,743	748,852
Occupancy (Note 14B)	164,899	43,646	7,021	215,566	107,759
Utilities	4,147	1,098	177	5,422	74,142
Insurance	25,719	6,808	1,095	33,622	33,247
Travel, meetings and conferences	15,124	4,003	644	19,771	16,701
Supplies and office expense	6,770	1,792	288	8,850	10,965
Telecom, internet and website	45,564	7,543	1,213	54,320	39,098
Postage and delivery	531	141	23	695	1,735
Minor furniture, equipment and leases	6,556	1,735	279	8,570	3,275
Payroll and benefits processing fees	-	12,809	-	12,809	11,388
Banking, finance and miscellaneous fees (Note 13)	942,288	11,982	5	954,275	659,063
Depreciation and amortization (Note 12)	<u>39,353</u>	<u>10,416</u>	<u>1,676</u>	<u>51,445</u>	<u>69,282</u>
Total expenses before provision for loan losses	3,497,248	876,927	128,465	4,502,640	4,028,775
Provision for loan losses (Notes 2E and 7)	<u>4,442,362</u>	<u>-</u>	<u>-</u>	<u>4,442,362</u>	<u>3,865,656</u>
Total expenses	<u>\$ 7,939,610</u>	<u>\$ 876,927</u>	<u>\$ 128,465</u>	<u>\$ 8,945,002</u>	<u>\$ 7,894,431</u>

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Supporting Services		Total
		Management and Administration	Fundraising	
Salaries and wages	\$ 1,376,731	\$ 367,302	\$ 55,971	\$ 1,800,004
Payroll taxes and employee benefits (Note 16)	346,679	92,491	14,094	453,264
Total personnel services	1,723,410	459,793	70,065	2,253,268
Professional and consulting fees	442,149	270,359	36,344	748,852
Occupancy (Note 14B)	80,841	24,137	2,781	107,759
Utilities	55,621	16,607	1,914	74,142
Insurance	24,942	7,447	858	33,247
Travel, meetings and conferences	12,529	3,741	431	16,701
Supplies and office expense	8,226	2,456	283	10,965
Telecom, internet and website	34,233	4,362	503	39,098
Postage and delivery	1,301	389	45	1,735
Minor furniture, equipment and leases	2,457	733	85	3,275
Payroll and benefits processing fees	-	11,388	-	11,388
Banking, finance and miscellaneous fees (Note 13)	653,706	5,352	5	659,063
Depreciation and amortization (Note 12)	51,975	15,518	1,789	69,282
Total expenses before provision for loan losses	3,091,390	822,282	115,103	4,028,775
Provision for loan losses (Notes 2E and 7)	3,865,656	-	-	3,865,656
Total expenses	<u>\$ 6,957,046</u>	<u>\$ 822,282</u>	<u>\$ 115,103</u>	<u>\$ 7,894,431</u>

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (3,134,311)	\$ (2,156,035)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	51,445	69,282
Provision for loan losses	4,442,362	3,865,656
Amortization of deferred rent	107,913	(15,000)
Subtotal	1,467,409	1,763,903
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	129,669	(129,507)
Contributions receivable	(36,987)	100,000
Fees and interest receivable	87,443	61,190
Prepaid expenses and other assets	(9,194)	(3,883)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(50,206)	128,416
Net Cash Provided by Operating Activities	1,588,134	1,920,119
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash held in escrow	(28,937)	(211,156)
Interest capitalized	(3,048,672)	(1,995,319)
Loans disbursed	(3,813,657)	(12,580,204)
Loan payments received	5,828,238	4,804,251
Acquisitions of property and equipment	(10,296)	(11,422)
Net Cash Used in Investing Activities	(1,073,324)	(9,993,850)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	483,041	14,521,810
Repayments of notes payable	(40,000)	(1,784,000)
Funds paid to other capital providers	-	(119,056)
Funds received from other capital providers	-	183,599
Net Cash Provided by Financing Activities	443,041	12,802,353
NET INCREASE IN CASH AND CASH EQUIVALENTS	957,851	4,728,622
Cash and cash equivalents – Beginning of year	16,071,646	11,343,024
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 17,029,497	\$ 16,071,646
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR:		
Unrestricted cash and cash equivalents	\$ 10,464,125	\$ 9,582,698
Restricted cash and cash equivalents	6,565,372	6,488,948
CASH AND CASH EQUIVALENTS—END OF YEAR	\$ 17,029,497	\$ 16,071,646
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 904,524	\$ 453,122

The accompanying notes are an integral part of these financial statements.

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NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

New York City Energy Efficiency Corporation (“NYCEEC”) is a non-profit, specialty finance company that provides loans and innovative financing solutions to help building owners undertake energy efficiency and clean energy projects that reduce greenhouse gas emissions and save money. NYCEEC finances energy efficiency, combined heat and power, fuel conversion, demand response and building-scale renewable energy and storage projects.

NYCEEC is governed by a Board of Directors whose membership includes public officials and private individuals. In fiscal year 2014, NYCEEC’s Board of Directors voted to become self-perpetuating and NYCEEC is no longer a component unit of The City of New York (the “City”).

On November 29, 2012, NYCEEC received notice from the Internal Revenue Service (“IRS”) that its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code was approved, and it is exempt from federal income taxes. NYCEEC is considered a public charity under Section 170(b)(1)(A)(vi). NYCEEC was incorporated under the laws of the State of New York (the “State”) and is exempt from State and local income and sales taxes.

NYCEEC makes construction and permanent loans and provides credit enhancement in the form of loan loss reserves exclusively for energy efficiency and clean energy projects in buildings. NYCEEC also partners with various lending organizations to finance such projects while encouraging best practices with respect to energy efficiency retrofit implementation and ongoing performance monitoring.

NYCEEC’s project loans are primarily funded by Federal funds as well as funds received from the City, private banks and philanthropic foundations. NYCEEC’s operations are primarily funded through earnings on its project loans and funds received through the contract with the City as well as several philanthropic grants that NYCEEC has been awarded since inception.

In accordance with its governing documents, NYCEEC officers have the responsibility to approve or disapprove certain financing transactions while other transactions must be approved by certain members of the Board of Directors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The accompanying financial statements of NYCEEC have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to not-for-profit organizations as defined by the Financial Accounting Standards Board (“FASB”).

B. *Basis of Presentation*

NYCEEC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – include resources that are not subject to donor-imposed stipulations and, therefore, may be expended for any purpose in performing the primary objectives of NYCEEC.

Net Assets With Donor Restrictions – include resources subject to donor-imposed stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restrictions.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Functional Allocation of Expenses*

The costs of providing NYCEEC's program and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated between program and supporting services benefited. Such allocations are determined by management on an estimated reasonable basis.

The expenses that are allocated include salaries and wages which were allocated based on management's estimate of the time spent by each employee in each functional category. The payroll taxes and employee benefits were allocated based on the allocation of staff salaries. Professional and consulting fees were directly applied to a functional category depending of the purpose of the services, and indirect costs are allocated on the basis of staff full time employees.

D. *Loans Receivable*

Loans receivable are funds utilized for financing clean energy and energy efficiency projects. Loans receivable represent funds drawn by borrowers and any interest capitalized on those funds. Non-capitalized interest on borrowed funds is recognized as interest receivable. The loan terms vary and generally have repayment periods of up to 12 years.

Loans are considered past due when payment of scheduled principal or interest is not received within 30 days from the payment due date. NYCEEC's policy places a loan on non-accrual status when payments of principal or interest are 120 days past due or more unless the loan is in the process of collection and management reasonably expects full collection. Management may place a loan on non-accrual whether the loan is past due or when it is evident that full payment of the loan is not expected. Interest on non-accrual loans will not be recognized on an accrual basis from the point they are placed on non-accrual. A non-accrual loan will be returned to accrual status when all past due payments are brought current and management believes repayment of contractually owed principal and interest is reasonably assured.

E. *Provision for Uncollectible Amounts*

NYCEEC establishes a provision for possible uncollectible amounts based on an analysis of receivables deemed uncollectible. NYCEEC's policy is based on its internal evaluation of the individual loans and their associated risk. These amounts are recorded in the accompanying financial statements under loans receivable or fees and interest receivable, as applicable (see Note 7).

As of June 30, 2019 and 2018 the accompanying financial statements included provisions on allowance for uncollectible loans of \$11,130,182 and \$6,231,065, respectively.

F. *Property and Equipment*

It is NYCEEC's policy to capitalize property and equipment with a cost over \$1,000 and a useful life of at least three years. Property and equipment are stated at their original costs or at their fair values at the dates of donation. Depreciation is provided using the straight-line method over the estimated useful lives. Expenditures for leasehold improvements are capitalized and amortized using the straight-line method over the lease term.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Deferred Rent*

NYCEEC records rent expenses associated with its office lease on a straight-line basis over the life of the lease. The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying financial statements. Included in accounts payable and accrued expenses in the accompanying financial statements is a deferred rent liability of \$112,793 and \$4,880 as of June 30, 2019 and 2018, respectively.

H. *Cash and Cash Equivalents*

For purposes of the statements of cash flows, NYCEEC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

I. *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

J. *Contributions and Contributions Receivable*

Contribution revenue is recorded at fair value when the donor makes an unconditional promise to give. Amounts are recorded as with donor restrictions if they have donor stipulations that limit the use of the donated asset. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as contributions released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grant funds are released from restriction as eligible operating and capital expenses are incurred. When both restricted and unrestricted resources are available for use, it is NYCEEC's policy to use restricted resources first, and then unrestricted resources as they are needed.

Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved, unless deemed to be de minimis.

K. *Government Grants, Government Grants Receivable and Unearned Revenue*

Government grant revenue is recognized when earned. Government grant funds from the City used to capitalize NYCEEC's revolving loan fund and loan loss reserve fund is recorded as grant revenue when committed and funding is certain. Expense driven grants are recognized as revenue when qualifying expenses have been incurred and all other grant requirements have been met. Government grant funds received prior to qualifying expenses being incurred are recorded as unearned revenue.

Government grants receivable consists of eligible costs under government grants that were incurred prior to the fiscal year-end and funds committed for the loan fund and loan loss reserve fund for which payment has not been received.

L. *Program Revenue and Fees and Interest Receivable*

Program revenue includes income from interest and fees on loans and loan loss reserve transactions. Such income is recognized when earned. Fees are due and payable when earned.

When interest is capitalized during the construction period, it is reflected as loans receivable. Interest is due and payable monthly or quarterly based on the amortization schedule shared with the borrower.

M. *Investment Income*

Investment income reflects the earnings on the cash and cash equivalents of NYCEEC held with financial institutions.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Recent Accounting Pronouncements

FASB Accounting Standards Update (“ASU”) 2016-14, “Not-for-Profit Entities Topic 958” Presentation of Financial Statements of Not-for-Profit Entities, was adopted for the year ended June 30, 2019. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquidity resources and functional expense allocation. These changes had no impact on the change in net assets for the year ended June 30, 2019. As a result of implementing ASU 2016-14, NYCEEC reports net assets in two classes (see Note 2B) and provides additional information about liquidity (see Note 3) and the methodologies used to allocate expenses by function (see Note 2C).

O. Reclassification

Certain line items in the June 30, 2018 financial statements have been reclassified to conform to the June 30, 2019 presentation.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Cash account balances, net of outstanding checks, for all accounts, are reviewed daily by accounting and finance staff. Balances in the operating, payroll, foundation funding, and restricted lending accounts are reviewed weekly with management to determine necessary cash transfers and availability of funds to cover the cost of general operations as well as to fund lending activities.

As of June 30, 2019, NYCEEC had working capital of approximately \$8.6 million and a current ratio of 4.0. At year end, unrestricted cash and cash equivalents of approximately \$10.5 million represented 752 days of cash on hand based on the FY2020 operating budget, with the majority of these funds intended for lending. NYCEEC additionally had short-term receivables of approximately \$729,000. An additional \$5.7 million in cash and cash equivalents is restricted specifically for lending purposes.

As of June 30, 2019, the following tables show the total financial assets held and the amounts of those financial assets that could be made readily available within one year of the balance sheet date to meet general expenditures.

Financial assets at year-end:

Cash and cash equivalents	\$ 10,464,125
Government grants receivable	368,197
Contributions receivable	36,987
Fees and interest receivables	324,264
Restricted cash and cash equivalents	5,748,139
Restricted cash - escrows held	817,233
Restricted deposit with NYCHDC	985,000
Loans receivable, net	<u>5,276,839</u>
	<u>\$ 24,020,784</u>

Financial assets available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 10,464,125
Government grants receivable	368,197
Contributions receivable	36,987
Fees and interest receivables	324,264
Loans receivable, net	<u>5,276,839</u>
	<u>\$ 16,470,412</u>

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 – CASH AND CASH EQUIVALENTS

As of June 30, 2019, NYCEEC's bank balance was \$17,172,733 compared to its book balance of \$17,029,498. The difference between the bank balance and book balance of \$143,235 relates to reconciling items in the NYCEEC operating account. Of the bank balance, \$250,000 was covered by Federal Deposit Insurance Corporation ("FDIC") insurance for each of the two banks and \$15,870,375 was fully collateralized under a pledge and assignment agreement with JP Morgan Chase. The remaining \$802,358 is uncollateralized.

NOTE 5 – CONTRIBUTIONS

NYCEEC was awarded a total of \$307,557 and \$600,000 in private foundation funding during the years ended June 30, 2019 and 2018, respectively. Since inception, NYCEEC has been awarded \$7.1 million in private foundation funding. As of June 30, 2019 and 2018, the outstanding receivable balance amounted to \$36,987 and \$0, respectively.

NOTE 6 – GOVERNMENT GRANTS AND CONTRACTS

In 2011, NYCEEC was awarded an allocation from the City under the Energy Efficiency and Conservation Block Grant Program ("EECBG") in the amount of \$37.5 million, which was received in full. NYCEEC has received \$37.5 million from the City since inception. Of this amount, a total of \$32.8 million was used to capitalize a revolving loan fund and loan loss reserve fund and has been recorded as grant revenue in prior periods.

The City committed to funding NYCEEC an additional \$8.2 million over three years, beginning June 2015 for additional clean energy financing and related services. Of this \$8.2 million, \$5 million was used to capitalize a revolving loan fund and has been recorded as revenue in the statements of activities. NYCEEC recorded a receivable balance from the City as of June 30, 2018 amounting to \$248,126 for expenditures incurred. As of June 30, 2019, \$266,697 was included in government grants receivable on the accompanying financial statements for expenditures incurred. The City shall make further allocations to NYCEEC upon request and submission.

As of June 30, 2019 and 2018, net assets received under the contract with the City and restricted for purposes of the revolving loan fund and loan loss reserve fund were approximately \$32.4 million and \$33.9 million, respectively (see Note 15). For the years ended June 30, 2019 and 2018, approximately \$1.6 million and \$3.3 million, respectively, of loan funding from the City was released from restrictions to cover the provision for loan losses on anticipated uncollectible loans receivable funded by the City.

NOTE 7 – LOANS AND COLLATERAL COMMITMENTS

A. *Loans and Collateral Commitments*

NYCEEC has received federal grants and a private grant that are to be utilized for financing clean energy and energy efficiency. NYCEEC has also secured participant lenders and other borrowing facilities to fund its project loan portfolio. Through June 30, 2019, NYCEEC has closed eighty-one financing transactions, totaling approximately \$80.0 million. These eighty-one transactions have consisted of six loan loss reserve transactions totaling \$12.2 million and seventy-five loans totaling \$68.2 million since inception.

Of the \$68.2 million in NYCEEC loan commitments, \$65.2 million has been drawn by borrowers through June 30, 2019 and approximately \$3 million remains to be drawn. In fiscal year 2019, interest of \$3,048,672 was capitalized and added to principal. NYCEEC has collected approximately \$5.8 million in principal repayments in fiscal year 2019.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 – LOANS AND COLLATERAL COMMITMENTS (Continued)

A. *Loans and Collateral Commitments (Continued)*

Loans receivable consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Loans receivable, beginning	\$ 50,925,750	\$ 40,753,543
Loan disbursements	7,295,977	12,365,703
Interest capitalization	3,048,672	2,610,755
Loan repayments	<u>(5,828,246)</u>	<u>(4,804,251)</u>
Loans receivable, ending	55,442,153	50,925,750
Less allowance	(11,130,182)	(6,231,065)
Less loans serviced on behalf of third parties	<u>(5,563,384)</u>	<u>(2,537,827)</u>
 Loans receivable, net	 <u>\$ 38,748,587</u>	 <u>\$ 42,156,858</u>

The following is a summary of the scheduled principal repayments to be received on all of NYCEEC's loans (before the provision for uncollectible amounts) as of June 30:

	<u>2019</u>	<u>2018</u>
Due in less than one year	\$ 5,835,549	\$ 5,117,230
Due within one to five years	11,181,991	3,711,274
Due after five years	<u>38,424,613</u>	<u>42,097,246</u>
	 <u>\$ 55,442,153</u>	 <u>\$ 50,925,750</u>

B. *Concentrations*

As of June 30, 2019 and 2018, borrowers with outstanding balances in excess of 10% of the gross loans receivable accounted for 62% and 61% of the portfolio, respectively. As of June 30, 2019, the largest concentrations of loans receivables are with three borrowers across five loans and amount to approximately \$19.4 million, \$7.6 million and \$7.1 million representing approximately 35%, 14% and 13%, respectively, of NYCEEC's loan portfolio, net of participations. As of June 30, 2018, the largest concentrations of loans receivables were with three borrowers across five loans and amounted to approximately \$16.6 million, \$7.5 million and \$4.7 million representing approximately 34%, 15% and 10%, respectively, of NYCEEC's loan portfolio, net of participations.

C. *Ratings and Provisions*

NYCEEC uses an internal rating system to determine borrower repayment risk and the appropriate provision. The definitions of the rating levels are summarized below, in addition to amounts provisioned based on analysis of specific receivables deemed uncollectible. Provisions calculated do not include amounts serviced on behalf of third parties.

1. Pass provisioned at 2% of outstanding principal balance: The borrower and the loan are both performing fully to projections and project milestones, or better, with no sign of deterioration in any of the major performance criteria.
2. Watch/Attention provisioned at 10% of outstanding principal balance: Deterioration in one or more major financial performance criteria is a trend requiring increased scrutiny and possible intervention with the borrower.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 – LOANS AND COLLATERAL COMMITMENTS (Continued)

C. Ratings and Provisions (Continued)

3. Doubtful/Substandard provisioned at 20% of outstanding principal balance: Borrower or loan shows significant deterioration, requiring restructuring and intervention. Negative trends cannot be easily reversed, and payment on the original terms is extremely doubtful.

An analysis of the allowance for uncollectible amounts as of June 30, 2019 and 2018 by rating category is summarized as follows:

Classification	Loans Receivable	Loan-Loss Reserves	Provision	June 30, 2019, Net
Specific	\$ 7,166,085	\$ -	\$ (7,166,085)	\$ -
1	27,177,605	985,000	(471,685)	27,690,920
2	5,302,806	-	(530,281)	4,772,525
3	14,810,657	-	(2,962,131)	11,848,526
	<u>\$ 54,457,153</u>	<u>\$ 985,000</u>	<u>\$ (11,130,182)</u>	<u>\$ 44,311,971</u>
Less: Loans serviced on behalf of third parties				<u>(5,563,384)</u>
Net loans receivable				<u>\$ 38,748,587</u>

Classification	Loans Receivable	Loan-Loss Reserves	Provision	June 30, 2018, Net
Specific	\$ 6,486,832	\$ -	\$ (4,905,344)	\$ 1,581,488
1	40,853,918	985,000	(805,721)	41,033,197
2	-	-	-	-
3	2,600,000	-	(520,000)	2,080,000
	<u>\$ 49,940,750</u>	<u>\$ 985,000</u>	<u>\$ (6,231,065)</u>	<u>\$ 44,694,685</u>
Less: Loans serviced on behalf of third parties				<u>(2,537,827)</u>
Net loans receivable				<u>\$ 42,156,858</u>

NOTE 8 – RESTRICTED DEPOSIT WITH NYCHDC

NYCEEC provided \$2.5 million to New York City Housing Development Corporation (“NYCHDC”) for the establishment of the Program for Energy Reduction Loans (“PERL”) loan loss reserve account. In fiscal year 2016, NYCHDC repaid NYCEEC \$1.5 million to reduce the amount held to \$985,000. There was no additional repayment in fiscal year 2019, and as of June 30, 2019, the amounts held in reserve were \$985,000. This reserve account is maintained by NYCHDC for the benefit of NYCHDC and NYCEEC. NYCHDC may invest the funds on deposit in the reserve account in one or more permitted investments selected by NYCHDC in its sole discretion. All proceeds and earnings of these investments benefit NYCEEC and are paid by NYCHDC to NYCEEC quarterly. If there are any losses on permitted investments, NYCHDC shall deposit the amount of such loss in the reserve account. During the years ended June 30, 2019 and 2018, earnings on this reserve fund were \$21,112 and \$11,004, respectively, and such amounts are included in interest from loans receivable in the accompanying financial statements.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 9 – ESCROWS HELD AND ESCROWS DUE

Two NYCEEC borrowers have contributed funds to capitalize certain loss reserves in respect of financed projects. The first borrower makes monthly payments to fund reserves balances and quarterly principal and interest payments on the loan. During the years ended June 30, 2019 and 2018, these payments and interest accrued have decreased the amounts held in reserve by approximately \$54,000 and \$200,000, respectively. To the extent that such funds are not used to repay any amounts owed and unpaid to NYCEEC under the loan agreement, a portion will be returned to the borrower on an annual basis and the balance at the term of the transaction, based on the loan agreement. The second borrower has funded certain reserves during construction of approximately \$99,000 as per schedules established in the associated loan agreements. Such reserves are held in escrow in respect of the financed projects.

NOTE 10 – OTHER NON-CURRENT LIABILITIES - LOANS SERVICED ON BEHALF OF THIRD PARTIES

Pursuant to a contractual arrangement between New York State Energy Research & Development (“NYSERDA”) and NYCEEC, NYSERDA contributed \$721,332 to the origination of seven project loans which has been disbursed to borrowers. Funds have been disbursed on a pro-rata basis with NYCEEC capital in accordance with the loan terms and will be returned to NYSERDA concurrently as loan repayments are made to NYCEEC. As such, NYCEEC is servicing this loan on behalf of NYSERDA. The repayment of funds to NYSERDA is made on a non-recourse basis and with no associated interest.

During the years ended June 30, 2019 and 2018, NYCEEC made repayments to NYSERDA of \$1,116,043 and \$119,056, respectively. As of June 30, 2019 and 2018, \$300,131 and \$210,448, respectively, is due to NYSERDA, which is netted against the loans receivable in the accompanying statements of financial position.

Pursuant to a contractual arrangement with a third-party participant to co-fund one project loan, \$2,143,779 has been contributed by third-party capital in accordance with the loan terms during the year ended June 30, 2019. Inclusive of NYSERDA and this private investor, the total loan participations serviced on behalf of third parties as of June 30, 2019 and 2018 were \$5,563,384 and \$2,537,827, respectively. This is recognized as a reduction of loans receivable (Note 7).

NOTE 11 – RISK MANAGEMENT

NYCEEC has standard commercial insurance coverage to mitigate typical operational risk.

NYCEEC extends financing for both clean energy and energy efficiency retrofit projects and, in this capacity, NYCEEC is exposed to the risk of non-payment of fees, interest and return of principal. In cooperation with its Board of Directors and consultants, NYCEEC has instituted transaction-specific underwriting standards, due diligence and credit approval procedures, and monitoring procedures to mitigate these risks.

NOTE 12 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ -	\$ 196,677	5 Years
Furniture and fixtures	13,169	8,408	5 Years
Software	35,493	35,493	3 Years
Computers and equipment	<u>81,436</u>	<u>75,901</u>	3 Years
Total cost	130,098	316,479	
Less: accumulated depreciation and amortization	<u>(99,348)</u>	<u>(244,580)</u>	
Net book value	<u>\$ 30,750</u>	<u>\$ 71,899</u>	

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 12 – PROPERTY AND EQUIPMENT (Continued)

Depreciation and amortization expense amounted to \$51,445 and \$69,282, respectively, for the years ended June 30, 2019 and 2018. During the years ended June 30, 2019 and 2018, NYCEEC wrote-off fully depreciated leasehold improvements amounting to \$196,677 and \$0, respectively. This write-off reflected leasehold improvements no longer in service.

NOTE 13 – NOTES PAYABLE

On December 31, 2014, NYCEEC was awarded a working capital recoverable grant of \$120,000 from the Deutsche Bank Americas Foundation over three years. This award is treated as a zero-interest loan and must be repaid over three years following the grant period. As of June 30, 2019 and 2018, NYCEEC owed \$0 and \$40,000, respectively, under the award.

On December 5, 2017, NYCEEC entered into an agreement with FJC, a New York not-for-profit corporation, for a term loan facility to support an energy improvement project with a maximum borrowing capacity of \$1.82 million and which matures May 31, 2020. Interest accrues on amounts borrowed under the note at prime + 3% per annum and is paid quarterly. As of June 30, 2019, NYCEEC had drawn \$1.7 million. This amount is included in notes payable – current.

On April 15, 2016, NYCEEC entered into an agreement with Bank of America (“BOA”) for a term loan facility with a maximum borrowing capacity of \$10 million, which may be drawn through October 15, 2017 and which matures April 15, 2024 with interim payments due April 15, 2021, 2022 and 2023. Interest accrues on amounts borrowed under the note at 3% per annum and is paid quarterly. As of June 30, 2019 and 2018, NYCEEC had drawn \$10 million under the note. This amount is included in notes payable – noncurrent.

On July 1, 2016, NYCEEC entered into agreement with the MacArthur Foundation for a term-loan program related investment in the amount of \$5 million, which may be drawn through June 30, 2018 and which matures July 1, 2031 with interim payments due July 1, 2028, 2029 and 2030. Interest accrues on amounts borrowed under the note at 1% per annum and is paid quarterly. As of June 30, 2019 and 2018, NYCEEC had drawn \$5 million under the note. This amount is included in notes payable – noncurrent.

On July 26, 2016, NYCEEC entered into agreement with Deutsche Bank for a revolving loan facility in the amount of \$5 million, which may be drawn through July 26, 2017 and which matures December 14, 2021. Interest accrues on amounts borrowed under the note at London Inter-bank Offered Rate (“LIBOR”) + 2.25% per annum and is paid quarterly. The facility is subject to an unused facility fee, which accrues on amounts committed but unborrowed at two tenths of one percent (0.20%) and is paid quarterly. As of June 30, 2019 and 2018, NYCEEC had drawn \$5 million under the note. This amount is included in notes payable – noncurrent.

As of June 30, 2019 and 2018, NYCEEC had total notes payable of approximately \$21.7 million and \$21.3 million, respectively. Interest expense for the years ended June 30, 2019 and 2018 amounted to \$944,654 and \$475,637, respectively, and is included in banking, finance and miscellaneous fees in the accompanying statements of functional expenses.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. *Contingencies for Future Audits by Governmental Funding Sources*

Pursuant to NYCEEC’s contractual relationships with its governmental funding sources, governmental agencies have the right to examine NYCEEC’s books and records involving transactions relating to these contracts. The accompanying financial statements make no provision for possible disallowances.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

B. Lease Commitments

On September 14, 2018, NYCEEC entered into a lease for the use of facilities in Manhattan which extends through October 31, 2027. The lease is subject to escalations for increases in real estate taxes and other operating expenses.

As of June 30, 2019, minimum future obligations under this lease were approximately as follows:

Fiscal year 2020	\$ 225,000
Fiscal year 2021	225,000
Fiscal year 2022	225,000
Fiscal year 2023	225,000
Fiscal year 2024	229,000
Thereafter	<u>858,000</u>
	<u>\$ 1,987,000</u>

Rent expense for the years ended June 30, 2019 and 2018 amounted to \$191,815 and \$107,759, respectively, and is included in occupancy costs in the accompanying statements of functional expenses.

C. Income Taxes

NYCEEC believes it had no uncertain tax positions as of June 30, 2019 and 2018 in accordance with FASB Accounting Standards Codification Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

For the years ended June 30, 2019 and 2018, net assets with donor restrictions amounted to \$32,413,336 and \$34,050,720, respectively. Of this amount, \$25,743 and \$81,640, respectively, has been received from private sources to fund future NYCEEC operations and \$32,387,593 and \$33,969,080, respectively, is intended to fund the revolving loan fund and loan loss reserve fund.

Net assets with donor restrictions were restricted for the following as of June 30:

	<u>2019</u>	<u>2018</u>
Revolving loan and loan loss reserve fund	\$ 32,387,593	\$ 33,969,080
Time restrictions	<u>25,743</u>	<u>81,640</u>
Net book value	<u>\$ 32,413,336</u>	<u>\$ 34,050,720</u>

During the years ended June 30, 2019 and 2018, \$1,937,384 and \$3,756,672, respectively, in allowable expenditures satisfied donor restrictions. During the year ended June 30, 2019, these amounts included approximately \$1.6 million in funding released to cover the provision for loan losses on anticipated uncollectible loans receivable. Such amounts are recorded as net assets released from restrictions in the accompanying statements of activities.

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 16 – RETIREMENT PLAN

NYCEEC maintains a contributory, defined-contribution 401(k) plan covering all employees who meet specific eligibility requirements. The plan is an elective, deferred-salary arrangement. NYCEEC makes safe-harbor contributions matching employee contributions up to 3% of salary and half of employee contributions between 3% and 5%. Employee contributions and employer safe-harbor contributions are considered fully vested. NYCEEC may elect to make additional matching contributions on behalf of employees. Additional matching contributions are considered fully vested after six years of service. During the years ended June 30, 2019 and 2018, NYCEEC contributions into the 401(k) plan on behalf of active employees totaled \$99,473 and \$74,273, respectively, and are included in payroll taxes and employee benefits in the accompanying financial statements.

NOTE 17 – SUBSEQUENT EVENTS

NYCEEC has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through October 31, 2019, the date the financial statements were available to be issued.

Subsequent to year end, NYCEEC paid down its note payable with FJC in the amount of \$1 million and BOA in the amount of \$2.5 million. As of October 31, 2019, the outstanding balance due to FJC and BOA is \$744,851 and \$7.5 million, respectively.

Annex B

Schedule of Projects

During fiscal year 2019, NYCEEC consummated the following transactions:¹

No.	Project Name	Borrower Name	Closing Date	Loan Size (approx.)²	Type of Loan
1.	Lakeside Towers	Strategic Finance Group	09/26/2018	\$420,516	PPA-backed project financing
2.	Hebrew Home ESA Part 2	Ecosave, Inc.	09/27/2018	\$790,036	ESA-backed project financing
3.	Edge 11211 Condo LED Retrofit	Edge 11211 Condo	10/17/2018	\$107,537	Direct loan
4.	Ariel West LED	Ariel West Owners Corp.	01/25/2019	\$75,568	Direct Loan

¹ This list does not include small transactions in which the original NYCEEC commitment was \$50,000 or less.

² Amount of original NYCEEC commitment. Amount does not include capitalized interest (if any).

Annex C

Authority's Enabling Statute

FILING RECEIPT

ENTITY NAME: NEW YORK CITY ENERGY EFFICIENCY CORPORATION

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT)

TYPE: C COUNTY: NEWY

FILED:10/21/2010 DURATION:PERPETUAL CASH#:101021001003 FILM #:101021000925

FILER:

EXIST DATE

SUSAN FORSYTH
NEW YORK CITY LAW DEPARTMENT
100 CHURCH STREET
NEW YORK, NY 10007

10/21/2010

ADDRESS FOR PROCESS:

C/O CHIEF OF THE DIVISION OF LEGAL COUNSEL
NEW YORK CITY LAW DEPARTMENT 100 CHURCH STREET
NEW YORK, NY 10007

REGISTERED AGENT:



SERVICE COMPANY: CT CORPORATION SYSTEM - 07

SERVICE CODE: 07

FEEs	385.00

FILING	75.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	300.00

PAYMENTS	385.00

CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	385.00
OPAL	0.00
REFUND	0.00

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on October 21, 2010.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

**CERTIFICATE OF INCORPORATION
OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

A Not-For-Profit Corporation
under Section 402 of the Not-For-Profit
Corporation Law of the State of New York

THE UNDERSIGNED, a natural person of the age of eighteen or over, for the purpose of forming a not-for-profit corporation pursuant to Section 402 of the Not-For-Profit Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation is New York City Energy Efficiency Corporation (hereinafter referred to as the "**Corporation**").

SECOND: The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York (the "**Not-For-Profit Corporation Law**") and shall be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law.

THIRD: The purposes for which the Corporation is formed and will be operated are the exclusively charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), of lessening the burdens of government and protecting the public interest by implementing the greenhouse gas reduction plans of The City of New York (the "**City**"), including without limitation the provision of funding and financing to property owners in the City for the installation of renewable energy systems and energy efficiency improvements, the development and aggregation of demand for such funding and financing through education, marketing, and outreach efforts, the coordination and development of related workforce development activities, and the promotion of innovative energy initiatives that deliver short- and long-term economic and environmental benefits to City residents (the "**Sustainable Energy Program**").

FOURTH: In advancing such purposes, the Corporation will be performing an essential government function on behalf of the City within the meaning of Section 115(1) of the Code. In furtherance of the promotion of the public interest and said Program and purposes, the Corporation shall have the power to engage in activities (subject to such

restrictions and limitations as may be imposed on not-for-profit corporations by this Certificate of Incorporation, the Not-For-Profit-Corporation Law, or by any other applicable law) including the following:

(a) to establish the terms, conditions, procedures and requirements to effectuate and implement the planning, development, operation and financing of the Sustainable Energy Program in partnership with the City;

(b) to negotiate and consummate the acquisition, disposition, transfer or other conveyance of real or personal property related to any energy efficiency improvement or renewable energy system, as such terms may from time to time be defined under the laws of the State of New York or the United States, as buyer, seller, lessee, lessor, assignee or assignor or otherwise in relation to enabling, implementing, promoting or assisting activities in connection with the Sustainable Energy Program;

(c) to enter into contracts, agreements, leases, licenses and other similar arrangements and instruments (to the extent permitted by, and consistent with, the purposes of the Corporation) with any public or private entity in furtherance of the purposes specified herein;

(d) to acquire, construct, improve, develop, renovate, rehabilitate, revitalize or replace, any and all energy efficiency improvement or renewable energy system and the operation and maintenance thereof and to support or enhance, directly or indirectly, the financing or refinancing of same;

(e) to engage the services of one or more developers, contractors, consultants, engineers, brokers, planners, construction managers, property managers, architects, attorneys, advisors, trustees, concessionaires, operators and all other service providers whose services shall be necessary or desirable in connection with the activities of the Corporation;

(f) to employ any number of part-time or full-time employees to carry out the purposes of the Corporation and the activities referred to herein;

(g) to apply for, accept, administer and comply with the terms of, any gifts, grants, subsidies, guarantees or loans of funds or property or financial or other aid in any form

from the federal government or any agency or instrumentality thereof, or from the State of New York or the City or any agency or instrumentality thereof or from any other source, for any or all of the purposes specified herein;

(h) to receive, administer and comply with the conditions and requirements respecting donations from individuals, public or private entities or from any other source, for any or all of the purposes specified herein;

(i) to receive moneys derived from any energy efficiency improvement or renewable energy system including, without limitation, charges and other moneys related to and/or necessary for the development, operation and repayment, support or enhancement of any financing for any such improvement or system (together, "Revenues") and to assign, sell or pledge such Revenues to the City or any other entity in furtherance of the purposes referred to herein;

(j) to create or enter into and participate as members in (and in connection therewith, exercise any and all power and right that such membership conveys) limited partnerships, limited liability companies, contracts, leases, licenses and other similar arrangements, give guarantees and incur liabilities, borrow money at such rates of interest as the Corporation may determine, to secure the payment of any of its debt or other obligations by mortgage, pledge or assignment of its Revenues, securities, contracts or property where situated, and to amend any such agreement or arrangement relating to the same, in each case upon such terms as it may determine;

(k) to lend money or provide other financing in furtherance of the purposes specified herein, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned, financed or invested;

(l) to accrue, assign or pay over to the City, or to such entity as the City may direct, as and to the extent the City may direct, Revenues derived from or in connection with the Sustainable Energy Program; and

(m) to perform any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to perform or exercise under the laws of the State of New York for the purpose of accomplishing any of the purposes referred to herein.

FIFTH: Nothing herein shall authorize the Corporation to engage in any of the activities mentioned in Section 404(a) through (w) of the Not-For-Profit Corporation Law.

SIXTH: The purposes referred to in paragraph **THIRD** above will achieve the lawful public objective of assisting the City in the implementation of the Sustainable Energy Program and providing improved quality of life for the residents of the City.

SEVENTH: The duration of the Corporation is to be perpetual.

EIGHTH: The Corporation is not formed for pecuniary profit or for financial gain. The property of the Corporation is irrevocably dedicated to its charitable purposes. All income and earnings of the Corporation shall be used exclusively for its corporate purposes. No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest, except that the Corporation shall be authorized to pay reasonable compensation for goods purchased or services rendered in connection with the furtherance of the purposes of the Corporation set forth herein.

NINTH: (a) No substantial part (within the meaning and for the purposes of Sections 501(c)(3) and 501(h) of the Code) of the activities of the Corporation shall consist of attempting to influence legislation by propaganda or otherwise. Nor shall the Corporation directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried out by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Code and the regulations promulgated thereunder or by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

TENTH: In the event of dissolution of the Corporation or the winding up of its affairs, the Board of Directors of the Corporation shall, after paying or making provision for the payment of all of the debts and liabilities of the Corporation, distribute all of the remaining assets and property of the Corporation to (i) the City for a public purpose or (ii) an organization described in Section 501(c)(3) of the Code or whose income is also excludible from gross income under Section 115(1) of the Code. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York, pursuant to Section 1008 of the Not-For-Profit Corporation Law.

ELEVENTH: The office of the Corporation shall be located in the County of New York in the State of New York.

TWELFTH: The Corporation will have Members. The rights and conditions of membership will be stated in the By-laws of the Corporation. The By-laws of the Corporation may be adopted, amended or repealed by a majority of the Directors of the Corporation.

THIRTEENTH: The Corporation shall be managed by a Board of Directors, which shall, prior to the adoption of the Corporation's By-laws, be comprised of those persons named below each of whom shall serve as Director until her or his successor has been appointed and qualified in accordance with the By-laws of the Corporation. The names, offices and addresses of the initial Directors of the Corporation, each of whom is of legal age to so act, are as follows:

<u>Name</u>	<u>Office</u>	<u>Address</u>
David Bragdon	Director, Mayor's Office of Long-Term Planning and Sustainability	253 Broadway, 10 th Floor New York, New York 10007

Stephen Goldsmith Deputy Mayor for Operations City Hall
New York, New York 10007

Anthony W. Crowell Counselor to the Mayor City Hall
New York, New York 10007

The term "Director" as used herein shall include any alternate director designated in accordance with the By-laws of the Corporation. Each of the Directors shall serve for the term of office provided in the By-laws and shall be removed from office and replaced as provided in the By-laws.

Each meeting of the Board of Directors of the Corporation shall be conducted in the manner prescribed by the Open Meetings Law of the State of New York (Section 100 *et seq.* of the Public Officers Law of the State of New York) as if the Corporation were a public body as defined therein.

FOURTEENTH: The Corporation shall indemnify, defend and hold harmless each Member, Director, each officer and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the fullest extent permitted under the Not-For-Profit Corporation Law.

FIFTEENTH: The Secretary of State of the State of New York is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon the Secretary of State as agent of the Corporation is c/o Chief of the Division of Legal Counsel, New York City Law Department, 100 Church Street, New York, New York 10007.

SIXTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in any manner provided by statute.

IN WITNESS WHEREOF, this certificate has been signed this 21st day of
October, 2010 by the undersigned.

Susan Forsyth
SUSAN FORSYTH, INCORPORATOR
NEW YORK CITY LAW DEPARTMENT
100 CHURCH STREET
NEW YORK, NEW YORK 10007

CT-07

101021000925

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2010 OCT 21 PM 1:44

CERTIFICATE OF INCORPORATION
OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION

A Not-For-Profit Corporation
under Section 402 of the Not-For-Profit
Corporation Law of the State of New York

DL RD

Filed by: Susan Forsyth
New York City Law Department
100 Church Street
New York, New York 10007

l.c.c.
STATE OF NEW YORK
DEPARTMENT OF STATE

Cust Ref 7977580 cas

FILED OCT 21 2010

TAX \$ _____

BY: *DL*

NY

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FILING RECEIPT

ENTITY NAME: NEW YORK CITY ENERGY EFFICIENCY CORPORATION

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)
PROVISIONS

COUNTY: NEWY

FILED:01/13/2014 DURATION:***** CASH#:140113000509 FILM #:140113000480

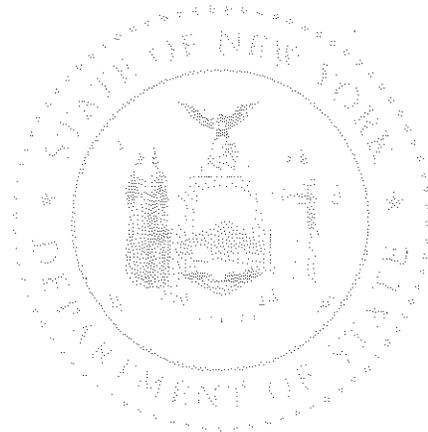
FILER:

LAUREN MACKSOUD
110 WILLIAM STREET

NEW YORK, NY 10038

ADDRESS FOR PROCESS:

REGISTERED AGENT:



SERVICE COMPANY: CORPORATION SERVICE COMPANY - 45

SERVICE CODE: 45

FEEs 65.00
FILING 30.00
TAX 0.00
CERT 0.00
COPIES 10.00
HANDLING 25.00

PAYMENTS 65.00
CASH 0.00
CHECK 0.00
CHARGE 0.00
DRAWDOWN 65.00
OPAL 0.00
REFUND 0.00

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STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 14, 2014.

Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

140113000

480

CSC 45
Drawdown

New York State
Department of State
Division of Corporations, State Records and Uniform Commercial Code
One Commerce Plaza, 99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF**

NEW YORK CITY ENERGY EFFICIENCY CORPORATION

(Insert Name of Domestic Corporation)

Under Section 803 of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is:

New York City Energy Efficiency Corporation

If the name of the corporation has been changed, the name under which it was formed is:

SECOND: The certificate of incorporation was filed by the Department of State on:

October 21, 2010

THIRD: The law the corporation was formed under is: Not-for-Profit Corporation Law

FOURTH: The corporation is a corporation as defined in Section 102(a)(5) of the Not-for-Profit Corporation Law.

FIFTH: The corporation is a Type C corporation. If the corporate purposes are being enlarged, limited or otherwise changed, the corporation shall be a Type _____ corporation.

SIXTH: The amendment effected by this certificate of amendment is as follows:

(Set forth each amendment in a separate paragraph providing the subject matter and full text of each amended paragraph. For example, an amendment changing the name of the corporation would read as follows: "Paragraph *First* of the Certificate of Incorporation relating to *the corporate name* is hereby *amended* to read in its entirety as follows:

First: The name of the corporation is ... (new name) ...")

Paragraph THIRTEENTH of the Certificate of Incorporation relating to

The requirement to conduct meetings in accordance with the Open Meetings Law of the State of New York.

is hereby [*check the appropriate box*] added to read in its entirety as follows or amended

to read in its entirety as follows:

THIRTEENTH: The Corporation shall be managed by a Board of Directors, which shall, prior to the adoption of the Corporation's By-laws, be comprised of those persons named below each of whom shall serve as Director until her or his successor has been appointed and qualified in accordance with the By-laws of the Corporation. The names, offices and addresses of the initial Directors of the Corporation, each of whom is of legal age to so act, are as follows:

Name	Office	Address
David Bragdon	Director, Mayor's Office of Long-Term Planning and Sustainability	253 Broadway, NY
Stephen Goldsmith	Deputy Mayor for Operations	City Hall, NY
Anthony W. Crowell	Counselor to the Mayor	City Hall, NY

The term "Director" as used herein shall include any alternate director designated in accordance with the By-laws of the Corporation. Each of the Directors shall serve for the term of office provided in the By-laws and shall be removed from office and replaced as provided in the By-laws.

SEVENTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the corporation is:

New York City Energy Efficiency Corporation
110 William Street
New York, NY 10038
Attn: Lauren Macksoud

EIGHTH: The certificate of amendment was authorized by: *(Check the appropriate box)*

- The amendment was authorized by a vote of a majority of the members at a meeting.
- The amendment was authorized by the unanimous written consent of the members entitled to vote thereon.
- The amendment was authorized by a vote of a majority of the entire board of directors.
The corporation has no members.


(Signature)

Vice President
(Signer's Title)

Fred Lee
(Print or Type Signer's Name)

CSC 45
Drawdown

140113000

180

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

NEW YORK CITY ENERGY EFFICIENCY CORPORATION
(Insert Name of Domestic Corporation)

Under Section 803 of the Not-for-Profit Corporation Law

Filer's Name Lauren Macksoud

Address 110 William Street

City, State and Zip Code New York, NY 10038

Cust Ref # 957588 KXK

NOTE: The certificate must be submitted with a \$30 filing fee. This form was prepared by the New York State Department of State. It does not contain all optional provisions under the law. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores. The Department of State recommends that all documents be prepared under the guidance of an attorney. Please be sure to review Section 804 and Section 404 of the Not-for-Profit Corporation Law to determine if any consents or approvals are required to be attached to this certificate of amendment.

CC

For Office Use Only

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JAN 13 2014

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2014 JAN 10 PM 3:05

2014 JAN 13 PM 12:33

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ENTITY NAME: NEW YORK CITY ENERGY EFFICIENCY CORPORATION

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)
PURPOSES PROCESS PROVISIONS

COUNTY: NEWY

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FILED:01/06/2017 DURATION:***** CASH#:170106000581 FILM #:170106000547

FILER:

STROOCK & STROOCK & LAVAN LLP
180 MAIDEN LANE

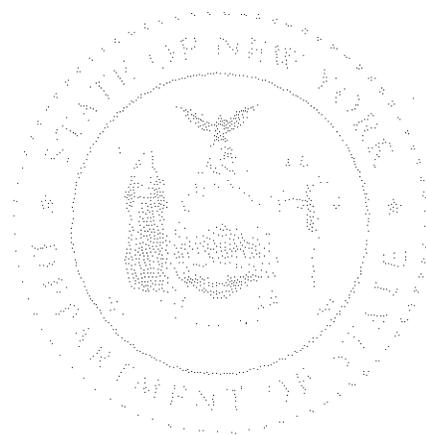
NEW YORK, NY 10038

ADDRESS FOR PROCESS:

THE CORPORATION
ATTENTION: GENERAL COUNSEL
NEW YORK, NY 10018

1359 BROADWAY, 19TH FLOOR

REGISTERED AGENT:



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STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 9, 2017.

A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

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**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

**(Under Section 803 of the Not-for-Profit
Corporation Law of the State of New York)**

It is hereby certified that:

FIRST: The name of the corporation is New York City Energy Efficiency Corporation.

SECOND: The certificate of incorporation of the corporation was filed by the Department of State on October 21, 2010 under the Not-for-Profit Corporation Law.

THIRD: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

FOURTH: The certificate of incorporation is amended as follows:

(a) Article THIRD, regarding the purpose of the corporation, is revised to read as follows:

THIRD: The purposes for which the Corporation is formed and will be operated are the exclusively charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), of lessening the burdens of government and protecting the public interest by implementing the greenhouse gas reduction plans of The City of New York (the "City") and undertaking similar efforts outside of the City, including without limitation the provision of funding and financing to property owners for the installation of renewable energy systems and energy efficiency improvements, the development and aggregation of demand for such funding and financing through education, marketing, and outreach efforts, the coordination and development of related workforce development activities, and the promotion of innovative energy initiatives that deliver short- and long-term economic and environmental benefits to residents of the City and elsewhere (the "Sustainable Energy Program").

(b) Article TWELFTH, regarding membership, is revised to read as follows:

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“TWELFTH. The Corporation shall not have any Members.”

(c) Article FOURTEENTH, regarding indemnification, is revised to read as follows:

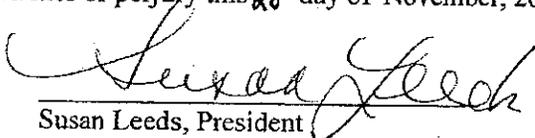
“FOURTEENTH. The Corporation shall indemnify, defend and hold harmless each Director, each officer and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the fullest extent permitted under the Not-For-Profit Corporation Law.”

FIFTH: The foregoing amendments of the certificate of incorporation of the corporation were authorized by vote of a majority of the members voting at a meeting at which a quorum was present, the affirmative votes cast in favor of the amendment being at least equal to the quorum.

SIXTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary shall mail a copy of any process against the corporation served upon him or her is:

New York City Energy Efficiency Corporation
1359 Broadway, 19th Floor
New York, New York 10018
Attention: General Counsel

IN WITNESS WHEREOF, this certificate has been signed and the statements made herein affirmed as true under the penalties of perjury this 28th day of November, 2016.


Susan Leeds, President



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

DIVISION OF SOCIAL JUSTICE
CHARITIES BUREAU

The Attorney General hereby approves pursuant to NPCL 804(a)(ii)(A) the proposed
Certificate of Amendment of

New York City Energy Efficiency Corporation

Said approval is conditioned on submission to the Department of State for filing within 60 days
hereafter. A copy of the filed certificate shall be provided to the Attorney General.

December 13, 2016
Date


Laura Werner
Assistant Attorney General

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**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
NEW YORK CITY ENERGY EFFICIENCY
CORPORATION**

(Under Section 803 of the Not-for-Profit
Corporation Law of the State of New York)

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Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038

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Adopted October 26, 2016

**SIXTH AMENDED AND RESTATED BY-LAWS
OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

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**SIXTH AMENDED AND RESTATED BY-LAWS
OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

ARTICLE I

Membership

Pursuant to Section 601(a) of the Not-for-Profit Corporation Law (the “**N-PCL**”) of the State of New York, the Corporation does not have members.

ARTICLE II

Board of Directors

Section 2.01 Powers and Duties. The Board of Directors (the “**Board**”) shall manage and control the affairs and property of the Corporation. All corporate powers, except such as are otherwise provided for in the Certificate of Incorporation, these By-Laws, or the laws of the State of New York, shall be and hereby are vested in and shall be exercised by the Board. The Board shall have full power to adopt rules and regulations governing all actions which it takes, except as otherwise provided by the laws of the State of New York, and shall have full authority with respect to the distribution and payment of monies received by the Corporation from time to time; *provided, however*, that the fundamental and basic purposes and powers of the Corporation, and the limitations thereon, as expressed in the Certificate of Incorporation, as it may be amended from time to time, shall not thereby be amended or changed.

Section 2.02 Number, Election, Term of Office, Removal and Resignation.

A. Number. The number of Directors shall be fixed by action of a resolution of a majority of the entire Board, but shall be no fewer than five nor more than 20 (each a “**Director**” and collectively the “**Directors**”), such number including the *Ex-Officio* Directors. No decrease in the number of Directors shall serve to diminish the term of any Director then in office. As used in these By-Laws, “**entire Board**” means the total number of Directors fixed by the Board, and that the Corporation would have if there were no vacancies.

B. Appointment; Classes; Term. Each of (i) the Director of the Mayor's Office Sustainability, or such other person who is the successor thereof, and (ii) an officeholder or employee of the City designated by the Mayor of the City of New York, shall each be an *ex-officio* Director of the Corporation (the “**Ex-Officio Directors**”). The other Directors (the “**Elected Directors**”) shall be divided into three classes, the members of each class to be elected to serve for terms of three years or such lesser period as may be specified at the time of election so as to substantially equalize such three classes. The duration of terms shall be so scheduled that the number of seats to be filled shall, so far as practicable, be equal in each succeeding year but the fact that classes are not equal in size shall in no way affect the validity of the constitution of the Board of Directors or of a Director’s election. Elected Directors shall be elected at the annual meeting of the Board by plurality vote of the Elected Directors and may succeed themselves in office. Except in the event of a resignation, any person serving as an *Ex-Officio* Director shall continue as a Directors for so long as he or she shall remain in the position with the City applicable to such *Ex-Officio* Director.

The term of office of each Elected Director shall commence upon election and terminate at the close of the annual meeting of the Board in the year that such Director's term expires or until his or her earlier death, resignation or removal. Vacancies occurring on the Board of Directors for any reason, including newly-created Directorships, may be filled by the vote of a majority of the Directors then in office, whether or not a quorum. A Director elected to fill a vacancy (whether caused by resignation, death, or removal or the creation of new Directorships) shall be elected to hold office until the next annual meeting of the Board at which the election of Directors is in the regular order of business at which time the Board shall vote to place such Director in a class. All Directors are eligible for unlimited reelection.

C. Removal. Any Elected Director may be removed, with cause, by an affirmative vote of a majority of the entire Board of Directors if notice of the proposed removal action was included in the written notice of such meeting.

D. Resignation. Any Director may resign at any time by giving written notice of such resignation to the Chairperson of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt by the Chairperson and acceptance of the resignation shall not be necessary to make it effective. If an *Ex-Officio* Director resigns, the directorship shall remain empty until a new person is named by the Mayor of the City of New York (or such other officeholder who has the right to appoint persons to such office) to the position giving rise to the *ex-officio* directorship.

Section 2.03 Annual Meetings. The annual meeting of the Board shall be held at such times and places as the Board of Directors may from time to time determine.. Written notice of the date, time and place of the annual meeting shall be given by first class or overnight

mail, overnight delivery service, personal delivery or email at least ten days in advance of the annual meeting date. The President and Treasurer shall present at each annual meeting of the Board their reports, which shall set forth the statements and be verified or certified in the manner prescribed by Sections 513 and 519 of the N-PCL, including the following:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of a twelve month fiscal period terminating not more than six months prior to the meeting.
- (b) The principal changes in assets and liabilities, including trust funds, during such fiscal period.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during such fiscal period.
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during said fiscal period.
- (e) Information about assets received for specific purposes for which an annual report is required pursuant to §513 of the N-PCL.

Such reports shall be filed with the records of the Corporation and either a copy or an abstract thereof entered in the minutes of the proceedings of such annual meeting of the Board.

Section 2.04 Regular Meetings. Regular meetings shall be held at such intervals and at such times and places as the Board may determine. Written notice stating the date, time and place of the meeting shall be given in the same manner as notices for the annual meetings of the Board at least ten days in advance of the regular meeting date.

Section 2.05 Special Meetings. Special meetings of the Board may be called for any date, time and place by the Chairperson, or by the Secretary upon written demand of a majority of the Directors then in office. Written notice stating the date, time, place, and the purpose or purposes for which the special meeting is called shall be given in the same manner as notices for annual meetings of the Board to all Directors at least ten days prior to the scheduled

date of the special meeting; *provided, however*, if it is determined by the Chairperson that there is an emergency which requires immediate board action, a meeting may be called on 24 hour notice given by personal delivery or email. Except as otherwise provided in these By-Laws, any business may be transacted at any duly called Board meeting.

Section 2.06 Waiver of Notice. Notice of any meeting need not be given to any Director who submits a signed waiver of notice, whether before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 2.07 Quorum and Alternate Directors. At all meetings of the Board, one-third of the entire Board shall constitute a quorum for the transaction of business; *provided, however*, that Elected Directors constitute a majority of the Directors in attendance. Each *Ex-Officio* Director may from time to time appoint an alternate *Ex-Officio* Director to attend meetings in lieu of the *Ex-Officio* Director by written notice to the Secretary of the Corporation identifying such alternate Director. An alternate Director so designated shall have the right to attend meetings of the Board and to exercise therein all the rights, powers and privileges of the absent Director. When so exercising such rights, powers and privileges of the absent Director, such alternate Director shall be subject in all respects to the provisions of the N-PCL governing directors.

Section 2.08 Action of the Board; Attendance by Telecommunications. The action of a majority of the Directors present at the time of a vote, if a quorum is present at such time, shall be the act of the Board, except as otherwise provided by these By-Laws, the

Certificate of Incorporation, any Board-approved policy or any applicable statute, including, without limitation, Sections 509 (which generally requires that certain real estate related actions be approved by two-thirds of the entire Board), 712 (which requires that Board standing committees and their members be designated by resolution adopted by a majority of the entire Board), and 715 (which requires that the salaries of officers be approved by a majority of the entire Board if not established in or pursuant to the by-laws) of the N-PCL. Any Director may participate in a meeting of the Board or committee by means of a conference telephone, video conference or similar communications equipment allowing all persons participating in the meeting to hear all other persons participating in the meeting at the same time. Each Director shall have one vote. Directors may not vote by proxy.

Section 2.09 Action by Written Consent of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or the committee consent in writing (including electronic mail or facsimile telecommunication) to the adoption of a resolution authorizing such action. If provided in writing, the consent must be executed by the Director or the committee member, as applicable, by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, facsimile signature. If provided via electronic mail, the transmission of such consent must set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Director or the committee member, as applicable. Such resolution and written consents thereto shall be filed with the minutes of proceedings of the Board of Directors or the committee.

Section 2.10. Adjournment. At any meeting of the Board, whether or not a quorum is present, a majority of the Directors present may adjourn the meeting to another time and place; *provided, however,* that such Directors notify any absent Director of the new meeting time and location. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.11. Conduct of the Meeting. At all meetings of the Board, the Chairperson of the Corporation shall preside, or in the Chairperson's absence, a Vice Chairperson designated by the Chairperson shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board. In the absence of the Secretary, the presiding officer shall appoint any individual present to act as secretary of the meeting.

Section 2.12. Compensation. Directors shall serve without salary for their services as such. The Board of Directors may authorize reimbursement of expenses incurred by Directors in the performance of their duties. Nothing in these By-Laws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for services performed in such capacity.

Section 2.13. Conflicts of Interest and Related Party Transactions. The Corporation shall adopt a conflict of interest policy in conformity with the requirements of the N-PCL. All related party transactions (as defined in the N-PCL) shall be approved only as set forth in the Corporation's conflict of interest policy. Any related party transaction in violation of the related party transactions provisions of such policy shall be deemed void or voidable.

Section 2.14. Audits.

(a) Procedure. If the Corporation is required to file audited financial statements under the New York State Executive Law with the Charities Bureau of the Department of Law, either an Audit Committee composed of at least three independent Directors, another Board committee composed of at least three independent Directors or the Board of Directors shall undertake the actions described in this section. Only independent Directors may participate in any Board or committee deliberations or voting relating to audits. Directors who are not independent may serve on such committee only in an adjunct capacity and any such persons may not participate in any discussion, deliberation or vote on any matter and may not be present when the work performed or overseen by such person is being reviewed or discussed.

(b) Definitions. An “**independent Director**” is an individual who meets all of the following criteria:

- has not been an employee of, or does not have a relative that was a key employee of, the Corporation or an affiliate of the Corporation in the past three years;
- has not received, or does not have a relative that has received, \$10,000 or more in direct compensation from the Corporation or an affiliate in the last three years (other than expense reimbursement or reasonable compensation as a Director);
- is not a current employee of or does not have a substantial financial interest in an entity that made or received payments from the Corporation or an affiliate for property or services in any one of the last three fiscal years of more than \$25,000 or 2% of the Corporation’s gross revenue (whichever is less); and

- does not have a relative who is a current officer of, or has a substantial interest in, an entity making or receiving payments of a similar amount to the Corporation in any of the past three years.

Payments in this context do not include charitable contributions. For purposes of these By-Laws, “relative” means a person’s (a) spouse, ancestor, whole and half sibling, natural and adopted child, grandchild, great-grandchild and spouse of such sibling and descendant and (b) such person’s domestic partner as defined in the Public Health Law and “key employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation, as referenced in 26 U.S.C. § 4958(f)(1)(A) and further specified in 26 CFR § 53.4958-3(c), (d) and (e), or succeeding provisions.

(c) Audit Function. The Audit Committee or, if there is no Audit Committee, the other committee or the independent Directors shall (i) oversee the accounting and financial reporting processes of the Corporation; (ii) oversee any independent financial audit or review, including annually retain or renew the retention of an independent auditor to conduct the audit or review, review the results of the audit or review and any related management letter (as well as management’s responses thereto) with the independent auditor at the conclusion of the audit or review and, if the Corporation had annual revenue in excess of \$1,000,000 in the prior fiscal year (or expects to have such revenue in the current fiscal year), (A) review with such independent auditor the proposed scope and planning of the audit prior to the audit’s commencement, (B) upon completion of the audit, review and discuss with the independent auditor any material risks and weaknesses in internal controls identified by the auditor, any restrictions on the scope of the auditor’s activities or access to requested information, any significant disagreements between the auditor and management, and the adequacy of the organization’s accounting and financial

reporting processes, (C) annually consider the performance and independence of the auditor and (D) report back to the Board with respect to the committee's audit oversight duties, and (iii) oversee the adoption, implementation of, and compliance with, any conflict of interest policy or whistleblower policy adopted by the Corporation (unless this function is already being performed by another Board committee consisting solely of independent Directors) and otherwise monitor compliance with any other corporate codes of conduct or ethics and establish policies and practices to prevent financial fraud including monitoring the Corporation's internal control over financial reporting and request special investigations if deemed appropriate. The Audit Committee may investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate. The Audit Committee will promptly report any such actions, and the results of any such investigation, to (or as otherwise directed by) the Board of Directors or any Executive Committee.

ARTICLE III

Committees

Section 3.01 Board Committees. There shall be an Executive Committee, Governance and Human Resource Committee, and Audit and Finance Committee, as further described in Sections 3.02, 3.03, and 3.04 respectively of this Article III, and the Board, by resolution adopted by a majority of the entire Board, may designate other Board committees, each of which shall consist of at least three Directors. Each member of the Executive Committee, Governance and Human Resource Committee, and Audit and Finance Committee, and any other Board committees shall be designated by a majority of the entire Board, and shall serve at the pleasure of the Board, which shall also have full discretion in determining the number of members of such committees. Board committees shall have the powers specifically provided in these By-Laws or

the resolutions creating them; *provided, however*, that no such committee of the Board shall have authority as to (i) filling vacancies in the Board or any committees, (ii) fixing compensation of the Directors for serving on the Board or on any committee, (iii) amending or repealing these By-Laws or adopting new By-Laws, (iv) amending or repealing any Board resolution which by its terms shall not be so amendable or repealable, or (v) conducting any other activities expressly prohibited by law.

Section 3.02 Executive Committee.

A. Composition. The Executive Committee shall consist of the Chairperson, any Vice Chairperson(s), (and, if members of the Board, any President, any Vice Presidents, the Secretary, and the Treasurer), chairs of all Board Committees from time to time, and such other Directors of the Corporation as the Board may determine, each of whom shall be designated by resolution adopted by a majority of the entire Board.

B. Powers and Authority. Except as otherwise provided by law and in these By-Laws, the Executive Committee shall have and may exercise all of the powers and authority of the Board, and shall act in its stead between meetings of the Board of Directors. The Executive Committee shall notify the entire Board of any actions it takes or decisions it makes, other than those in the ordinary course of operations, within a reasonable time thereafter but in any event by the time of the next meeting of the Board of Directors.

Section 3.03 Governance and Human Resource Committee.

A. Composition. The Governance and Human Resource Committee shall consist of the Chairperson and at least two other Directors each of whom shall be designated

by resolution adopted by a majority of the entire Board. At least three members of the Governance and Human Resource Committee shall be Independent and Independent members shall, at all times, constitute a majority of such Committee. For purposes of these By-Laws a Director shall be “Independent” if such Director meets the standards for independent directors set forth in Section 2.14.

B. Powers and Authority. The Governance and Human Resource Committee shall have the power and authority to review and, as appropriate, recommend for revision, the Corporation’s governance and personnel policies and practices and oversee, at a policy level, all governance and employee-related matters; approve the compensation strategy of the Corporation, consistent with the Corporation’s mission and values; review management proposals regarding compensation and benefits programs to ensure such programs support the Corporation’s established strategy; review comparable compensation and benefits data of similar organizations, review and evaluate the performance of executives of the Corporation and set guidelines for and approve, by the affirmative vote of a majority of the entire committee, compensation for all Officers and all other employees who are “disqualified persons” within the meaning of Section 4958 of the Internal Revenue Code; approve strategies and plans for merit pay/incentives/severance pay and any unusual compensation arrangements that may arise; and promptly document any determinations.

Section 3.04 Audit and Finance Committee.

A. Designation and Composition. The Audit and Finance Committee shall consist of at least three Directors, each of whom shall be designated by resolution adopted by a majority of the entire Board. At least three members of the Audit and Finance Committee shall

be Independent, and Independent members shall, at all times, constitute a majority of such Committee.

B. Powers and Authority. The Audit and Finance Committee shall have the power and authority to review periodically the financial condition of the Corporation, including a review of budgets, financial statements, reports of accounts and investments of the Corporation's funds. The Audit and Finance Committee shall monitor the Corporation's financial planning, systems of accounting controls, and the disbursement of funds.

If there are any members of the Audit and Finance Committee who are not Independent, then the Board shall create an Audit Subcommittee. The Audit Subcommittee shall be composed of all of the Independent members of the Audit and Finance Committee and shall perform the duties set forth in Section 2.14.

The Audit and Finance Committee shall be responsible for the preservation and enhancement of assets; shall cause to be prepared an annual budget for the Corporation, subject to Board approval; shall supervise investments (which do not include loans, credit enhancements and any financing arrangements made for program related purposes) and advise on matters of financial policy, fund raising and expenditures; and shall annually review the Corporation's directors' and officers' indemnification insurance and make certain it is in force. The Committee, either as a full committee or through a subcommittee on investments, shall cause a policy with respect to its institutional funds (which do not include loans, credit enhancements and any financing arrangements made for program related purposes) to be adopted by the Board of Directors as required by the N-PCL and periodically review and perform its responsibilities pursuant to such policy as appropriate.

C. Annual Audit Report. The chairperson of the Audit Subcommittee shall report to the Board on the results of the annual audit of the Corporation's financial statements (the "Annual Audit Report"), which the Board shall consider for approval. The Treasurer and President will also meet with and provide financial updates to the Audit and Finance Committee of the Board on a regular basis throughout each fiscal year.

Section 3.05 Quorum and Procedure. At least 50% of all of the voting members of any Board committee shall constitute a quorum at any meeting thereof; *provided, however*, that at least two of such voting members are in attendance and that Elected Directors constitute a majority of the Directors in attendance. The action of a majority of the committee members present at a meeting of the committee at which a quorum exists shall be the act of the committee, except as otherwise provided by these By-Laws, the Certificate of Incorporation or any applicable statute. Other procedures of such committees shall be governed by rules fixed by the Board or, if not set by the Board, as fixed by the committee. Each member of a Board committee shall serve at the pleasure of the Board of Directors. The Board of Directors may appoint alternate members of any standing committee to act as substitutes for any absent member at meetings of such committee. Each Committee shall keep minutes of its meetings and keep records or prepare reports of its decisions and actions, and each committee chair shall submit the same to the Board of Directors prior to the next Board meeting, if such Board meeting is to be held more than two weeks after the committee meeting. If the next Board meeting is to be held less than two weeks after the committee meeting, the committee chair shall either submit the minutes, records, or reports relating to the committee meeting to the Board of Directors or shall cause a report concerning the meeting to be verbally presented at the next Board meeting.

Section 3.06 Non-Director Committee Members. In addition to the Directors on any committee, the Board, by resolution adopted by a majority of the Board, may designate as a non-voting adjunct, on any committee except the Executive Committee, any person who is not a Director of the Corporation but who has relevant expertise on such committee's power and authority. Any such designation shall be for a one year term, subject to renewal by the Board at its annual meeting. Such adjuncts shall not count for determining whether a quorum is present at any meeting and shall not vote on any action of the Committee.

Section 3.07 Committees of the Corporation. Committees of the Corporation, if any, may be established by the Board of Directors and the members thereof (who do not need to be Directors) shall be elected in the same manner as officers of the Corporation or appointed by the Chairperson or as otherwise set forth at the time of formation of such committees. Such committees shall act in an advisory capacity or shall function to conduct events or activities of the Corporation; they shall have no authority to act on behalf of the Board of Directors or set corporate policy.

ARTICLE IV

Officers

Section 4.01 Officers. The officers of the Corporation will consist of a Chairperson, a President, a Treasurer, a Secretary and such other officers as may be elected by the Board from time to time (each, an "Officer" and, collectively, the "Officers"). The same person may not simultaneously hold the offices of both President and Secretary or both the President and Treasurer. Except as set forth below, each Officer will be elected annually by the Board. Each

Officer shall serve at the pleasure of the Board or until his or her prior death, resignation or removal. Any vacancy occurring in any office may be filled at any ensuing meeting of the Board.

Section 4.02 Chairperson. The Chairperson of the Board of Directors shall preside at all meetings of the Board of Directors. If no President is elected, or if elected, in the President's absence or inability to act, the Chairperson shall have the same powers and duties of the President of the Corporation. The Chairperson must be a member of the Board of Directors. An employee of the Corporation shall not be eligible to serve as Board Chairperson (or in any office with similar responsibilities).

Section 4.03 President. The President will be the chief executive officer of the Corporation and will have general charge and supervision of the business and affairs of the Corporation, subject to the control and direction of the Board. The President will keep the Board fully informed concerning the affairs of the Corporation, and will freely consult with members of the Board concerning the activities thereof. The President will perform such other duties as are incident to his or her office or as are assigned to him or her by the Board or the Chairperson.

Section 4.04 Treasurer. The Treasurer will be charged with the care and custody of all the moneys and securities of the Corporation. He or she will cause to be deposited moneys received by him or her for the Corporation as provided in Section 5.01 hereof. He or she will cause to be entered in books of the Corporation to be kept for that purpose, full and accurate accounts of all moneys received by him or her and paid by him or her on account of the Corporation. He or she will render a statement of the condition of the finances of the Corporation at any annual meeting of the Board as provided by Section 519(c) of the N-PCL or at such other time as the Board shall require. He or she will make an annual report to the Board

concerning assets held for a specific purpose, the use made of such assets and the income thereof as provided in Section 513(b) of the N-PCL. He or she will make and sign such reports, statements and instruments as may be required of him or her by law or the Board, and will perform such other duties as are incident to his or her office or as are properly required of him or her by the Board or the President.

Section 4.05 Secretary. The Secretary will act as Secretary of each meeting of the Board. In the absence of the Secretary, the presiding Officer of the meeting will appoint a secretary of the meeting. In addition, the Secretary will (or cause someone else to):

A. Record and keep the minutes of all meetings of the Board and Executive Committee and shall record all actions taken by the Board and Executive Committee in accordance with Article 3 hereof, in each case, in books to be kept for that purpose;

B. Ensure that all notices and reports are duly given or filed pursuant to these By-Laws or as required by law;

C. Be custodian of the records (other than financial) and have charge of the seal of the Corporation and ensure that it is used upon all papers or documents whose execution on behalf of the Corporation under its seal is required by law or required pursuant to these By-Laws; and

D. In general, perform all duties incident to the office of Secretary and such other duties as the Chairperson or the Board may from time to time assign to the Secretary.

Section 4.06 Removal. Any Officer may be removed, either with or without cause, at any meeting of Directors, notice of which will have referred to the proposed action.

Section 4.07 Execution of Contracts, Deeds and Agreements. All authorized contracts, deeds and agreements shall be executed in the name of the Corporation by the President, Treasurer, Secretary or another Officer of the Corporation designated by the President or the Board.

Section 4.08 Execution of Checks, Notes, Drafts and Other Negotiable Instruments. All authorized checks, notes, drafts and other negotiable instruments shall be executed in the name of the Corporation by the President, Treasurer, Secretary or another Officer of the Corporation designated by the President or the Board and must be co-signed by one of the President, Treasurer, Secretary or another authorized individual designated by the President or the Board if the amount is in excess of any limit as shall be established by the Board of Directors. No one person may both execute and co-sign the same instrument.

Section 4.09 Compensation. The Corporation may pay its Officers, agents and employees compensation commensurate with their services, and reimbursement for expenses incurred in the performance of their duties. No loans shall be made by the Corporation to any of its Directors or Officers or to any entity in which one or more of its Directors or Officers is also a director or officer or holds a substantial financial interest, except for a loan to another charitable corporation.

ARTICLE V

Finances and Records

Section 5.01 Finances. The funds of the Corporation will be deposited in its name with such bank or banks, trust company or trust companies as the Board may from time to time designate. Except as provided in Section 4.08 hereof, no Officer, alone or with others, will have

the power to make any checks, notes, drafts or other negotiable instruments in the name of the Corporation or to bind the Corporation thereby.

Section 5.02 Investments. The funds of the Corporation may be retained in whole or in part in cash, or may be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable.

Section 5.03 Keeping and Inspection of Records. There will be kept, at the principal office of the Corporation, a complete set of books and records of the Corporation. They will include, but not be limited to, the Certificate of Incorporation, these By-Laws, minutes of all meetings of, and all unanimous written consents by, the members and the Board of Directors, any Executive Committee and any Audit Committee (and any other committee or subcommittee exercising the authority of an audit committee) and any other committees of the Board taking action in lieu of action by the Board, and such other books, records and papers of the Corporation as the Board will require. These records will be open to inspection during business hours by any Director within ten business days after receipt by the President of a written request for such inspection.

ARTICLE VI

Indemnification

Section 6.01 Indemnification of Directors and Officers. To the maximum extent permitted by law, the Corporation will indemnify, and the Corporation will advance expenses of, each Director as described in Article II hereof and each Officer as described in Article IV hereof, whether or not then in office, each of its employees and agents designated for indemnification by the Board within its discretion, and each person serving at the request of the Corporation as a

director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (hereinafter all referred to more generally as “**directors and officers**”) who was or is a party or threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil or criminal, administrative or investigative, whether by or in the right of the Corporation or not, in a manner and to the fullest extent now or hereafter permitted by the N-PCL, and arising out of (a) any transaction of the Corporation or (b) any act or failure to act by such Director, Officer or employee who engaged in the discharge of his or her duties on behalf of the Corporation. The right to be indemnified or to the advancement or reimbursement of expenses pursuant to these By-Laws is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof or of any such resolution were set forth in a separate written contract between the Corporation and such person, and shall continue to exist after any rescission or restrictive modification hereof or of any such resolution with respect to events occurring prior thereto.

Section 6.02 Non-Exclusive. Every reference in this Article VI to directors and officers of the Corporation or other entities shall include every director and officer thereof or former director and officer thereof. The rights of indemnification provided herein shall be in addition to any and all rights to which any director or officer otherwise might be entitled, and the provisions hereof shall neither impair or adversely affect such rights.

ARTICLE VII

Miscellaneous

Section 7.01 Form of Corporate Seal. The seal of the Corporation will be circular in form with the words “New York City Energy Efficiency Corporation” in the outer circle and the

words “Corporate Seal 2010 New York” in the inner circle. The seal on any corporate obligation for the payment of money may be facsimile, engraved or printed.

Section 7.02 Fiscal Year. The fiscal year of the Corporation will end on June 30th, unless otherwise provided by the Board.

Section 7.03 Amendment of By-Laws. Except as otherwise required by Section 709 of the N-PCL (regarding adding or deleting a provision which sets the proportion of Directors that shall constitute a quorum or the proportion of votes of Directors which shall be necessary for the transaction of business or of a specified item of business at a level greater than that set by the N-PCL, which requires approval by a vote of two-thirds of the entire Board), or other provisions of applicable law, these By-Laws may be amended, repealed or replaced at any meeting of the Board by a majority vote of the entire Board; *provided, however*, that any change to clause (b)(i) or clause (b)(ii) of Section 1.01 shall also require the approval of the Director noted in such clause.

Section 7.04 Notice of Amendments. Notice of the proposed amendment or amendments shall be included in the notices of meeting given to the Board. No action shall be taken to alter or amend the By-Laws that would adversely affect the qualification of the Corporation as an organization (i) exempt from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), as an organization described in Code Section 501(c)(3), and (ii) contributions to which are deductible under Code Section 170(c)(2).

ARTICLE VIII

Limitations

Section 8.01 Exempt Activities. Notwithstanding any other provision of these By-Laws, no Director, Officer, committee member, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization (i) exempt from Federal income taxation under Code Section 501(a), as an organization described in Code Section 501(c)(3), and (ii) contributions to which are deductible under Code Section 170(c)(2).

Section 8.02 Prohibition Against Sharing in Corporate Earnings. No Director, Officer or employee of, or other person connected with, the Corporation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; *provided however* that this shall not prevent either the payment to any such person of reasonable compensation for services rendered to or for the benefit of the Corporation or the reimbursement of expenses incurred by any such person on behalf of the Corporation, in connection with effecting any of the purposes of the Corporation; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All such persons shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board, shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Board may determine, or as may be determined by a court of competent jurisdiction upon the application of the Board, exclusively to charitable, religious, scientific, literary or educational organizations (i) which then qualify for exemption from Federal income

taxation under the provisions of Code Section 501(c)(3) and the Treasury Regulations thereunder (as they now exist or as they hereafter may be amended), and (ii) contributions to which are deductible under Code Section 170(c)(2) and the Treasury Regulations thereunder (as they now exist or as they hereafter may be amended).

ARTICLE IX

Conflicts of Interest

All Directors and Officers shall comply with the Corporation's Conflicts of Interest Policy.

Annex D

FY2019
Results of NYCEEC Board Performance Evaluation

Name of Authority: New York City Energy Efficiency Corporation

Date Completed: August 5, 2020

Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	7	1		
The policies, practices and decisions of the Board are always consistent with this mission.	6	2		
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	6	2		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	6	2		
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	2	6		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self- interest.	6	2		
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4	4		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	4	4		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	2	5	1	
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	3	5		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5	3		
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4	4		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	3	5		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	5	3		
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	3	4	1	
Board members demonstrate leadership and vision and work respectfully with each other.	6	2		

Annex E

**MINUTES OF MEETING
OF BOARD OF DIRECTORS OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

October 24, 2018

At the annual meeting of the Board of Directors (the "Board") of the New York City Energy Efficiency Corporation (the "Corporation"), held at the Corporation's offices at 1359 Broadway, 19th floor, New York, NY, at 4:00 p.m. on the afternoon of October 24, 2018, the following Directors and Officers were present:

- Jeff Brodsky, Director and Chairperson of the Board
- Mark Chambers, Director
- Ashok Gupta, Director (participated by telephone)
- Greg Hale, Director
- Sadie McKeown, Director
- Renwick Paige, Director (participated by telephone)
- Bruce Schlein, Director
- Elizabeth Zeldin, Director

- Susan Leeds, co-President
- Curtis Probst, co-President
- Fred Lee, Vice President and Secretary
- Jay Merves, Treasurer

Also in attendance by invitation were Naemah Lajoie, Kimberly Turner and Mike Kerstetter of the Corporation. (Directors David Fenton and Marc Khouzami were both absent from the meeting.)

It was noted that a quorum existed and the meeting was called to order.

1. Approval of Prior Meeting's Minutes.

Reference was made to the meeting package provided to the Board by e-mail prior to the meeting (the "Meeting Package") and to the minutes of the prior Board meeting included in the Meeting Package. It was asked if any Directors had any comments or questions on the minutes and none were raised.

A motion to approve the minutes was made, seconded and unanimously approved.

2. Annual Election of Directors.

Reference was made to the annual election of Directors of the Corporation and to the related resolution included in the Meeting Package. A brief discussion was had on the resolution. It was asked if any Directors had any comments or questions concerning the resolution and none were raised.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit A.

3. Annual Election of Officers.

Reference was made to the resolution in the Meeting Package concerning the annual election of the Officers of the Corporation. A brief discussion was had on the matter. It was asked if any Directors had any comments or questions concerning the resolution and none were raised.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit B.

4. Annual Director Report.

Reference was made to the annual director report included in the Meeting Package concerning the Corporation's assets, liabilities, revenues and expenses for the 2018 fiscal year. A brief discussion was had on the matter. It was asked if any Directors had any comments or questions concerning the report and none were raised.

A copy of the report, as presented to the Board, is attached hereto at Exhibit C.

5. Update on A&F Committee Meeting.

Reference was made to the recent October 16, 2018 meeting of the Board's Audit and Finance Committee. An oral update was provided on such meeting.

6. 2018 Audited Financial Statements.

Reference was made to the audited financial statements, the auditor's report and the related Board resolution, copies of each which were included in the Meeting Package. A presentation was made concerning the audit and financial statements and a discussion followed. Questions were asked and answered.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit D.

7. Policies and Procedures Manual.

Reference was made to the resolution in the Meeting Package concerning the updated Policies and Procedures Manual and to the copy of the manual itself as provided to the Directors by e-mail prior to the meeting. A presentation was made concerning the resolution and the changes being proposed to the manual. A discussion followed and several questions were asked and answered. It was noted that in the future, the manual would be reviewed and updated every four years instead of every two years.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit E.

8. Strategic Planning.

A presentation was made concerning the Corporation's current three-year strategic plan and the process for developing the new three-year strategic plan. Detailed presentations were also made on the current strategic plan, the term of which is nearly ended, and on the process for

developing the Corporation's next strategic plan. A robust discussion was had at length on such matters and numerous questions were asked and answered.

9. Other Matters.

Brief discussions were had on other matters, including the Board-level performance dashboard and the Directors' annual conflict of interest disclosure forms.

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

Respectfully submitted,



Mike Kerstetter
Secretary of the Meeting

RESOLUTION #1

Annual Election of Directors

WHEREAS, pursuant to the Seventh Amended and Restated By-Laws (“By-Laws”) of the New York City Energy Efficiency Corporation (the “Corporation”), the Elected Directors shall be elected at the annual meeting of the Corporation’s Board of Directors (the “Board”) by plurality vote of the Elected Directors;

WHEREAS, pursuant to the By-Laws, the Elected Directors are to be divided into three classes, where the members of each class are to be elected to serve for terms of three years or such lesser period as may be specified at the time of election so as to substantially equalize such three classes;

WHEREAS, at the Annual Meeting of the Members held on October 26, 2016, all of the Elected Directors were divided into three classes; and

WHEREAS, Directors Jeff Brodsky and Renwick Paige were placed in a class with a term that expires at the close of the annual 2018 meeting of the Board.

NOW, THEREFORE, IT IS RESOLVED that the Elected Directors hereby elect Jeff Brodsky and Renwick Paige as Elected Directors for the class of 2018, each to serve for a term of three years or until his earlier death, resignation or removal.

RESOLUTION #2

Annual Election of Officers

WHEREAS, pursuant to the Corporation's By-Laws, the officers of the Corporation consist of a Chairperson, a President (or two co-Presidents), a Treasurer, a Secretary and such other officers as may be elected by the Board from time to time; and

WHEREAS, pursuant to such By-Laws, each officer of the Corporation is to be elected annually by the Board.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby elects the individuals listed below to serve in the respective offices set opposite their respective names:

Jeff Brodsky	Chairperson
Susan Leeds	Co-President
Curtis Probst	Co-President
Fred Lee	Vice President
Jay Merves	Treasurer

ANNUAL DIRECTOR REPORT

NEW YORK CITY ENERGY EFFICIENCY CORPORATION

REPORT FOR ANNUAL MEETING
HELD ON OCTOBER 24, 2018

Pursuant to N-PCL §§ 513 and 519

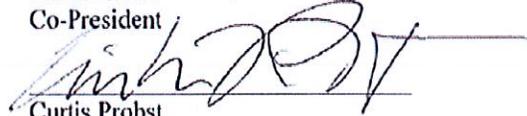
The undersigned Co-Presidents and Treasurer of the New York City Energy Efficiency Corporation (the "Corporation"), hereby state that:

- (1) As of June 30, 2018, the Corporation had assets of \$62,786,176 and liabilities of \$25,527,630, as set forth in the Corporation's 2018 Audited Financials.
- (2) The assets of the Corporation increased \$10,548,578 and the liabilities of the Corporation increased \$12,704,613 between June 30, 2017 and June 30, 2018, as derived from the Corporation's 2018 Audited Financials.
- (3) The revenue or receipts of the Corporation in the fiscal year ended June 30, 2018 totaled \$5,738,396 and the expenses or disbursements of the Corporation in the fiscal year ended June 30, 2018 totaled \$7,894,431, as set forth in the 2018 Audited Financials.

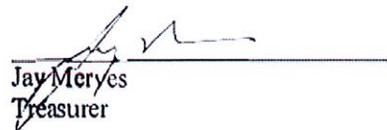
October 24, 2018



Susan Leeds
Co-President



Curtis Probst
Co-President



Jay Meryes
Treasurer

Note: A copy of this report shall be filed with the minutes of the annual meeting of the board of directors or consent in lieu of a meeting.

RESOLUTION #3

2018 Audited Financials

WHEREAS, the Audit and Finance Committee has met with the independent auditors of the Corporation and has reviewed the independent auditors' report on the audited financial statements of the Corporation for the fiscal year ended June 30, 2018 (the "2018 Audited Financials") and a copy of such report and the 2018 Audited Financials is attached hereto at Annex 1; and

WHEREAS, the Audit and Finance Committee has decided that the 2018 Audited Financials are reasonable and appropriate and has recommended that the Board accept the independent auditors' report and approve and authorize the release of such financial statements.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby accepts the independent auditor's report and approves the 2018 Audited Financials and authorizes the release of such audited financial statements; provided, that 2018 Audited Financials may be amended to reflect non-material changes acceptable to the co-CEOs of the Corporation.

FY 2018 Audit Report and Financial Statements

[see next page]

A small, handwritten blue mark or signature located in the bottom right corner of the page.

RESOLUTION #4

Policies and Procedures Manual

WHEREAS, on October 26, 2016, the Board approved the current Policies and Procedures Manual for the Corporation (such manual, together with all exhibits thereto, the "2016 P&P Manual");

WHEREAS, as contemplated in the 2016 P&P Manual, such manual and the policies and procedures contained therein, are to be reviewed and revised as appropriate by the Board at least once every two years;

WHEREAS, a revised and updated version of the manual has been provided to each Director as a supplement to and concurrently with the meeting package for the annual meeting of the Board held on October 24, 2018 (such revised and updated version being referred to herein as the "2018 P&P Manual" and as so provided, is incorporated herein by reference); and

WHEREAS, the Board has reviewed the 2018 P&P Manual and determined that it is prudent and in the best interests of the Corporation for the 2018 P&P Manual to be approved.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the 2018 P&P Manual to replace the 2016 P&P Manual in all respects, and it is

RESOLVED FURTHER, that as more specifically contemplated in Section 3.3.1 of the 2018 P&P Manual, the 2018 P&P Manual may be further amended and/or modified from time to time by either co-CEO in consultation with one or more other Officers of the Corporation.

APPROVED
On/As of June 26, 2019

MINUTES OF MEETING
OF BOARD OF DIRECTORS OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION

February 6, 2019

At a regular meeting of the Board of Directors (the "Board") of the New York City Energy Efficiency Corporation (the "Corporation"), held at the Corporation's offices at 1359 Broadway, 19th floor, New York, NY, at 4:00 p.m. on the afternoon of February 6, 2019, the following Directors and Officers were present:

- Kimberly Darga, Director (participated by telephone)
- Ashok Gupta, Director
- Greg Hale, Director
- Marc Khouzami, Director
- Sadie McKeown, Director
- Renwick Paige, Director
- Bruce Schlein, Director
- Elizabeth Zeldin, Director
- Susan Leeds, co-President
- Curtis Probst, co-President
- Fred Lee, Vice President and Secretary

Also in attendance by invitation were Naemah Lajoie and Mike Kerstetter of the Corporation. (Directors Jeff Brodsky and Mark Chambers were both absent from the meeting.)

It was noted that a quorum existed and the meeting was called to order.

1. Approval of Prior Meeting's Minutes.

Reference was made to the meeting package provided to the Board by e-mail several days prior to the meeting (the "Meeting Package") and to the minutes of the prior Board meeting included in the Meeting Package. It was asked if any Directors had any comments or questions on the minutes and none were raised.

A motion to approve the minutes was made, seconded and unanimously approved.

2. Update on Gov. & HR Committee Meeting.

Reference was made to the October 29, 2018 meeting of the Board's Governance and Human Resource Committee and to the minutes of such meeting included in the Meeting Package. A short oral update was provided on such meeting.

3. Introduction of New Ex-Officio Director.

It was noted that Kimberly Darga had recently been appointed by the City of New York to fill its vacant *ex-officio* Director position on the Board. A short summary of Ms. Darga's credentials was read aloud. Meeting participants went around and introduced themselves.

M

APPROVED
10/10/10

4. Sole Source Procurement.

Reference was made to the resolution in the Meeting Package concerning the sole-source procurement of Roya Kazemi. A brief discussion was had on the matter. The Directors asked several questions which were answered.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit A.

5. Board Composition and Involvement Opportunities.

A discussion was had on the composition of the Board generally. An opportunity was also discussed for Board members to volunteer for on an ad-hoc, informal committee concerning the low- and moderate-income housing sector. Further discussion was had on the matter and the Directors asked several questions which were answered. Various Directors volunteered to participate in the informal committee.

6. Financial Condition and Special Situations.

A detailed discussion was had on the Corporation's current financial condition and updates were provided on the various "special situations", including the transactions known as 11 West 126th, Cubit, 55 Wall, Eli Karp and Hillside. The Directors asked several questions which were answered.

7. New Strategic Plan.

Reference was made to the material in the Meeting Package concerning the proposed new strategic plan for the Corporation and to the related resolution also included in the Meeting Package. A detailed presentation was made and a lengthy discussion was had on the topic. Numerous questions from the Directors were asked and answered.

A motion was made to approve the resolution. The motion was seconded and unanimously approved. A copy of the resolution, as so approved, is attached hereto at Exhibit B.

8. Other Matters.

Brief updates and discussions were had on other matters, including recent fundraising and development activities and forthcoming revisions to the Corporation's credit underwriting guidelines.

Upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at approximately 5:40 pm.

Respectfully submitted,



Mike Kerstetter
Secretary of the Meeting

RESOLUTION #1

Sole-Source Procurement of Roya Media LLC

WHEREAS, in 2014 a competitive small purchase procurement was undertaken by the New York City Energy Efficiency Corporation (the "Corporation"), pursuant to the Corporation's procurement policy that was in effect at the time, to retain a qualified consultant to provide marketing and communications services and following such procurement, based on a review of multiple proposals Ms. Roya Kazemi was duly retained by the Corporation;

WHEREAS, since such time, over the course of the past four-plus years, the co-Presidents, the Vice President and the Treasurer have consistently found Ms. Kazemi to demonstrate the highest levels of competence, qualification and professionalism and they are of the unanimous opinion that the services rendered by Ms. Kazemi are of high quality and good value for the cost;

WHEREAS, on October 26, 2016 the Board of Directors of the Corporation (the "Board") duly approved and adopted the Corporation's current Procurement Policy (the "Procurement Policy");

WHEREAS, the co-Presidents, the Vice President and the Treasurer are all of the mutual opinion and belief that it is in the best interests of the Corporation to modify the compensation arrangements contemplated in the Old Contract to contemplate a "retainer" style arrangement as summarized below;

WHEREAS, pursuant to the Procurement Policy, under certain circumstances and with the Board's approval the Corporation may award contracts without competition on a sole-source basis; and

WHEREAS, based on the foregoing and such further information as has been presented orally to the Board, the Board finds it to be prudent and in the best interests of the Corporation to award a new contract to Ms. Kazemi on a sole-source basis.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby authorizes the Corporation to award, to the Consultant, a new small purchase contract as summarized below on the basis of a sole-source procurement.

Consultant:	Roya Media LLC (d/b/a Vision Flourish) - a certified M/WBE entity owned 100% by Roya Kazemi
Maximum Contract Price:	\$100,000
Term:	2 years
Services to be Performed:	Various marketing and communications services
Monthly Retainer Fee:	\$3,700 per month, payable in advance (for 20-hours worth of work). Work in a given month beyond 20-hours payable at a discounted hourly rate of \$185/hour.
Other Terms:	Contract may be terminated at any time by NYCEEC

RESOLUTION #2

New Strategic Plan

WHEREAS, by a unanimous written consent dated September 9, 2015 the Board of Directors (the “Board”) of the New York City Energy Efficiency Corporation (the “Corporation”), acting through its duly appointed Strategic Planning Committee, approved a three-year strategic plan for the Corporation (the “Old Strategic Plan”);

WHEREAS, the three-year period covered by the Old Strategic Plan is coming to a close and the Board wishes for the Corporation considers it to be advisable and in the best interests of the Corporation for the Corporation to adopt and implement a new three-year strategic plan to replace the Old Strategic Plan;

WHEREAS, the Board has reviewed and duly considered the new three-year strategic plan attached hereto at Exhibit A (the “New Strategic Plan”); and

WHEREAS, the Board considers it to be advisable and in the best interests of the Corporation for the New Strategic Plan to approved.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the New Strategic Plan, including without limitation, the various objectives, measures and initiatives contemplated therein and adopts the New Strategic Plan as the official strategic plan of the Corporation; and it is

RESOLVED FURTHER, that in the course of implementing the New Strategic Plan, the co-Presidents are authorized to make such modifications to the New Strategic Plan as they may mutually agree upon from time to time; provided, that such modifications do not cause the New Strategic Plan, as modified, to be materially inconsistent with the primary elements and features of the version of the New Strategic Plan that is attached hereto at Exhibit A and that in any case, such modifications are acceptable to and approved in advance by a Director designated by the Board; and it is

RESOLVED FURTHER, that Bruce Schlein is hereby designated as the Board’s representative for purposes of reviewing and approving such modifications (if any) to the New Strategic Plan as may be proposed from time to time by the co-Presidents.

New Strategic Plan

[strategic plan circulated to Board of Directors as Document #5 of the meeting package for the 2/6/2019 board meeting is incorporated herein by reference]

**MINUTES OF SPECIAL MEETING
OF BOARD OF DIRECTORS OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

April 16, 2019

At a special meeting of the Board of Directors (the "Board") of the New York City Energy Efficiency Corporation (the "Corporation"), held at the Corporation's offices at 1359 Broadway, 19th floor, New York, NY, at 11:30 a.m. on April 16, 2019, the following Directors and Officers were present:

- Jeff Brodsky, Director and Board Chairperson (participated by telephone)
- Mark Chambers, Director (participated by telephone)
- Ashok Gupta, Director (participated by telephone)
- Marc Khouzami, Director (participated by telephone)
- Sadie McKeown, Director (participated by telephone)
- Bruce Schlein, Director (participated by telephone)
- Elizabeth Zeldin, Director (participated by telephone)
- Susan Leeds, co-President
- Curtis Probst, co-President

Also in attendance by invitation was Jennifer Loftus of Astron Solutions, NYCEEC's human resource consultant, who participated by telephone and took the meeting minutes. (Directors Kimberly Darga, Gregory Hale and Renwick Paige were absent from the meeting.)

It was noted that a quorum existed and the meeting was called to order.

A discussion was had on the subject of Susan Leeds's pending resignation as co-President, the promotion of Fred Lee to co-President, and the election of Ms. Leeds as a new Director of the Corporation. It was noted that although they were unable to attend the meeting, Directors Gregory Hale and Renwick Paige both supported the promotion of Mr. Lee to co-President and the election of Ms. Leeds as a new Board member.

A motion was made to approve the resolutions e-mailed to the Directors prior to the meeting. The motion was seconded and unanimously approved. A copy of the resolutions, as so approved, are attached hereto at Exhibit A.

A short discussion was had on the strategy for communicating the changes contemplated in the resolutions.

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

Respectfully submitted,

Jennifer Loftus
Meeting Secretary

APPROVED
DATE: _____

**Exhibit A
to Board Meeting Minutes**

RESOLUTION #1

Election of Co-President

WHEREAS, pursuant to the Seventh Amended and Restated By-Laws (“By-Laws”) of the New York City Energy Efficiency Corporation (the “Corporation”), the officers of the Corporation consist of a Chairperson, a President (or two co-Presidents), a Treasurer, a Secretary and such other officers as may be elected by the Board of Directors (the “Board”) from time to time; and

WHEREAS, Susan Leeds, Co-President of the Corporation, will resign from her position with the Corporation as of July 1, 2019; and

WHEREAS, pursuant to such By-Laws, each officer of the Corporation is to be elected by the Board.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby elects Fred Lee as Co-President of the Corporation as of July 1, 2019.

RESOLUTION #2

Election of Director

WHEREAS, pursuant to the Corporation’s By-Laws, vacancies occurring on the Board for any reason may be filled by the vote of a majority of the Directors then in office from time to time; and

WHEREAS, the Board has determined to elect Ms. Leeds as a Director immediately following her resignation as Co-President.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby elects Susan Leeds as a Director of the Corporation as of July 1, 2019, to hold office until the next annual meeting of the Board, at which time the Board shall vote to place Ms. Leeds in a Board class in accordance with the By-Laws.

ML

**MINUTES OF MEETING
OF BOARD OF DIRECTORS OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

June 26, 2019

At a regular meeting of the Board of Directors (the "Board") of the New York City Energy Efficiency Corporation (the "Corporation") held at the offices of the Chairperson at 60 Columbus Circle, 19th floor in New York, NY, at 4:00 p.m. on the afternoon of June 26, 2019, the following Directors and Officers were present:

- | | |
|--------------------------------------|--|
| - Jeff Brodsky, Chairperson | - Bruce Schlein, Director |
| - Kim Darga, Director (by telephone) | - Elizabeth Zeldin, Director |
| - Ashok Gupta, Director | |
| - Greg Hale, Director | - Susan Leeds, co-President |
| - Marc Khouzami, Director | - Curtis Probst, co-President |
| - Sadie McKeown, Director | - Fred Lee, Vice President and Secretary |
| - Renwick Paige, Director | - Jay Merves, Treasurer |

Also in attendance by invitation was John Lee of the New York City Mayor's Office of Sustainability and Mike Kerstetter and Naeemah Lajoie of the Corporation. (Director Mark Chambers was absent from the meeting.) It was noted that a quorum existed and the meeting was called to order.

1. Approval of Prior Meeting's Minutes.

Reference was made to the minutes of the Board meetings held on February 6, 2019 and April 16, 2019, as included in the Meeting Package previously circulated to the Board by e-mail (the "Meeting Package"). It was asked if there were any comments or questions on the minutes and none were raised.

A motion to approve the minutes was made, seconded and unanimously approved.

2. Committee Meetings.

Reference was made to the March 6, 2019 meeting of the Board's Audit and Finance Committee ("A&F Committee") and the related meeting minutes included in the Meeting Package. It was asked if there were any comments or questions on such minutes and none were raised.

A brief oral report was given on the June 24, 2019 meeting of A&F Committee. It was noted that at such meeting the A&F Committee had reviewed the Corporation's proposed FY2020 budget and had recommended that the full Board approve such budget.

3. Election of Susan Leeds as Secretary.

Reference was made to the proposed resolution included in the Meeting Package concerning the election of Susan Leeds as Secretary. A brief presentation was made concerning the resolution. It was asked if there were any comments or questions on the resolution and none were raised.

A motion was made to approve the resolution in the form attached hereto at Exhibit A. The motion was seconded and unanimously approved.

4. Approval of Annual Budget.

Reference was made to the proposed resolution in the Meeting Package concerning the proposed 2020 fiscal year budget for the Corporation. The Chairperson of the A&F Committee noted that the committee had reviewed the budget and that it was the committee's recommendation that the budget be approved by the Board.

A detailed presentation was given orally on the matter. During such presentation it was noted that due to ongoing project delays, additional loan loss provisioning was going to be made for one of the Corporation's loans for the "Cubit" project and that such additional provisioning would likely have significant implications for the Corporation's financial statements in that the provisioning would likely cause the Corporation's GAAP income for FY2020 to be negative. Additional topics were also discussed during the presentation and several questions were asked and answered.

A motion was made to approve the resolution concerning the FY2020 budget in the form attached hereto at Exhibit B. The motion was seconded and unanimously approved.

5. Approval of Credit Underwriting Guidelines.

Reference was made to the draft resolution included in the Meeting Package concerning a proposed new version of the Corporation's Credit Underwriting Guidelines. A brief presentation was made concerning the resolution and the significant changes being proposed to the guidelines. A short discussion followed and questions were asked and answered.

A motion was made to approve the resolution in the form attached hereto at Exhibit C. The motion was seconded and unanimously approved.



6. Other Matters.

Reference was made to various other documents included in the Meeting Package. Presentations and updates were given orally on various topics related to such materials, including the Corporation's fundraising and development activities, the co-CEO report, the Corporation's current transaction portfolio, and the City's C-PACE program and the related Climate Mobilization Act. During the presentation on the co-CEO report, among other things, reference was made to the Corporation's new mission statement approved by the Board at its meeting held on February 6, 2019 as part of the Corporation's strategic plan. It was noted that the new mission statement could be found in the co-CEO report, at page 25 of the Meeting Package.

Stemming from such presentations and updates, numerous questions were asked and answered and a robust conversation was had. Following the presentations and related discussions, it was asked if there were any additional comments or questions from any members of the Board and none were raised.

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

Respectfully submitted,



Mike Kerstetter
Secretary of the Meeting

RESOLUTION #1

Election of Secretary

WHEREAS, pursuant to the Seventh Amended and Restated By-Laws (the "By-Laws") of the New York City Energy Efficiency Corporation (the "Corporation"), the officers of the Corporation shall consist of a Chairperson, a President (or two co-Presidents), a Treasurer, a Secretary and such other officers as may be elected from time to time by the Board of Directors of the Corporation (the "Board");

WHEREAS, pursuant to the By-Laws, the same person may not simultaneously hold the offices of both President and Secretary; and

WHEREAS, effective as of July 1, 2019, it is expected that the current Secretary, Fred Lee, will be duly elected to the position of co-President and as such, the position of Secretary will become vacant.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby elects Susan Leeds to serve as Secretary of the Corporation.

RESOLUTION #2

Approval of Fiscal Year 2020 Budget

WHEREAS, the Audit and Finance Committee has reviewed the proposed budget for fiscal year 2020 prepared by NYCEEC staff and its fiscal agent BTQ Financial, LLC, a copy of which budget is attached hereto at Exhibit A (the "2020 Budget"); and

WHEREAS, the Audit and Finance Committee recommends that the Board adopt the 2020 Budget.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby adopts the 2020 Budget, as may be amended and/or modified by one or both of NYCEEC's co-Chief Executive Officers, as necessary.

FY 2020 Budget

[see next page]



Fiscal Year 2020 Proposed Budget

	FY 2020			FY 2019		
	Proposed BUDGET	Approved BUDGET	\$ Change	Proposed BUDGET	Prelim YE Forecast	\$ Change
REVENUE						
Federal Funding	20,000	50,000	(30,000)	20,000	1,621,066	(1,601,066)
State Funding	415,000	167,000	248,000	415,000	152,272	262,728
City Funding	1,070,000	770,000	300,000	1,070,000	768,132	301,868
Foundation Grants	335,000	550,001	(215,001)	335,000	377,192	(42,192)
Program Revenue - Fee	250,200	132,000	118,200	250,200	148,925	101,275
Program Revenue - Interest	4,662,000	3,840,000	822,000	4,662,000	4,129,854	532,146
Investment Income	2,500	2,500	-	2,500	92,369	(89,869)
Reimbursable and Misc	1,800	1,800	-	1,800	1,800	-
TOTAL REVENUE	6,756,500	5,513,301	1,243,199	6,756,500	7,291,610	(535,110)
EXPENSE						
Salary & Fringes						
Salaries	2,160,000	2,155,000	5,000	2,160,000	2,016,668	143,332
Fringe Benefits	536,763	538,749	(1,986)	536,763	511,903	24,860
<i>Fringe Benefits as a % of Salaries</i>	25%	25%		25%	25%	
Total PS	2,696,763	2,693,749	3,014	2,696,763	2,528,571	168,192
Program Expenses						
Travel & Meals	17,000	17,000	-	17,000	14,569	2,431
Training	12,000	12,000	-	12,000	1,324	10,676
Financial Advisor	60,000	90,000	(30,000)	60,000	26,205	33,795
Project Technical Consulting	50,000	57,500	(7,500)	50,000	16,430	33,570
Legal	175,000	65,000	110,000	175,000	31,773	143,227
Marketing and Website	109,000	50,000	59,000	109,000	84,693	24,307
HR Consulting	69,000	82,000	(13,000)	69,000	64,040	4,960
Loan Interest & Financing Fees	920,000	800,000	120,000	920,000	961,707	(41,707)
Loan Loss Provision	105,000	100,000	5,000	105,000	2,571,981	(2,466,981)
Other Consulting	60,000	60,000	-	60,000	40,781	19,219
Surveillance	120,000	220,000	(100,000)	120,000	41,189	78,811
Total Program Expenses	1,697,000	1,553,500	143,500	1,697,000	3,854,692	(2,157,692)
Administrative Expenses						
Payroll and Benefits Administration	13,000	14,200	(1,200)	13,000	8,503	4,497
Insurance	40,000	44,500	(4,500)	40,000	33,824	6,176
Furniture&Equipment	10,000	10,000	-	10,000	7,545	2,455
Supplies	11,000	11,000	-	11,000	6,477	4,523
Occupancy	260,000	171,865	88,135	260,000	219,773	40,227
Audit Services	36,000	35,000	1,000	36,000	36,000	-
Fiscal Agent Service Fee	190,000	152,250	37,750	190,000	157,080	32,920
IT and Telecommunication	100,000	100,000	-	100,000	76,799	23,201
Depreciation	24,000	77,875	(53,875)	24,000	51,370	(27,370)
Bank and Miscellaneous Fees	4,000	3,000	1,000	4,000	18,031	(14,031)
Total Administrative Expenses	688,000	619,690	68,310	688,000	615,402	72,598
TOTAL EXPENSES	5,081,763	4,866,939	214,824	5,081,763	6,998,665	(1,916,902)
NET INCOME WITHOUT DONOR RESTRICTIONS	1,674,737	646,362	1,028,375	1,674,737	292,945	1,381,792
RESTRICTED ADDITIONS	391,000	-	391,000	391,000	300,000	91,000
RELEASES FROM RESTRICTION	(335,000)	-	(335,000)	(335,000)	(1,958,679)	1,623,679
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	56,000	-	56,000	56,000	(1,658,679)	1,714,679
TOTAL CHANGE IN NET ASSETS	1,730,737	646,362	1,084,375	1,730,737	(1,365,734)	3,096,471

RESOLUTION #3

Updated Credit Underwriting Guidelines

WHEREAS, on October 26, 2016, the Board approved the current Credit Underwriting Guidelines for the Corporation (the "2016 Guidelines");

WHEREAS, the Officers and Directors of the Corporation consider it necessary and appropriate for the 2016 Guidelines to be revised and updated;

WHEREAS, pursuant to the current Policies and Procedures Manual for the Corporation, if the co-CEOs determine that proposed changes to the Corporation's Credit Underwriting Guidelines are material, then such changes must be approved by the Board;

WHEREAS, the co-CEOs have determined that certain proposed changes to the 2016 Guidelines may be material in nature and the co-CEOs have caused a summary of the changes to be provided to the Board;

WHEREAS, a revised and updated version of the Credit Underwriting Guidelines, along with such summary of the material changes thereto, has been provided to each Director as a supplement to and concurrently with the meeting package for the June 26, 2019 Board meeting (such revised and updated version of the guidelines being referred to herein as the "2019 Guidelines" and as so provided, is incorporated herein by reference); and

WHEREAS, the Board has reviewed the 2019 Guidelines and determined that it is prudent and in the best interests of the Corporation for the 2019 Guidelines to be approved.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the 2019 Guidelines to replace the 2016 Guidelines in all respects.

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

October 16, 2018

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, 2018, 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)
- Susan Leeds, Co-President
- Curtis Probst, Co-President
- Jay Merves, Treasurer
- Fred Lee, Vice President and Secretary

Also present by invitation were Warren Ruppel and Melissa Szot (both participating by telephone) from Marks Paneth LLC, NYCEEC’s independent auditor (the “Auditor”); Sean Berry and Faran Nadir from BTQ Financial (both participating by telephone); and Kimberly Turner, 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, 2018 included in the Meeting Package and to the financial statements contained therein (the “Financial Statements”). Mr. Ruppel provided a detailed summary of the information contained in the report, and discussed (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.

Mr. Ruppel also noted the Auditor’s expectation that it would be issuing an unmodified opinion on NYCEEC’s Financial Statements.

Mr. Merves provided a further presentation on various sections of the Financial Statements. Numerous questions concerning the audit and the Financial Statements were raised

by the Directors which were answered and the Committee further discussed the audit and Financial Statements.

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

Reference was made to the materials in the Meeting Package concerning the NYCEEC loans considered to be "special situations", including the loans known as 11 West 126th, 55 Wall, Cubit, Eli Karp and Hillside Solar. An update was provided on the current status of such loans and efforts to resolve those situations. A discussion ensued and several questions were asked and answered.

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

Respectfully submitted,



Mike Kerstetter
Secretary of the Meeting

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

March 6, 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 9:00 a.m. on March 6, 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)
- Jay Merves, Treasurer
- Fred Lee, Vice President and Secretary

Also present by invitation were Sean Berry from BTQ Financial (participating by telephone); and Naemah 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") and 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.

Mr. Merves gave a presentation on NYCEEC's mid-year financial status by walking through various financial statements and other materials included in the Meeting Package. During the meeting the Directors asked numerous questions which were answered.

The presentation also addressed other subjects covered by the Meeting Package including NYCEEC's asset-liability model and a detailed presentation on certain special situations (including the project at 11 West 126th St. and related litigation, the Cubit transaction, the 55 Wall project, and the loan to Eli Karp). Such matters were discussed in detail and the Directors asked several questions which were answered.

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

Respectfully submitted,



Mike Kerstetter
Meeting Secretary

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

June 24, 2019

1359 BROADWAY, NEW YORK, NY

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 approximately 4:00 p.m. on June 24, 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
- Fred Lee, Vice President and Secretary
- Jay Merves, Treasurer

Also present by invitation were Sean Berry from BTQ Financial (who participated by telephone); and Nacemah Lajoie and Mike Kerstetter, both from NYCEEC. It was noted that a quorum existed and the meeting was called to order.

Reference was made to the meeting materials previously provided by e-mail to the Committee members (the "Meeting Materials"). Reference was also made to the minutes of the Committee's prior meeting as provided in the Meeting Materials. 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 and unanimously approved.

A presentation was made generally on NYCEEC’s financial status by walking through the financial statements and other items included in the Meeting Materials. The Directors asked questions which were answered.

Regarding the NYCEEC loans for the project known as “Cubit”, a detailed discussion was had on the project’s status and recent developments which are prompting NYCEEC management to plan on changing the risk rating for the senior loan from two to three, in accordance with NYCEEC policy. In making such change to the risk rating, it was noted that the senior loan - like the junior loan - would be placed on “non-accrual” status and greater provisioning would be made for potential additional loan losses associated with the project. It was also noted that such loan loss provisioning would likely have significant implications for NYCEEC’s financial statements in that the provisioning would likely cause NYCEEC’s GAAP income for FY2020 to be negative. A discussion was had on the matter and the Directors asked several questions which were answered.

Reference was made to the proposed FY 2020 budget included in the Meeting Materials. A presentation on such proposed budget was made and various key aspects of the budget were highlighted, including (among others) the expected wide variability in City and State funding during the upcoming fiscal year. A motion was made for the Committee to recommend that NYCEEC's Board of Directors approve the proposed FY 2020 budget as included in the Meeting Materials. The motion was seconded and unanimously approved.

Presentations were also made on various other subjects covered by the Meeting Materials, including: NYCEEC's asset-liability model; a review of NYCEEC's loan portfolio; a detailed presentation on certain special situations (including the projects at 55 Wall St., 11 W 126th St. and the Cubit loans). During such presentations, it was noted that the defendant in the 11 W. 126th St. litigation had recently made counterclaims against NYCEEC and that, on the advice of NYCEEC's outside counsel, such counterclaims appeared to be without merit.

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".

Mike Kerstetter
Meeting Secretary

MINUTES OF MEETING
OF GOVERNANCE AND HUMAN RESOURCE COMMITTEE OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION

OCTOBER 29, 2018

At a meeting of the Directors of the New York City Energy Efficiency Corporation (“NYCEEC”) comprising the Governance and Human Resource Committee of NYCEEC (the “Committee”), held at 1359 Broadway, New York, NY, at approximately 3:00 p.m. on October 29, 2018, the following Directors, Officers and employees of NYCEEC were present:

- Jeff Brodsky, a Director of NYCEEC (by telephone)
- Greg Hale, a Director of NYCEEC (by telephone)
- Naeemah Lajoie, Director, Operations of NYCEEC
- Susan Leeds, Co-President / Co-CEO of NYCEEC (by telephone)
- Bruce Schlein, a Director of NYCEEC (by telephone)

Also present by invitation was Jennifer Loftus of Astron Solutions, by telephone. The meeting was called to order at 3:01 p.m.

The first order of business was the Committee’s review of NYCEEC’s proposed benefits package for plan year 2018 – 2019. Ms. Loftus presented an overview of cost changes to the overall benefits package, and their impacts on both NYCEEC’s overall budget and total compensation levels for disqualified positions. The 2018 – 2019 benefits plan changes do not pose an overcompensation situation for any of NYCEEC’s four disqualified roles. Mr. Brodsky asked for additional detail regarding the research conducted prior to the presentation of the proposed benefits package. Mr. Hale requested additional detail on why there are differences in the percentage change amounts noted in the supplemental materials to the meeting. In response to these questions, Ms. Loftus will update the report to the Committee with this additional level of detail, and distribute to the Committee members. As such, the Committee will hold its vote on the proposed 2018 – 2019 benefits package until after the receipt of the additional detail.

To begin the next order of business, Ms. Loftus provided background on the additional paid time off (PTO) provided to the Co-CEO role. The current employee handbook is silent on whether that additional paid time off should be prorated for Co-CEOs working fewer than 40 hours per week. Ms. Leeds stated that she thought that prorating the extra time off was the policy. The Committee clarified that, yes, the additional PTO hours provided to the CEO should be prorated based on work schedule, to ensure consistent treatment of all employees with NYCEEC’s various paid time off programs.

Ms. Lajoie then left the meeting at 3:16 p.m.

APPROVED

Discussion then ensued regarding the Co-President / CEO resolution adopted following the June 26, 2018 Governance & HR Committee meeting. Ms. Leeds shared that her co-working arrangement with Curtis Probst has been successful thus far, and that both are in reality working more than the 32 scheduled hours for each. Ms. Leeds' personal situation, however, may require her to temporarily reduce her scheduled hours to 24 per week. At this time she is not sure of that need, but wanted to raise the matter proactively with the Committee. The Committee members expressed their support for Ms. Leeds, and will work with her to address both NYCEEC's organizational and Ms. Leeds' personal needs. In order to ensure equity among all NYCEEC employees, Ms. Leeds, Mr. Probst, and Ms. Loftus have drafted a proposed cost-sharing approach for continuation of Ms. Leeds' benefits plans under a 24 hour workweek arrangement. Ms. Loftus will share the details of this cost sharing arrangement with the Committee under separate cover following the conclusion of this meeting.

Mr. Hale then made a motion to adjourn the meeting. The motion was seconded by Mr. Schlein, and approved.

The meeting was adjourned at 3:26 p.m.

On November 1, 2018, Ms. Loftus shared by e-mail with the Committee the requested benefit cost detail information and plan design options. Mr. Brodsky replied by e-mail that he is comfortable with the recommendation for the 2018 – 2019 plan year. Mr. Brodsky also requested that for the 2019 – 2020 plan year, the Committee receive this level of detail prior to the NYCEEC team making a plan design recommendation.

Respectfully submitted,

Jennifer Loftus
Secretary of the Meeting

MINUTES OF MEETING
OF GOVERNANCE AND HUMAN RESOURCE COMMITTEE OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION

JUNE 27, 2019

1359 BROADWAY, NEW YORK, NY

At a meeting of the Directors of the New York City Energy Efficiency Corporation ("NYCEEC") comprising the Governance and Human Resource Committee of NYCEEC (the "Committee"), held at 1359 Broadway, New York, NY, at approximately 8:00 a.m. on June 27, 2019, the following Directors and Officers of NYCEEC were present:

- Jeff Brodsky, a Director of NYCEEC
- Greg Hale, a Director of NYCEEC (by telephone)
- Fred Lee, Director, Legal and Business Development of NYCEEC
- Susan Leeds, Co-President / CEO of NYCEEC
- Curtis Probst, Co-President / CEO of NYCEEC (by telephone)
- Bruce Schlein, a Director of NYCEEC

Also present by invitation were Jennifer Loftus, Cassandra Carver, and Michael Conway of Astron Solutions. The meeting was called to order at 8:02 a.m.

The first order of business was the Committee's approval of the minutes of the October 29, 2018 committee meeting. Mr. Brodsky made a motion to approve, which was seconded by Mr. Hale. The motion passed.

To begin the next order of business, Mr. Probst presented his overall budget amounts for staff salary increases and 2019 bonuses. Both salary increases and bonuses align overall with the amounts that NYCEEC budgeted, reflecting organizational performance, staff performance, and internal equity adjustments, particularly for salary increases. Moving forward, the bonus methodology for 2020 will be further clarified. While NYCEEC Officers state that bonuses are based on performance, expectations regarding how non-officer employee and organizational performance impact the bonuses will be clarified. Mr. Brodsky requested confirmation that the overall awards align with budget, which Ms. Leeds confirmed. Ms. Leeds also shared that the 10% bonus pool is consistent with past practice.

Mr. Probst then provided a planning update regarding ArmadaCare coverage. During the Fall 2019 open enrollment process, NYCEEC may opt to cancel the ArmadaCare coverage following a cost and utilization analysis. Discussion ensued on how the reduction in this benefit may impact other portions of the officers' total compensation packages. As no action was needed at this time, Mr. Brodsky stated that he looks forward to receiving updates on this matter in the fall.

Next, Mr. Probst provided an update regarding job titles at NYCEEC. Discussion ensued on the number and type of levels necessary to attract and retain staff, while not creating an excessively hierarchical structure in an organization of NYCEEC's size. As no action was needed at this time, Mr. Brodsky stated that he appreciated the update, which demonstrates NYCEEC's character.

Ms. Loftus presented the next order of business regarding a 401(k) fiduciary committee. This committee would be at the Board level, to ensure compliance / fiduciary activity for the T. Rowe Price administered retirement plan. Mr. Brodsky appreciated the update, and requested that Ms. Loftus follow up with T. Rowe Price directly to obtain information on their resources and next steps, perhaps for presentation at the next Governance and Human Resource committee meeting.

Mr. Lee then left the meeting at 8:30 a.m.

Following the conclusion of these agenda items, the meeting shifted to the disqualified persons market analysis process & results. Ms. Loftus provided high level background on and findings from the 2019 study.

Ms. Leeds provided her joint recommendations with Mr. Probst for salary and bonus adjustments for Jay Merves and Fred Lee, highlighting their performance during the last year. Ms. Leeds' / Mr. Probst's recommendations were approved by the committee, with a motion from Mr. Brodsky and a second from Mr. Schlein.

Mr. Brodsky then made a motion to adjourn the meeting. The motion was seconded by Mr. Schlein, and approved.

The meeting was adjourned at 8:55 a.m.

Respectfully submitted,

Jennifer Loftus
Secretary of the Meeting