

MINUTES OF THE ONE HUNDRED FORTY FIFTH MEETING OF THE
AUDIT AND FINANCE COMMITTEE
HELD ON APRIL 27, 2021

Pursuant to a notice and agenda dated April 18, 2021, a copy of which is annexed hereto, the one hundred forty-fifth (145th) meeting of the Audit and Finance Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 11:00 a.m. on Tuesday, April 27, 2021 by videoconference.

The following members of the Committee were present:

Jay Koh, *Committee Chair*

Richard Kauffman, *Chair of the Authority*

Sherburne Abbott

Kate Fish

Ken Daly

Also present were Doreen Harris, President and CEO; Janet Joseph, Senior Vice President for Strategy and Market Development; John Williams, Vice President Policy and Regulatory Affairs; Jeffrey J. Pitkin, Treasurer; Peter J. Costello, General Counsel and Secretary; Sara L. LeCain, Senior Counsel and Secretary to the Committee; Martin Dunbar and Jeffrey Mabb, KPMG, LLP; and various other staff of the Authority.

Mr. Koh called the meeting to order and noted the presence of a quorum. The meeting notice and agenda were forwarded to the Committee members on April 18, 2021 and the press on April 19, 2021. Sara LeCain, Secretary to the Committee conducted a roll call to confirm quorum.

Mr. Koh indicated that the first item on the agenda concerned the approval of the minutes of the one hundred forty-fourth (144th) meeting of the Committee, held on June 23, 2020.

Whereafter, upon motion duly made and seconded, by voice vote of the Members present, the minutes of the one hundred forty-fourth meeting of the Committee were approved.

Mr. Koh indicated that the next item on the agenda concerned the Annual Internal Audit Report and the approval of the Internal Audit Plan for fiscal year 2021-2022 from Mary Peck, the Authority's Director of Internal Audit.

Ms. Peck explained that the Annual Internal Audit Report included in the meeting packet summarized the audits and consulting activities that were performed and completed during the fiscal year that ended on March 31, 2021. Ms. Peck provided further detail on items not previously presented to the Committee.

First, IA-1920-04 *Integrity of Solicitations* was completed and sent to the Committee in January 2021. The audit found that the Authority's controls over its procurement function are adequate, appropriate, and effective to provide reasonable assurance regarding the integrity of the solicitation process used for competitive procurements. The audit recommended that the documentation for cost reasonableness for non-competitive and discretionary procurements be improved and the changes have been implemented.

Next, IA1920-03 *Business Continuity and Disaster Recovery* fieldwork was completed, and the preliminary report is being prepared. Given the activities of the past year, the Authority has had the opportunity to test its plans in real-time, and there were no significant issues, which will be reflected in the report.

Ms. Peck stated that the fieldwork for *IA-1920-02 Compliance with NYS ADA Website Requirements*, has been completed and the auditee is currently reviewing the findings.

Ms. Peck indicated that *CA-2021-01 OSC Internal Control Certification* Internal Audit's annual review of Finance's internal controls for its annual certification to the State Comptroller was complete. The consulting report was provided to the Internal Control Officer for review.

Ms. Peck explained that during the past year Internal Audit has been performing a complete self-assessment of its procedures and practices, which is continuing into the new audit year. Ms. Peck anticipates reporting on the outcome at the September 2021 Committee meeting.

Next, Ms. Peck noted that the meeting packet included the Annual Internal Audit Plan for Fiscal Year 2021-2022. If approved by the Committee, Internal Audit will work with Management on completing two consulting activities and three audits. These activities include an audit of the Authority's Payroll Processing; an audit of System Access for NEIS; an audit of NY Green Bank's ("NYBG") Compliance Program; an audit of consulting activity for Microgen/Wireless Recoupment; and an audit of Internal Control assessment management.

Ms. Peck indicated that Internal Audit is also required to perform additional activities to conform to internal auditing standards. These additional activities include participating in continuous professional development training, maintaining a quality assurance and improvement program, having a follow-up process to monitor the implementation of recommendations communicated in internal audit reports. It will also be performing an annual review of the Risk Assessment and Rotational Audit Plan to ensure it remains in alignment with the Authority's current structure and goals. The overall results will be factored into the development of next year's risk-based Internal Audit Plan for Fiscal Year 2022-2023.

Lastly, Ms. Peck stated that standards require that Ms. Peck make an annual statement of independence to the Members of the Board. Ms. Peck and the Internal Audit staff have reviewed the standards and have no concerns regarding any impairments. This review and Internal Audit's formal individual attestation will be documented in its Quality Assurance Review files.

In response to an inquiry from Mr. Kauffman, Ms. Peck explained that Internal Audit meets with the independent auditors once a year to discuss the Internal Audit Plan and get their input and suggestions.

In response to an inquiry from Mr. Kauffman, Ms. Peck indicated that the goal of the NYGB compliance audit is to see what the key controls are that are in place and get a better understanding of what should be included in the audit universe specifically for NYGB. Mr. Pitkin noted that additional comfort can be gained through the annual review of NYGB's financial

statements by the independent auditors. Ms. Peck also reported that the solicitation audit included one NYGB solicitation and the audit found the controls to be excellent.

In response to an inquiry from Mr. Daly, Ms. Peck indicated that Internal Audit will be sitting down with the new NYGB team to lay out a plan for reviewing its transactions and controls.

In response to an inquiry from Mr. Daly, Ms. Peck explained that Internal Audit changed the focus of the audit of the Authority's business continuity plans to more of an after-action review of how the Authority met the challenges of the COVID-19 pandemic.

Mr. Koh commended Ms. Peck and the Internal Audit team on its efforts and appreciated that there will be a review of Internal Audit's process.

In response to an inquiry from Mr. Koh, Ms. Peck indicated that from a risk assessment standpoint, Internal Audit factors in the Authority's information security and continues to work with the Authority's Information Security Officer to ensure the Authority is meeting its cybersecurity needs.

Whereafter, upon motion duly made and seconded, by voice vote of the Members present, the following resolution was approved.

Resolution

RESOLVED, that the Audit and Finance Committee approves the Internal Audit Plan for Fiscal Year 2021-2022, as presented at this April 27, 2021 meeting, in the form submitted to the Committee.

Mr. Koh indicated that the next item on the agenda was proposed amendments to the Authority's Internal Control Manual. Jeffrey Pitkin, the Authority's Treasurer and Internal Control Officer discussed this item. Mr. Pitkin explained that the proposed changes to the Internal Control Manual include updating the description of the Waste and Facilities Management Committee to correspond to changes the Authority's By-laws that were approved in January 2021; amending Section 3: NYGB to include controls for transaction disbursements; updating Section 10: Information Technology to include tasks conducted by the Chief Information Officer or

designee; moving all Freedom of Information Law responsibilities to Section 12: Counsel's Office; renaming Section 17 as the Internal Audit Charter and clarifying Internal Audit's ability to communicate with the Members; and other ministerial and clarifying changes.

Whereafter, upon motion duly made and seconded, by voice vote of the Members present, the following resolution was approved.

Resolution

RESOLVED, that the amendments to the Authority's Internal Control Manual as presented at this April 27, 2021 meeting with such non-substantive, editorial changes as the President and CEO, in their discretion, may deem necessary or appropriate, are hereby recommended for approval and adoption.

Mr. Koh stated that the next item on the agenda was a proposed transaction to finance the Green Jobs – Green New York Program (“GJGNY”). Mr. Pitkin introduced Heather Clark, Senior Project Manager for Financing Solutions to discuss the item.

Ms. Clark explained that since inception, the GJGNY Program has issued more than 30,000 loans totaling more than \$362 million to finance residential energy efficiency improvements and solar and other renewable energy systems. The GJGNY Program has been funded to date with \$154 million of Regional Greenhouse Gas Initiative (“RGGI”) funds used to fund a revolving loan fund and fund loans issued. The Authority has issued 7 series of bonds to date totaling \$193 million in bond principal secured by pledged loan repayment revenues, and the proceeds of those bonds partially replenished the revolving loan fund. To meet bond investor and rating agency structure requirements, these bonds were structured with overcollateralization, generally resulting in an advance rate, or bonds as a percentage of loan collateral, of about 70-75%. The difference represents equity funding requirements for the bond securitization structures, funded from RGGI funds, and generally were released and returned through subordinate loan cash flows, after absorbing pledged loan losses.

Ms. Clark indicated that in the past, loans issued under the GJGNY Program's “Tier 2” more flexible loan underwriting criteria were held for 5 years until they were included in bond securitizations, and the Series 2019A bonds included the first pool of Tier 2 loans.

Ms. Clark stated that in June 2020, the Authority offered a temporary program offering to offer loans at 0% for the term of the loans in an effort to help contractors resume activities that had been impacted by the COVID-19 Pause Executive Order. The offering lasted for only about 15 days with nearly \$30 million in applications received – more than the amount of loans typically issued in the program in a year. The inclusion of these loans in a bond securitization were estimated to generate a lower advance rate of about 50%.

Next, John Joshi, Director for Financing Solutions provided the Committee with detail on the proposed transaction. Specifically, the Committee was asked to consider recommending a resolution authorizing the sale of a participation interest, not to exceed 90% of the principal balance of eligible GJGNY Program residential consumer loans to community banks or credit unions through a LoanStreet loan participation syndication platform.

Mr. Joshi stated that LoanStreet was founded in 2013 with the mission to create a more efficient, transparent, and robust way to connect lenders and investors. LoanStreet is the first fully integrated, online platform that streamlines the process of sharing, managing, and originating loans for credit unions, banks, and direct lenders. The platform has been used by 930 institutions in 50 states to sell or purchase participation interests in more than 155,000 loans. The Authority will enter into an agreement with LoanStreet on a non-competitive basis, consistent with the Authority's Procurement and Program Contract Guidelines.

Mr. Joshi noted that the meeting package summarizes the forms of agreement and the process that is used to sell participation interests to prospective buyers. LoanStreet has reviewed the characteristics and historical prepayment and loss rates for GJGNY loans and compared those to similar loan participations completed through their platform, and has offered potential price and yield levels that could allow the loans to be sold in four different pools through the platform. Staff have engaged an independent valuation consultant to determine that the proposed offering price is not less than fair market value, which will be confirmed prior to proceeding with the transaction.

Mr. Joshi explained that the loan participations will sell up to 90% participation interest in the loan pools, with NYSERDA and the purchasers sharing pro-rata/pari-passu in all loan repayments, prepayments, and losses. Based on preliminary estimates, staff anticipate that the loan participation sale will generate about \$10.6 million in increased net present value proceeds as compared to a traditional bond securitization. As a result, this approach allows the Authority to engage depository institution capital in an effective way with risk-sharing, and will reduce the level of RGGI funds required to support the loan program, or allow the GJGNY Program to issue more loans with the same funding level.

The Committee asked a number of questions and were satisfied with the responses from Mr. Joshi and Mr. Pitkin.

Whereafter, upon motion duly made and seconded, by voice vote of the Members present, the following resolution was approved.

Resolution

RESOLVED, that the Audit and Finance Committee recommends that the Board approve a resolution in substantially the same form as attached hereto as Exhibit A.

Mr. Koh indicated that the next item on the agenda was consideration of a transaction on behalf of NYGB. Andrew Kessler, Acting President of NYGB explained that the Committee was being asked to consider a resolution authorizing the sale of NYGB's interest in a portion of its overall portfolio to a purchaser for net proceeds at closing and an anticipated residual interest in loan cash flows. Specifically, this is a subset of 20 of NYGB's investments ("Transaction Portfolio"). This request is a result of the significant increase in the demand for NYGB's financing over the past few years. This demonstrates that NYGB is addressing funding gaps and driving transformation through increased collaboration with private sector lenders and investors; and its willingness to be a forward-looking lender, doing the early work necessary to create replicable and scalable structures that can be adopted, modified and further optimized by the marketplace.

Mr. Kessler reported that as of April 19, 2021, NYGB had \$123.6 million capital available for new investments, including NYGB's final ratepayer capital call of its original \$1 billion allocation. This \$123.6 million is relative to NYGB's current pipeline, including \$304.7 million that has passed the "Greenlight" or "IRC" stage of approval and are proceeding toward close. Another \$542.7 million remains in Proposal or Scoring stages.

As a result, Mr. Kessler indicated that NYGB needs to be able to address the demand in its immediate pipeline, and continue to address the mission to overcome financial and market barriers of financing renewable energy and energy efficiency in New York State.

Mr. Kessler explained that in recognition of the need to manage and expand its capital, NYGB engaged Moelis in September 2020 as its strategic advisor and placement agent for this proposed transaction. It also retained KBRA to provide credit ratings and "Kroll Credit Assessments" for each of the investments in the Transaction Portfolio, which assisted with diligence by providing a third-party view of credit considerations. The outcome of these reviews generally validated NYGB's internal risk-rating processes.

Mr. Kessler stated that NYGB selected a portfolio of 20 of its investments that it felt were attractive to include in the Transaction Portfolio. Evaluation considerations and transaction portfolio objectives were included to achieve: a weighted average Kroll rating for the Transaction Portfolio of BB, which is just slightly below NYGB's internal rating of BB+; individual transaction sizes of \$10 million or greater; to justify a Kroll rating review as well as to keep the total portfolio to a target size of +/- 20 investments; low volatility assets with attractive cash flow profiles; and a diverse but representative view of NYGB's overall portfolio, in terms of its off-takers, diversity of renewable energy technology, and types of loan structures, with minimal construction risk.

Mr. Kessler indicated that Moelis conducted broad market soundings and ultimately identified a list of 11 highly reputable institutions from a cross section of financial sectors which all showed strong interest in NYGB as an "ESG" investor, including commercial banks, pension funds, and insurance companies.

Mr. Kessler reported that NYGB launched a roadshow, provided preliminary diligence and ultimately received indicative terms from three parties. After a variety of evaluations and apples-to-apples comparisons, NYGB determined Bank of America offered the strongest proposal – with the highest proceeds, lowest all-in cost and going forward would not require a formal rating, which further reduced overall transaction costs.

Next, Mr. Pitkin explained that the transaction structure involves the sale of NYGB's repayment interests in 20 portfolio loans to ESG Green Acquisition Trust, a statutory trust organized and beneficially owned by Bank of America, in exchange for upfront proceeds and a residual interest in the cash flows. The upfront proceeds will be based on 83% of the outstanding principal balance of the 20 loans, including anticipated committed but undrawn balances. The principal balance of the loan was about \$396 million as of February, so 83% of that amount would result in gross proceeds of \$336 million. The gross proceeds will be capped at a receivable balance of \$405M and gross proceeds of 83% of that amount, or \$336.15 million. Bank of America is charging a fixed fee of \$4.5 million for fees and expenses which will be reduced from the gross proceeds. Upfront net proceeds proceed from the sale will be used to support additional capital deployment in NYGB's investment portfolio.

Mr. Pitkin indicated that the loan receivable cash flows will be used by the Purchaser to secure Notes it will issue to Bank of America. The Purchaser's Notes will be issued at a variable interest rate set to the sum of a Short-Term Rate Index plus an Adjustment Factor plus 2.10% per annum. Principal and interest on the Purchaser's Notes will be paid solely from the 20 loan repayments using a 100% cash flow sweep, and are nonrecourse to NYGB. Once the Purchaser's Notes are paid off, NYGB will receive remaining residual loan repayments through its residual certificate.

Mr. Pitkin explained that from a legal standpoint, the agreements are structured as true sales, but NYGB will remain the lender of record and will service the loans pursuant to a Servicing Agreement with the Purchaser for a service fee. From an accounting standpoint, we have consulted with KPMG and anticipate that the transaction will meet the criteria for sale

accounting treatment under Governmental Accounting Standards, which will be affirmed by review of final agreement terms by KPMG.

Mr. Pitkin indicated that the preliminary analysis was prepared assuming a principal balance of about \$399 million at closing. The net proceeds from the sale would be approximately \$324 million. Using scheduled payments and including estimated losses using internal transaction ratings affirmed by Kroll Bond Rating Agency, NYGB concluded that the net present value of the residual cash flows would be about \$90 million, resulting in a gain on the sale of about \$14 million in net present value dollars (\$34 million in nominal dollars).

Mr. Pitkin stated that NYGB will be obtaining a report from an independent valuation consultant that the terms of the sale are not less than fair market value, complying with requirements under the Authority's Guidelines for Disposition of Real and Personal Property and Section 2897 of the Public Authorities Law, which has been reviewed by outside counsel. NYGB will file an explanatory statement for the transaction as required by New York State Public Authorities Law Section 2897 and the Authority's Guidelines for Disposition of Real and Personal Property with the State Comptroller, the Director of the Budget, the Commissioner of General Services, the Legislature, and the Authorities Budget Office at least 90 days in advance of the closing and sale of the receivables.

Mr. Pitkin indicated that NYGB reviewed with bond counsel and concluded that approval of the transaction by the Public Authorities Control Board is not required given the nature of the transaction. NYGB has reviewed this position with Division of Budget staff and has received their written concurrence.

Mr. Pitkin explained that NYGB will file a copy of the Purchase Agreement with the State Comptroller as required under the State Comptroller's Regulations given the dollar value of the transaction and its selection method.

Lastly, Mr. Pitkin stated that no other approvals are required, and the Authority has met all other regulatory requirements for the transaction.

The Committee was able to ask questions and was satisfied with the responses of Mr. Kessler and Mr. Pitkin.

Whereafter, upon motion duly made and seconded, by voice vote of the Members present, the following resolution was approved.

Resolution

RESOLVED, that the Audit and Finance Committee recommends that the Board approve a resolution in substantially the same form as attached hereto as Exhibit B.

Mr. Koh indicated that the next item on the agenda was a presentation from the Authority's independent auditors on the audit of the financial statements of the Authority and NY Green Bank for fiscal year 2020-2021. Martin Dunbar, lead audit partner at KPMG, LLP ("KPMG"), presented this item.

Mr. Dunbar began his presentation by highlighting some of the new and returning members of his audit team. Following the introductions, Mr. Dunbar provided a brief overview the independent audit and KPMG's role in the process which is completed in accordance with the U.S. Governmental Accounting Standards. He then detailed the services that KPMG will provide in the 2020-2021 audit. He stated that the key takeaways are the continued review of interim financial information and sharing the thoughts with management.

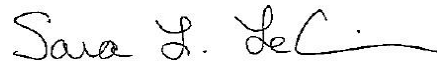
Mr. Dunbar outlined the deliverables for the audit, noting that they are similar to the deliverables provided in previous years. These include an opinion on the financial statements of both the Authority and NYGB together with the investment compliance examination. Following the audit, KPMG will issue an incremental audit opinion. In addition, a management letter may be issued if KPMG finds any significant deficiencies or material weaknesses through the audit process.

Next, Mr. Dunbar described the Audit Responsibilities. KPMG will provide an opinion on the financial statements that are being audited. Management is responsible for preparing the financials and making sure that the internal controls over financial reporting are in place so that the financial reports can be provided in a timely manner that is in accordance with the appropriate standards. The Committee will then be responsible for the oversight and maintaining the communication between the auditors and the Authority.

Mr. Dunbar explained that an important part of every audit is risk assessment. Part of the risk assessment process is the consideration of the prior year's audits, information that has come up throughout the year as part of the quarterly review, and questions that have come up in meetings with management.

Mr. Koh indicated that the next item on the agenda was other business. There being no other business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara L. LeCain".

Sara L. LeCain
Secretary to the Committee

Exhibit A

Resolution No.

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9 of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Act”), the New York State Energy Research and Development Authority (the “Authority”) has been established as a body corporate and politic, constituting a public benefit corporation; and

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9-A of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Green Jobs – Green New York Program”), the Authority has been authorized to use innovative financing mechanisms to finance energy efficiency improvements and technologies eligible for net metering through energy cost savings; and

WHEREAS, the Authority may wish to sell participation interests, not to exceed 90%, in one or more pools of Green Jobs – Green New York Program residential consumer loans (the “Loans”) to community banks or credit unions; and

WHEREAS, the Authority will enter into an agreement with LoanStreet, Inc., an online platform that provides a streamlined process for sharing, managing, and originating loans for credit unions, Banks, and direct lenders, to serve as the seller for the Authority’s participating interests under the Green Jobs – Green New York Program; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The offering, sale, and delivery of the Loans in one or more pools, not to exceed 90% of the principal balance of eligible loans as of April 30, 2021, upon the terms and conditions and for the purposes described in this resolution are hereby authorized. The Loans shall be sold for an amount of Net Proceeds as determined by the President and CEO, the Vice Presidents, the Treasurer, or the Secretary of the Authority (collectively, the “Authorized Representatives”) provided that such price shall not be less than fair market value as determined by an independent valuation consultant. The sale of the Loans shall be subject to such provisions as set forth in agreements between the Authority and Loan Street, Inc.

Section 2. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver any agreements or other transaction documents as such Authorized Representatives shall approve. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required by this section.

Section 3. The Authorized Representatives are hereby authorized to provide any appropriate disclosure in connection with the transactions contemplated by this resolution, including but not limited to the use of the financial statements of the Authority or Green Jobs – Green New York Program information. The foregoing approval shall not be deemed to constitute an acknowledgment by the Authority of any responsibility for any information which has been furnished by any other party.

Exhibit B

Resolution No. ____

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9 of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Act”), the New York State Energy Research and Development Authority (the “Authority”) has been established as a body corporate and politic, constituting a public benefit corporation; and

WHEREAS, pursuant to the New York State Public Service Commission’s “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued and effective December 19, 2013 (Case 13-M 0412), NY Green Bank (“NYGB”) has been established as an unincorporated division of the Authority and capitalized with \$1 billion in ratepayer and other capital for the purpose of making investments in sustainable infrastructure projects in New York State; and

WHEREAS, pursuant to the Act, the Authority is authorized to sell, convey, mortgage, lease, pledge or otherwise dispose of personal property, including investments made by NYGB and any rights thereunder, upon such terms and conditions as the Authority deems advisable, together with such rights and privileges as may be incidental and appurtenant thereto; and

WHEREAS, NYGB intends to maintain and increase the level of its investment activity in New York State in support of the goals of New York State’s Climate Leadership and Community Protection Act of 2019 without requesting any additional ratepayer capital;

WHEREAS, in order to achieve the aforementioned purpose, NYGB intends to generate proceeds for reinvestment in New York State by selling NYGB’s repayment interests in financing receivables (the “Revenues”) from twenty (20) loans in NYGB’s portfolio (the “Loans”) (estimated to have an aggregate outstanding principal balance of \$396.5 million as of February 28, 2021) to ESG Green Acquisition Trust (the “Purchaser”), a statutory trust organized under the laws of the State of Delaware and beneficially owned by Bank of America, N.A. (“BANA”), all pursuant to a Receivables Purchase Agreement (the “RPA”) between NYGB, a division of the Authority, and the Purchaser;

WHEREAS, pursuant to the RPA, as consideration for the sale of its interest in the Revenues to the Purchaser, NYGB will receive (i) a cash purchase price equal to 83% of the aggregate outstanding principal balance plus anticipated committed but undrawn balances of the Loans as of a cutoff date prior to the closing date, not to exceed \$336.15 million in gross proceeds, less a \$4.5 million upfront funding fee to BANA (such amount, the “Net Proceeds”) and (ii) a residual certificate issued by the Purchaser, representing a residual interest in the Revenues once the Purchaser’s Notes issued to BANA and secured by Revenues have been repaid; and

WHEREAS, after the consummation of the sale of the Revenues to the Purchaser, NYGB will remain the lender of record of the Loans and service the Loans pursuant to

a Servicing Agreement with the Purchaser for a servicing fee equal to 0.05% per annum on the aggregate outstanding principal balance of the Loans; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD MEMBERS OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The sale of the Revenues upon the terms and conditions and for the purpose described in this resolution are hereby authorized. The Revenues shall be sold for an amount of Gross Proceeds equal to the 83% of the aggregate outstanding principal balance plus anticipated committed but undrawn balances of the Loans, not to exceed \$336.15 million in gross proceeds, less \$4.5 million (net proceeds not to exceed \$331.65 million). The sale of the Loans shall be subject to such provisions as set forth in the RPA.

Section 2. The President and CEO, the Vice Presidents, the Treasurer, the Secretary of the Authority, or the President of NY Green Bank (the "Authorized Representatives") are each hereby authorized to execute, acknowledge, and deliver the RPA, the Servicing Agreement and any other transaction documents as such Authorized Representative shall approve. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required by this Section.

Section 3. The Authorized Representatives are hereby authorized to provide any appropriate disclosure in connection with the transactions contemplated by this resolution, including but not limited to the use of the financial statements of the Authority or NYGB. The foregoing approval shall not be deemed to constitute an acknowledgment by the Authority or NYGB of any responsibility for any information which has been furnished by any other party.

Section 4. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver any other agreements, documents, or certificates, including certificates confirming on behalf of the Authority the accuracy and completeness of information relating to the Revenues, the Loans, the Authority and NYGB, and to do and cause to be done any such other acts and things and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 1 through 5 of this resolution as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required by this Section. Any Authorized Representative, the Assistant Treasurer, and the Acting Secretary of the Authority are each hereby authorized to affix the seal of the Authority on such documents and attest the same.

Section 5. The sale of the Revenues shall not give rise to any indebtedness of or a charge against the general credit of the Authority. The sale of the Revenues shall not constitute a debt of the State of New York.