NEW ISSUE - BOOK-ENTRY ONLY **RATING:** S&P "A+"

S&P: (See "Rating" herein)

In the opinion of Hodgson Russ LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming compliance with certain covenants and the accuracy of certain representations, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"), except that (a) the Borrower or another Person, by failing to comply with certain requirements contained in the Code, may cause interest on the Series 2025 Bonds to become subject to federal income taxation and certain other taxes from the date of issuance thereof, (b) interest on the Series 2025 Bonds is included in the tax base for purposes of computing the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code and (c) interest on the Series 2025 Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is further of the opinion that, so long as interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2025 Bonds is exempt under existing law from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). For a more complete discussion, including certain other tax considerations, see "TAX MATTERS" herein.

ALB | NY
ALBANY CONVENTION CENTER AUTHORITY

$38,705,000
ALBANY COUNTY CAPITAL RESOURCE CORPORATION
TAX-EXEMPT LEASE REVENUE BONDS
(ALBANY CONVENTION CENTER AUTHORITY PROJECT), SERIES 2025

Dated: Date of Issuance and Delivery **Due:** March 1, as shown on the inside front cover

The Albany County Capital Resource Corporation (the "Issuer") Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025 (the "Series 2025 Bonds") will be issued under and secured by a Trust Indenture dated as of August 1, 2025 (the "Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (the "Trustee").

The Series 2025 Bonds will bear interest at the rates shown on the inside cover to this Official Statement. The Series 2025 Bonds will be subject to optional, mandatory and extraordinary redemption and to acceleration prior to maturity as described herein under "THE SERIES 2025 BONDS – Redemption Provisions" herein. Interest on the Series 2025 Bonds will be payable on each March 1 and September 1, commencing March 1, 2026. The Series 2025 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository for the Series 2025 Bonds. Individual purchases will be made in Book-Entry form only, in denominations of $5,000 or any integral multiple of $5,000 in excess thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2025 Bonds. Principal and interest will be paid by the Issuer to the Trustee which will remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Series 2025 Bonds. See "THE SERIES 2025 BONDS - Book-Entry Only System" herein.

The Series 2025 Bonds will be limited obligations of the Issuer, payable solely from and secured by (a) a pledge and assignment of, payments and other revenues to be received by the Issuer under a Loan Agreement dated as of August 1, 2025 (the "Loan Agreement"), between the Issuer and CIDC Albany Center, LLC (the "Borrower"), effected by a Pledge and Assignment Agreement dated as of August 1, 2025 (the "Pledge and Assignment"), given by the Issuer to the Trustee, pursuant to which the Issuer shall assign certain of its rights (other than certain fees and indemnification payments required to be made to the Issuer) under the Loan Agreement to the Trustee, (b) from other moneys pledged therefor under the Indenture; (c) from a reserve fund replenishment agreement dated as of August 1, 2025 (the "Reserve Fund Replenishment Agreement"), pursuant to which the County of Albany (the "County") agrees to make certain Replenishment Payments (as defined therein) in amounts not to exceed the Reserve Fund Requirement (as defined therein), (d) a Guaranty dated as of August 1, 2025 (the "Guaranty") from the Borrower to the Trustee, pursuant to which the Borrower guarantees the payment of debt service on the Series 2025 Bonds, (e) a mortgage dated as of August 1, 2025 (the "Mortgage") from the Borrower to the Issuer, which Mortgage shall be assigned by the Issuer to the Trustee pursuant to an assignment of mortgage dated as of August 1, 2025 (the "Assignment of Mortgage") and (f) an assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents") from the Borrower to the Issuer, which Assignment of Rents shall be assigned by the Issuer to the Trustee pursuant to an assignment of assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents Assignment") and which Assignment of Rents includes an assignment of a certain lease of the Facility (as defined herein) by the Albany Convention Center Authority ("ACCA"), pursuant to which ACCA shall pay rent sufficient to cover debt service payments on the Series 2025 Bonds and fees of the Borrower, the Trustee and DAC (as defined herein) beginning on March 1, 2027 which is a date certain.

The proceeds of the Series 2025 Bonds will be loaned to the Borrower and used by the Borrower to finance (i) the reconstruction and renovation of an existing building containing approximately 40,840 square feet (the "Existing Facility") comprised of six stories in the front portion of the Existing Facility and two stories in the rear portion of the Existing Facility, respectively, located on two parcels of land containing approximately .84 acres at 120 and 126 State Street in the City of Albany, Albany County, New York (the "Land"), (ii) the construction of an additional two stories to the rear portion of the Existing Facility containing approximately 59,810 square feet (the "Addition") and collectively with the Existing Facility, the "Facility"), (iii) the acquisition and installation thereon and therein of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Borrower and leased to the ACCA for use as a convention facility and any other directly and indirectly related activities, and (iv) certain costs incidental to issuing the Series 2025 Bonds, capitalized interest, any reserve funds as may be necessary to secure the Series 2025 Bonds. There are risks associated with an investment in the Series 2025 Bonds, some of which are described under "CERTAIN BONDHOLDERS' RISKS" herein.

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. THE ISSUER HAS NO TAXING POWER. THE SERIES 2025 BONDS SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR ALBANY COUNTY, NEW YORK, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, ALBANY COUNTY, NEW YORK, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025 BONDS, AND NEITHER THE STATE OF NEW YORK NOR ALBANY COUNTY, NEW YORK, SHALL BE LIABLE THEREON NOR SHALL THE SERIES 2025 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE DULY PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

This cover page contains information for general reference only. It is not intended as a summary of this transaction. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025 Bonds are offered when, as and if issued by the Issuer and received receipt by the Underwriter, subject to prior sale, withdrawal or modification of the offer without any notice, and subject to delivery of the approving opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Hodgson Russ LLP, Albany, New York; for the Borrower by Reed Smith LLP, Philadelphia, Pennsylvania; for ACCA by Harris Beach Murtha Cullina PLLC, Albany, New York, for the County by Jeffery V. Jamison, Esq., Albany, New York, and for the Underwriter by Barclay Damon LLP, Albany, New York. It is expected that the Series 2025 Bonds in definitive form will be delivered to the Trustee, as custodian for DTC, on or about August 20, 2025

KeyBanc Capital Markets

Dated: August 13, 2025

ALBANY COUNTY CAPITAL RESOURCE CORPORATION
$38,705,000
TAX-EXEMPT LEASE REVENUE BONDS
(ALBANY CONVENTION CENTER AUTHORITY PROJECT), SERIES 2025

MATURITY SCHEDULE

Due (March 1)	Principal Amount	Interest Rate	Yield	CUSIP[1]
03/01/28	$585,000	5.000%	2.700%	012124AA1
03/01/29	615,000	5.000	2.780	012124AB9
03/01/30	645,000	5.000	2.880	012124AC7
03/01/31	675,000	5.000	3.060	012124AD5
03/01/32	710,000	5.000	3.260	012124AE3
03/01/33	745,000	5.000	3.460	012124AF0
03/01/34	780,000	5.000	3.610	012124AG8
03/01/35	820,000	5.000	3.790*	012124AH6

$1,770,000 5.000% Term Bonds due March 1, 2037, Priced to Yield 4.140%* CUSIP[1] 012124AJ2

$2,995,000 5.000% Term Bonds due March 1, 2040, Priced to Yield 4.510%* CUSIP[1] 012124AK9

$6,070,000 5.000% Term Bonds due March 1, 2045, Priced to Yield 5.070%* CUSIP[1] 012124AL7

$7,740,000 5.000% Term Bonds due March 1, 2050, Priced to Yield 5.140%* CUSIP[1] 012124AM5

$14,555,000 5.000% Term Bonds due March 1, 2057, Priced to Yield 5.210%* CUSIP[1] 012124AN3

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

No dealer, broker, salesman or other person has been authorized by the Issuer, the Underwriter, the Borrower or any other entity described herein to give any information or to make any representations with respect to the Series 2025 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be a sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Issuer, the Borrower, ACCA, the County and other sources that are believed to be reliable, but is not guaranteed as to the accuracy or completeness and, except for the information concerning the Issuer, is not to be construed as a representation by the Issuer. The Underwriter has

[1] CUSIP® is a registered trademark of the American Bankers Association ("ABA"). The CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc., an organization not affiliated with the Issuer, the Borrower or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Issuer, the Borrower nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

* Yield to the first optional redemption date of March 1, 2034 at a redemption price of 100%.

reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Issuer, the Borrower or any other entity referred to herein since the date hereof or the date as of which particular information contained herein is given, if earlier.

This Official Statement contains a general description of the Series 2025 Bonds, the Issuer, the Borrower, ACCA, the County and the plan of financing, and sets forth summaries of certain provisions of the Loan Agreement, the Indenture and certain other documents. The descriptions and summaries herein do not purport to be complete and are not to be construed to be a representation of the Issuer or the Borrower. Persons interested in purchasing the Series 2025 Bonds should carefully review this Official Statement (including the Appendices attached hereto) as well as copies of such documents in their entireties, which are held by the Trustee at its principal corporate trust office.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or holders of any of the Series 2025 Bonds.

CUSIP (Committee on Uniform Securities Identification Procedures) numbers on the inside front cover page of this Official Statement are copyright 2012 by the American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

This Official Statement contains certain "forward-looking statements" concerning the operations and financial condition of the Borrower, ACCA and the County. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Borrower, ACCA and the County. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. *The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Borrower, ACCA nor the County plan to issue any updates or revisions to these forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.*

THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2025 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS

OF THE SERIES 2025 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

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OFFICIAL STATEMENT

of the

ALBANY COUNTY CAPITAL RESOURCE CORPORATION
$38,705,000 TAX-EXEMPT LEASE REVENUE BONDS
(ALBANY CONVENTION CENTER AUTHORITY PROJECT), SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, the inside cover page, the table of contents page and the Appendices, is provided to furnish information with respect to the Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025 in the principal amount of $38,705,000 (the "Series 2025 Bonds") being issued by the Albany County Capital Resource Corporation (the "Issuer"). The Series 2025 Bonds are being issued pursuant to a resolution of the Issuer adopted on June 4, 2025. The Series 2025 Bonds will be issued under a Trust Indenture dated as of August 1, 2025 (the "Indenture") between the Issuer and Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (the "Trustee"). The Series 2025 Bonds will be dated the date of their original issuance, will bear interest at the rates and mature on the dates set forth on the inside cover page hereof and will be subject to redemption prior to maturity as described herein under "THE SERIES 2025 BONDS — Redemption Provisions". Capitalized terms used in this Official Statement have the meanings specified herein and in APPENDIX C hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

The Issuer will issue the Series 2025 Bonds for the benefit of CIDC Albany Center, LLC (the "Borrower"), a New York limited liability company. The Issuer will loan the proceeds of the Series 2025 Bonds to the Borrower pursuant to a Loan Agreement dated as of August 1, 2025 (the "Loan Agreement"), and in consideration of such loan, the Borrower will agree to make payments to the Trustee in such amounts and at such times as are required to provide for timely payment of the principal or redemption price of and interest on the Series 2025 Bonds. The Borrower's obligation to make payments under the Loan Agreement is a direct, general and unconditional obligation of the Borrower.

Use of Proceeds

The proceeds of the Series 2025 Bonds will be loaned to the Borrower and used to provide funds to (a) finance the reconstruction and renovation of real property and construction of additions to facilities for Albany Convention Center Authority ("ACCA") thereon, and the acquisition and installation thereon and therein of various machinery and equipment; (b) finance all or a portion of the costs of the foregoing by the issuance of the Series 2025 Bonds, capitalized interest, any reserve funds as may be necessary to secure the Series 2025 Bonds; and (c) make a loan (the "Loan") of the proceeds of the Series 2025 Bonds to the Borrower.

Security

The Series 2025 Bonds will be secured by (a) the assignment of certain of the Issuer's rights under the Loan Agreement effected by the Pledge and Assignment dated as of August 1, 2025 (the "Pledge and Assignment") from the Issuer to the Trustee, (b) all other moneys and securities held from time to time by the Trustee for the owners pursuant to the Indenture, (c) from a reserve fund replenishment agreement dated as of August 1, 2025 (the "Reserve Fund Replenishment Agreement"), pursuant to which the County of Albany (the "County") agrees to make certain Replenishment Payments (as defined therein) in amounts not to exceed the Reserve Fund Requirement (as defined therein), (d) the Guaranty dated as of August 1, 2025 (the "Guaranty") from the Borrower to the Trustee; (e) a mortgage dated as of August 1, 2025 (the "Mortgage") from the Borrower to the Issuer, which Mortgage shall be assigned by the Issuer to the Trustee pursuant to an assignment of mortgage dated as of August 1, 2025 (the "Assignment of Mortgage") and (f) an assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents") from the Borrower to the Issuer, which Assignment of Rents shall be assigned by the Issuer to the Trustee pursuant to an assignment of assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents Assignment"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein and "SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT," "SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY" and "SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE".

An investment in the Series 2025 Bonds is subject to a degree of risk. Prospective investors in the Series 2025 Bonds should carefully consider the material under "CERTAIN BONDHOLDERS' RISKS."

There follows herein brief descriptions of the Issuer and the Series 2025 Bonds, together with summaries of the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty, the Reserve Fund Replenishment Agreement, the Administrative Services Funding Agreement, the Mortgage and the Assignment of Rents. Certain information regarding the Borrower, ACCA, and the County, together with ACCA's and the County's most recent audited financial statements, are included in APPENDIX A-1, APPENDIX A-2, APPENDIX B-1 and APPENDIX B-2 hereto, respectively. A summary of certain provisions of the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty, the Mortgage and the Assignment of Rents is included in APPENDIX C hereto. The description and summaries of the Indenture, the Loan Agreement and other documents contained herein do not purport to be comprehensive and are qualified in their entirety by reference to such documents, and all references to the Series 2025 Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Copies of such documents will be available for inspection during the initial offering period at the offices of KeyBanc Capital Markets Inc., 127 Public Square, Cleveland, Ohio 44114, and thereafter at the corporate trust office of the Trustee in New York, New York.

THE ISSUER

Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act") (A) authorizes any county to cause a not-for-profit local development corporation to be incorporated by public officers for, among other things, the public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest, (B) declares that in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, such corporations will be performing essential governmental functions, and (C) authorizes each such corporation to acquire real and personal property, to borrow money and issue negotiable bonds, notes and other obligations therefore, and to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine and otherwise carry out its corporate purposes in the territory in which the operations of such corporation are principally to be conducted.

Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature (the "County Legislature") of Albany County, New York (the "County") adopted a resolution on September 8, 2014 (A) authorizing the incorporation of Albany County Capital Resource Corporation (the "Issuer") under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, who serve at the pleasure of the County Legislature of the County. In September, 2014, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Issuer as a public instrumentality of the County.

As provided in the Enabling Act, the Issuer is authorized and empowered to make the loan to the Borrower pursuant to the Loan Agreement; to issue, execute and deliver the Series 2025 Bonds; to secure the Series 2025 Bonds by a pledge of the moneys payable by the Borrower under the Loan Agreement; and to execute and deliver the Indenture, the Loan Agreement and the Pledge and Assignment.

By a resolution adopted on April 16, 2025, the Issuer approved the scheduling of a public hearing relating to the issuance of the Series 2025 Bonds. On May 5, 2025, the Issuer held a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") with respect to the issuance of the Series 2025 Bonds, following the timely publication of notice of the hearing. By a resolution adopted by the Issuer on June 4, 2025, the Issuer approved the execution, issuance and delivery of the Series 2025 Bonds for the purpose of financing a portion of the costs of the Project Facility and the execution and delivery of the Indenture, the Loan Agreement and the Pledge and Assignment.

The County is the sole member of the Issuer. Pursuant to the Certificate of Incorporation, the members of the board of directors of the Issuer are appointed by resolution of the Albany County Legislature. The County Legislature has appointed the current five (5) members of the board of directors of the Issuer.

THE ISSUER HAS NO TAXING POWER. THE SERIES 2025 BONDS SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR THE COUNTY OF ALBANY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF ALBANY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025 BONDS, AND NEITHER THE STATE OF NEW YORK NOR THE COUNTY OF ALBANY SHALL BE LIABLE THEREON NOR SHALL THE SERIES 2025 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE DULY PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

The Issuer has not prepared or assisted in the preparation of this Official Statement, except the statements under this caption "THE ISSUER" and the caption "LITIGATION — The Issuer," and except as aforesaid, the Issuer is not responsible for any statements made in this Official Statement. Except for the adoption of resolutions, the holding of a public hearing, and the execution and delivery of documents required to effect the issuance of the Series 2025 Bonds, the Issuer has not otherwise assisted in the public offer, sale or distribution of the Series 2025 Bonds. Accordingly, except as aforesaid, the Issuer disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Series 2025 Bonds.

The Issuer does not and will not in the future monitor the financial condition or operations of the Borrower or otherwise monitor payment of the Series 2025 Bonds or compliance with the documents relating thereto. The Issuer will rely entirely upon the Trustee and the Borrower to carry out their respective responsibilities under the Indenture and the Loan Agreement and with respect to the refunding project.

THE BORROWER

CIDC Albany Center, LLC is a New York State limited liability company organized under the laws of the State of New York to support the purposes of its sole member, Community Initiatives Development Corporation (the "Corporation"). The Borrower is managed by the Corporation in its capacity as sole member of the Borrower. The development, construction, reconstruction, and renovation of the Project Facility is the first activity undertaken by the Borrower.

The Corporation is a not-for-profit corporation that was established in 1992. The Corporation is an organization described in Section 501(c)(3) of the Code and is exempt from federal income taxation pursuant to Section 501(a) of the Code. The Corporation, acting through separate special purpose entities, has a diverse portfolio of projects with a value exceeding $900 million. Through its real estate subsidiaries, the Corporation has played a pivotal role in affordable housing, public facilities, assisted living facilities, and educational institutions. The Corporation also consults with non-profits on bond financings for real estate projects.

Board of Directors of the Corporation

Chairman:	James A. Laurenzo
Co-Chairman:	Nelson R. Bregon
Director:	Frances Brandt

Current Staff of the Corporation

President:	Frances Brandt
Senior Vice President:	Nelson R. Bregon
General Administrator:	Christine Barnhill

ALBANY CONVENTION CENTER AUTHORITY

ACCA was established by the New York State Legislature, which recognized the economic and social benefits of creating a convention center authority to effectively and efficiently develop, renovate and undertake certain transformational economic developmental projects in the City of Albany to optimize the economic and social activities of the City of Albany. As a public benefit corporation, it is the purpose and the mission of the ACCA to, among other things, construct, transform and improve new and existing facilities for a convention center in the City of Albany. For more information on ACCA see APPENDIX A-1 – CERTAIN INFORMATION CONCERNING THE ALBANY CONVENTION CENTER AUTHORITY attached hereto. The financial statement of ACCA for the fiscal years ended December 31, 2024 and 2023 are set forth in APPENDIX B-1 hereto.

Hotel Occupancy Tax

The County imposes and collects taxes on occupancy of hotel or motel rooms in the County (the "Hotel Occupancy Tax"). Revenue derived from the Hotel Occupancy Tax equal to six-thirteenths of the distribution amount thereof is credited to the Albany Convention Center Authority fund and used solely and exclusively by ACCA for development (including construction), operation, repair, continuing use and maintenance of a convention center project to be located in the City of Albany and shall include payment of debt service following completion of construction of such convention center project. The ACCA portion of the Hotel Occupancy Tax is maintained in an account of the County separate and apart from any other funds and accounts of the County and is transferred by the County to the ACCA's operating account on a quarterly basis. For more information on the Hotel Occupancy Tax, including amounts received in previous years, see APPENDIX A-1 – CERTAIN INFORMATION CONCERNING THE ALBANY CONVENTION CENTER AUTHORITY attached hereto.

THE COUNTY

For more information on the County of Albany, New York, and a link to the current financial information and operating data of the County, see APPENDIX A-2 – CERTAIN INFORMATION

CONCERNING THE COUNTY OF ALBANY, and a link to the audited financial statements of the County for the fiscal year ended December 31, 2023 is set see APPENDIX B-2.

THE FINANCIAL OBLIGATIONS OF THE COUNTY OF ALBANY, NEW YORK UNDER THE RESERVE FUND REPLENISHMENT AGREEMENT AND THE ADMINISTRATIVE SERVICES FUNDING AGREEMENT, INCLUDING THE OBLIGATION TO MAKE REPLENISHMENT PAYMENTS OR OTHER PAYMENTS, AS DESCRIBED HEREIN, ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE EACH YEAR FOR SUCH PURPOSE BY THE COUNTY. SEE "BONDHOLDER'S RISKS" HEREIN. THE RESERVE FUND REPLENISHMENT AGREEMENT AND THE ADMINISTRATIVE SERVICES FUNDING AGREEMENT ARE NOT A GENERAL OBLIGATION OF THE COUNTY. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY ARE PLEDGED TO THE AMOUNT DUE OR TO BECOME DUE.

PROJECT AND PLAN OF FINANCING

Purpose of the Series 2025 Bonds

The Series 2025 Bonds are being issued for the purpose of financing a project, consisting generally of: (A) (i) the reconstruction and renovation of an existing building containing approximately 40,840 square feet (the "Existing Facility") comprised of six stories in the front portion of the Existing Facility and two stories in the rear portion of the Existing Facility, respectively, located on two parcels of land containing approximately .84 acres at 120 and 126 State Street in the City of Albany, Albany County, New York (the "Land"), (ii) the construction of an additional two stories to the rear portion of the Existing Facility containing approximately 59,810 square feet (the "Addition") and collectively with the Existing Facility, the "Facility"), and (iii) the acquisition and installation thereon and therein of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Borrower and leased to ACCA for use as a convention facility and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Series 2025 Bonds; (C) payment of a portion of the costs incidental to the issuance of the Series 2025 Bonds, including issuance costs of the Series 2025 Bonds, capitalized interest, any reserve funds as may be necessary to secure the Series 2025 Bonds; and (D) the making of a loan (the "Loan") of the proceeds of the Series 2025 Bonds to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Project Facility will be used by ACCA for the expansion of the Albany Capital Center located in downtown Albany, New York a part of a working relationship among several venues (the "Capital Complex"). The Capital Complex is made up of four unique meeting and event venues which include the Albany Capital Center, the Empire State Plaza Convention Center, The Egg Performing Arts Center and the MVP Arena, which are some of the largest meeting spaces in Upstate New York. This Project will play an important role in attracting events, conferences and unique visitors to downtown Albany, which generates hotel room revenues and increases sales tax receipts.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of the proceeds of the Series 2025 Bonds:

Sources of Funds:	
Series 2025 Bonds	
Par Amount	$38,705,000.00
Net Original Issue Premium	37,883.10
Subtotal: Series 2025 Bonds	$38,742,883.10
ACCA Equity Contribution	4,600,000.00
Additional Prepaid Rent	10,000,000.00
Total Sources of Funds	$53,342,883.10
Uses of Funds:	
Project Fund	$36,629,277.38
Grant Funds	10,000,000.00
Subtotal: Project Fund	$46,629,277.38
Capitalized Interest Fund	$ 2,864,498.44
Debt Service Reserve Fund	2,521,500.00
Estimated Costs of Issuance[1]	1,327,607.28
Total Uses of Funds	$53,342,883.10

[1] Includes legal fees, Issuer's fee, underwriting fee, rounding amounts and other costs related to the issuance of the Series 2025 Bonds.

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DEBT SERVICE SCHEDULE

The table below sets forth the debt service requirements for the Series 2025 Bonds.

Fiscal Year Ending March 1	Principal	Interest*	Total Debt Service*(1)
2026	-	-	$1,026,757.64
2027	-	-	1,935,250.00
2028	$ 585,000	5.000%	2,520,250.00
2029	615,000	5.000	2,521,000.00
2030	645,000	5.000	2,520,250.00
2031	675,000	5.000	2,518,000.00
2032	710,000	5.000	2,519,250.00
2033	745,000	5.000	2,518,750.00
2034	780,000	5.000	2,516,500.00
2035	820,000	5.000	2,517,500.00
2036	865,000	5.000	2,521,500.00
2037	905,000	5.000	2,518,250.00
2038	950,000	5.000	2,518,000.00
2039	1,000,000	5.000	2,520,500.00
2040	1,045,000	5.000	2,515,500.00
2041	1,100,000	5.000	2,518,250.00
2042	1,155,000	5.000	2,518,250.00
2043	1,210,000	5.000	2,515,500.00
2044	1,270,000	5.000	2,515,000.00
2045	1,335,000	5.000	2,516,500.00
2046	1,400,000	5.000	2,514,750.00
2047	1,470,000	5.000	2,514,750.00
2048	1,545,000	5.000	2,516,250.00
2049	1,620,000	5.000	2,514,000.00
2050	1,705,000	5.000	2,518,000.00
2051	1,790,000	5.000	2,517,750.00
2052	1,875,000	5.000	2,513,250.00
2053	1,970,000	5.000	2,514,500.00
2054	2,070,000	5.000	2,516,000.00
2055	2,170,000	5.000	2,512,500.00
2056	2,280,000	5.000	2,514,000.00
2057	2,400,000	5.000	2,520,000.00

(1) Lease payments under the ACCA Lease will be used to cover debt service payments.
* Totals may not add due to rounding.

THE PARTIES RELATED TO THE CONSTRUCTION OF THE PROJECT AND INSURANCE

The Developer

11771 Calleta Corp (the "Developer") is a private Florida corporation engaging in real estate development. Joseph Nicolla is the owner and Chief Executive Officer of the Developer and Columbia Development Companies ("Columbia"), a private real estate development, investment and management firm founded in 1988 which has developed projects totaling over 12 million square feet with 700,000 square feet under development. Columbia owns and manages a diversified, multi-million-dollar portfolio of real estate assets currently totaling over 2.3 million square feet and valued at more than $500 million. Current and sold commercial real estate includes facilities throughout the New York State Capital Region. Recognized for its financial stability, speed to market and exceptional service, Columbia has developed projects across various types of commercial real estate development including office, hospitality, adaptive reuse, technology, retail and education. Joseph Nicolla directs a variety of commercial, educational, and medical office projects.

The General Contractor

BBL Construction Services, LLC (the “General Contractor”), is a New York limited liability company founded in 1973. The General Contractor is a fully diversified design-build, general contractor, and construction management firm with annual construction reaching $500 million. As a leader in the construction industry, the General Contractor was ranked among the nation’s Top 400 contractors in Engineering News Record magazine. In addition, the General Contractor has received other accolades for its development projects which include being ranked as the #1 Large General Contractor in the Albany Region (5 years in a row) by the Albany Business Review and being presented the Safety Excellence Award (18 years in a row) by the Associated General Contractors of New York State. The General Contractor currently employs over 400 highly talented and experienced construction, design, and management professionals. The General Contractor has extensive experience delivering projects including healthcare, hospitality, financial institutions, charter schools, K-12 and higher education, multifamily, commercial office, non-profits, government, car dealerships, retail, student housing, senior living, high-tech and industrial projects. The General Contractor is well capitalized, maintains a strong level of working capital, and has an unsecured line of credit in the eight-figure range established with KeyBank N.A. The General Contractor holds a New York General Contractor’s license.

The Architect

Syvertsen Rigosu Architects is the architect for the Project (the “Architect”). The Architect is a full-service professional organization that provides comprehensive design and project management services. The Architect has successfully created a diverse portfolio of projects in the following practice areas: commercial, multi-family residential, retail, industrial, institutional and mission critical. This portfolio serves both private and public-sector clients in New York communities. A diverse group of professional, technical and support personnel, specializing in Land Planning, Building Architecture, Mission Critical, Interior and Sustainable Design, enables the Architect to successfully manage the entire design process for a wide range of project types across market sectors. The Architect is committed to the design of creative, yet responsive architecture that is distinguished by its assembly of building materials, methods, and technologies.

Insurance

During construction and prior to the completion of the Project Facility, the General Contractor shall maintain builder’s risk insurance (or equivalent coverage) upon any work done or material furnished in connection with the Project Facility and a comprehensive general liability insurance coverage for property and casualty losses. Insurance coverage includes: property damage, fire and extended coverage, public liability and property damage liability insurance. Upon completion of the Project the Borrower maintains (1) insurance protecting the interests of the Borrower against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief and other perils in an amount not less than the greater of the total principal amount of the Series 2025 Bonds or the actual replacement value of the Project Facility, and (2) a comprehensive general liability coverage against personal injury and property damage with limits of not less than $1,000,000 per person per accident or occurrence on account of personal injury, including death resulting therefrom, and $500,000 per accident or occurrence on account of damage to the Property of others, excluding liability imposed upon the Borrower by any applicable workers' compensation law, and a separate umbrella liability policy protecting the Borrower, the Issuer and the Trustee, with a limit of not less than $5,000,000. Required insurance policies will include the Trustee as mortgagee and loss payee and shall be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Borrower is engaged and the insurance shall include flood insurance if any portion of the project is located in a federally designated "special flood hazard area".

THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be issued as fully registered bonds, without coupons, in the aggregate principal amount set forth on the cover page hereof. The Series 2025 Bonds are issuable in denominations of $5,000 or any integral multiple of $5,000 in excess thereof. The Series 2025 Bonds will be dated the date of their authentication, will bear interest from such date at the rates and mature in the amounts and on the dates listed in the maturity schedule on the inside front cover hereof, and will be subject to redemption prior to maturity as described below. Interest on the Series 2025 Bonds will be payable semiannually on March 1 and September 1 of each year (each, an "Interest Payment Date"), commencing March 1, 2026, until maturity or redemption.

The principal of any Bond shall be payable when due to the registered owner thereof upon presentation and surrender of such Bond at the designated office of the Trustee, and interest on any Bond shall be paid on each Interest Payment Date by check which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond is registered on the fifteenth (15th) day of the calendar month (whether or not a Business Day) preceding the calendar month in which such Interest Payment Date is made (the "Regular Record Date"); provided that, at the written request of any Holder of Bonds in an aggregate principal amount of $100,000 or greater, the Trustee shall cause such amounts to be transmitted on such Bond Payment Date by wire transfer at such Holder's written request to the bank account number on file with the Trustee, provided such Holder has delivered adequate instructions regarding same to the Trustee at least ten (10) Business Days prior to such Bond Payment Date.

If and to the extent that the Issuer shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the person who was the registered owner of that Bond as of the applicable Regular Record Date, but instead shall be payable to the persons who are the registered owners of the Series 2025 Bonds at the close of business on a special record date to be established by the Trustee for such purpose.

The Series 2025 Bonds will be issued initially in "book-entry" form only, as described under "Book-Entry Only System" below and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2025 Bonds. Unless the book-entry system for the Series 2025 Bonds is discontinued (as described below), prospective purchasers will acquire beneficial ownership interests in the Series 2025 Bonds, in Authorized Denominations, as described below, but will not receive Series 2025 Bond certificates representing such ownership interests.

As long as DTC or its nominee is the registered owner of the Series 2025 Bonds, payments of principal or redemption price of, and interest on, the Series 2025 Bonds will be made directly to DTC or its nominee, and all such payments will be valid and effective to satisfy fully and discharge the obligations of the Issuer and the Borrower with respect to, and to the extent of, the principal or redemption price of, and interest so paid. So long as DTC or its nominee is the registered owner of the Series 2025 Bonds, references herein to the registered owners of the Series 2025 Bonds shall be deemed to refer to DTC or its nominee and not to the owners of beneficial interests in the Series 2025 Bonds.

Registration, Transfer and Exchange of Bonds

The Series 2025 Bonds shall be registered upon original issuance and upon subsequent transfer or exchange. The Trustee shall act as bond registrar and transfer agent for the Series 2025 Bonds. The Issuer will cause books for the registration and transfer of Series 2025 Bonds to be maintained and kept at the designated office of the Trustee. The Trustee shall keep such books and to make such registrations and transfers under such reasonable regulations as the Issuer or the Trustee may prescribe.

Upon surrender for transfer of any Series 2025 Bond at the designated office of the Trustee, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Series 2025 Bond or Series 2025 Bonds of the same series and maturity and of like tenor as the surrendered Series 2025 Bond, in any Authorized Denomination, for the aggregate principal amount which the owner of the Series 2025 Bonds is entitled to receive. No transfer of any Series 2025 Bond will be effective until entered on the Series 2025 Bond registration books of the Issuer kept by the Trustee.

All Series 2025 Bonds presented for transfer, exchange, registration, redemption or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer, in form and with guarantee of signature satisfactory to the Trustee, duly executed by the Holder of the Series 2025 Bonds or by his duly authorized attorney.

Any such exchange, transfer or registration shall be made without service charge; provided that the Issuer or Trustee may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed with respect to such exchange, transfer or registration.

New Series 2025 Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same debt as the Series 2025 Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits thereunder to the same extent as the Series 2025 Bonds surrendered.

The person in whose name any Series 2025 Bond is registered shall be deemed the absolute owner thereof for all purposes under the Indenture, whether or not such Series 2025 Bond shall be overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Redemption Provisions

Extraordinary Redemption Without Premium

The Series 2025 Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility and election by the Borrower to redeem the Series 2025 Bonds, (b) damage to or destruction of part or all of the Project Facility and election by the Borrower to redeem the Series 2025 Bonds, or (c) a taking in Condemnation of part of the Project Facility and election by the Borrower to redeem the Series 2025 Bonds, or (2) as a whole, without premium, in the event that the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final non-appealable decree or judgment of any court or administrative body of competent jurisdiction, or (3) in part, without premium, in the event that (a) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility and, pursuant to the Indenture, such excess moneys are not paid to the Indenture, or (b) excess moneys remain in the related account of the Project Fund on the date project construction is complete to the extent of such excess. In any such event, the Series 2025 Bonds shall be redeemed, as a whole or in part, at such time as the Trustee determines, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Optional Redemption without Premium at the Borrower's Option

The Series 2025 Bonds are also subject to redemption prior to maturity, at the option of the Borrower by exercise of its right to prepay the loan payments payable under the Loan Agreement as provided in Section 5.3 thereof, as a whole or in part, at any time on or after March 1, 2034, in denominations of $5,000 or any integral multiple of $5,000 in excess thereof, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus accrued interest to the Redemption Date.

The Term Bonds maturing on March 1, 2037 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on March 1 of each year, commencing March 1, 2036 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

Sinking Fund Payment Date (March 1)	Sinking Fund Payment
2036	$865,000
2037*	905,000

* Maturity date.

The Term Bonds maturing on March 1, 2040 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on March 1 of each year, commencing March 1, 2038 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

Sinking Fund Payment Date (March 1)	Sinking Fund Payment
2038	$ 950,000
2039	1,000,000
2040*	1,045,000

* Maturity date.

The Term Bonds maturing on March 1, 2045 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on March 1 of each year, commencing March 1, 2041 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

Sinking Fund Payment Date (March 1)	Sinking Fund Payment
2041	$1,100,000
2042	1,155,000
2043	1,210,000
2044	1,270,000
2045*	1,335,000

* Maturity date.

The Term Bonds maturing on March 1, 2050 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on March 1 of each year, commencing March 1, 2046 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

Sinking Fund Payment Date (March 1)	Sinking Fund Payment
2046	$1,400,000
2047	1,470,000
2048	1,545,000
2049	1,620,000
2050*	1,705,000

* Maturity date.

The Term Bonds maturing on March 1, 2057 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on March 1 of each year, commencing March 1, 2051 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

Sinking Fund Payment Date (March 1)	Sinking Fund Payment
2051	$1,790,000
2052	1,875,000
2053	1,970,000
2054	2,070,000
2055	2,170,000
2056	2,280,000
2057*	2,400,000

* Maturity date.

Procedures for Redemption

The Borrower shall give written notice to the Trustee and the Issuer of its election to cause redemption of Series 2025 Bonds prior to maturity pursuant to the Indenture. Notice of the intended redemption of each Series 2025 Bond subject to redemption shall be given not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date by the Trustee one time by first class mail postage prepaid to the registered owner at the address of such owner shown on the bond register maintained by the Trustee. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure to give notice, or defect therein, has occurred. Notice of any redemption hereunder with respect to Series 2025 Bonds held under a Book Entry System shall be given by the Bond Registrar or the Trustee only to the Depository, or its nominee, as the holder of such Series 2025 Bonds. Selection of book entry interests in the Series 2025 Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant of Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Series 2025 Bonds.

Any notice of optional redemption may provide (and shall provide if the Trustee shall be directed to do so by the Borrower) that if, on the redemption date set forth in any such notice, there is on deposit with the Trustee and available therefor insufficient funds to pay the Redemption Price of all Series 2025 Bonds scheduled to be redeemed, such redemption may be rescinded (in which case the Trustee shall promptly so notify the Holders of such Series 2025 Bonds in the same manner in which notice of redemption was given), and if such redemption is rescinded, the Series 2025 Bonds scheduled to be redeemed shall remain Outstanding as if the notice of redemption had not been sent.

In the event of any partial redemption, the particular Series 2025 Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date from maturities designated in writing by the Borrower, and within each maturity by lot or by such other such method as the Trustee shall deem fair and appropriate. If any maturity of the Series 2025 Bonds which is subject to sinking fund redemption is to be redeemed in part, the Trustee shall apply any partial redemption payments (other than a scheduled mandatory redemption) to the schedule of mandatory Sinking Fund Payments thereon as designated by the Borrower. Further, the Trustee may provide for the redemption of portions (equal to $5,000 or any integral multiple of $5,000 in excess thereof) of Outstanding Series 2025 Bonds. In no event shall the principal amount of Series 2025 Bonds subject to any partial redemption be other than $5,000 or any integral multiple of $5,000 in excess thereof.

Notice of any redemption hereunder with respect to the Series 2025 Bonds held under a Book Entry System shall be given by the Bond Registrar or the Trustee only to the Depository, or its nominee, as the holder of such Series 2025 Bonds. Selection of book entry interests in the Series 2025 Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant of Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Series 2025 Bonds.

Series 2025 Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest, and such Series 2025 Bonds or portions thereof shall no longer be Outstanding under the Indenture or be secured by or be entitled to the benefits of this Indenture.

Notice of redemption having been duly mailed and moneys for the redemption having been deposited with the Trustee, the Series 2025 Bond, or the portion called for redemption, will become due and payable on the Redemption Date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption, interest on the Series 2025 Bond (or such portion) will no longer accrue.

Book-Entry Only System

The information contained in certain of the following paragraphs of this subsection "Book-Entry Only System" has been extracted from a schedule prepared by DTC entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK ENTRY ONLY ISSUANCE." The Issuer, the Borrower and the Underwriter make no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of each series of the Series 2025 Bonds, in the aggregate principal amount of each such maturity of the Series 2025 Bonds and will be deposited with the Trustee as custodian for DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC'S participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC systems is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about the DTC can be found at *www.dtcc.com*.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry only system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a maturity of the Series 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Issuer or the Trustee, and the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or successor securities depository) with respect to the Series 2025 Bonds. In either event, bond certificates will be printed and delivered.

Neither the Issuer, the Borrower, nor the Trustee shall have any responsibility or obligation to any Direct Participant or Indirect Participant with respect to: (i) the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Series 2025 Bonds; (ii) the delivery to any Direct Participant or Indirect Participant or any other Person, other than the registered owner of a Series 2025 Bond, as shown in the Series 2025 Bond Register, of any notice with respect to any Series 2025 Bond, including, without limitation, any notice of redemption; (iii) the selection by DTC or any Direct Participant or Indirect Participant of any person to receive payment in the event of a partial redemption of Series 2025 Bonds; (iv) the payment to any Direct Participant or Indirect Participant or any other Person other than the registered owner of a Series 2025 Bond, as shown in the Series 2025 Bond Register, of any amount with respect to the principal of, redemption price of, or interest on, any Bond; or (v) any consent given by DTC as registered owner.

So long as the Series 2025 Bonds are registered in the name of DTC (or any successor securities depository) or DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC, references herein to the Holders, holders, owners or registered owners of such Series 2025 Bonds shall mean DTC (or any successor securities depository) or DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC, as applicable, and shall not mean the Beneficial Owners of such Series 2025 Bonds.

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor the Borrower takes any responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

Indenture

The Series 2025 Bonds will be issued under and secured by the Indenture. The Indenture provides that all Series 2025 Bonds issued thereunder will be limited obligations of the Issuer, payable solely from the sources identified therein, which, in the case of the Series 2025 Bonds, include: (i) payments required to be made to the Issuer by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be paid to the Issuer), and (ii) certain moneys and securities held by the Trustee under the Indenture including lease payments under the ACCA Lease (the "ACCA Lease Payments"). For additional information regarding the Indenture, see "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" in APPENDIX C hereto.

Loan Agreement

Under the Loan Agreement, the Borrower will be obligated to make loan payments in amounts necessary to provide for the payment as and when due of the principal or redemption price of, and interest on, the Series 2025 Bonds, and to provide for certain other payments required by the Indenture. Pursuant to the Indenture, the Issuer will assign the Loan Agreement, including its right to receive loan payments thereunder (other than certain fees and indemnification payments required to be paid to the Issuer) to the Trustee as security for the Series 2025 Bonds and any Additional Bonds issued under the Indenture. The Loan Agreement is a general obligation of the Borrower and the full faith and credit of the Borrower is pledged to secure the payments required thereunder. No party other than the Borrower is providing any security for the Borrower's obligations under the Loan Agreement or for the payments due on the Series 2025 Bonds. For additional information regarding the Loan Agreement, see "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" in APPENDIX C hereto.

Pledge and Assignment

The Pledge and Assignment will assign to the Trustee substantially all of the Issuer's right, title and interest in and to the Loan Agreement (except for certain Unassigned Rights), including all rights to receive Loan Payments (sufficient to pay the principal of, Sinking Fund Payments for, Redemption Price, if any, of and interest on, and all other amounts due on the Series 2025 Bonds as the same become due) to be made by the Borrower pursuant to the Loan Agreement. For additional information regarding the Pledge and Assignment, see "SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT" in APPENDIX C hereto.

Reserve Fund

Pursuant to the Indenture, the Issuer and the Trustee have established a Reserve Fund with respect to the Series 2025 Bonds, within which the Issuer is required to maintain an amount equal to $2,521,500 (the "Reserve Fund Requirement") to provide a source of payment for the Series 2025 Bonds in the event the assets and revenues of the ACCA are insufficient to make such Rental Payments (as defined in the Indenture).

Reserve Fund Replenishment Agreement and Administrative Services Funding Agreement

Pursuant to Resolutions 249 and 250 of 2025 of the County Legislature duly adopted on July 14, 2025, the County Legislature authorized the County, as additional security for the Series 2025 Bonds, to enter into (A) a reserve fund replenishment agreement dated as of August 1, 2025 (the "Reserve Fund Replenishment Agreement"), pursuant to which the County agrees to make certain Replenishment Payments (as defined therein) in amounts not to exceed the Reserve Fund Requirement, subject to annual appropriation by the County upon written notice from the Trustee that there is a deficiency in the Reserve Fund regarding the amount necessary to maintain the Reserve Fund Requirement as a result of a draw on the Reserve Fund to make a debt service payment due on the Series 2025 Bonds, and (B) an administrative services funding agreement dated as of August 1, 2025 (the "Administrative Services Funding Agreement"), pursuant to which the ACCA agrees to make certain administrative payments to the County in consideration of the Replenishment Payments. Pursuant to the Reserve Fund Replenishment Agreement, the County is obligated to pay the Replenishment Payments only to the extent it may lawfully do so from funds budgeted and appropriated for that purpose.

Guaranty

Pursuant to the Guaranty, the Borrower will guarantee the principal of and interest on the Series 2025 Bonds, any premium or redemption payment payable on the Series 2025 Bonds, the Redemption Price and any other sum payable by the Issuer or the Borrower under the Financing Documents and the performance by the Borrower of its obligations under the Financing Documents.

For additional information regarding the Guaranty, see "SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY" in APPENDIX C hereto.

Mortgage and Assignment of Rents

As additional security for the Series 2025 Bonds, the Borrower will deliver a (A) mortgage from the Borrower to the Issuer dated as of August 1, 2025 (the "Mortgage"), pursuant to which the Borrower will grant to the Issuer a mortgage lien on and security interest in the Project Facility, which Mortgage shall be assigned by the Issuer to the Trustee pursuant to an assignment of mortgage dated as of August 1, 2025 (the "Assignment of Mortgage"); and (B) an assignment of leases and rents dated as of August 1, 2025 (the

"Assignment of Rents"), which shall be assigned by the Issuer to the Trustee pursuant to an assignment of assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents Assignment").

Lease Agreement

Rent. The Project Facility will be leased by the Borrower to ACCA pursuant to a lease dated July 7, 2025, as amended by that certain first amendment to lease agreement dated as of July 30, 2025 (collectively, the "ACCA Lease Agreement"), each by and between the Borrower and ACCA pursuant to which ACCA is and will be obligated to make lease payments consisting of Annual Rent (as defined therein), Additional Rent (as defined therein), Initial Prepaid Rent (as defined therein) and Additional Prepaid Rent (as defined therein) (collectively the "Rent"). Additional Prepaid Rent shall constitute the proceeds of a Regional Council Capital Fund Grant ACCA has currently applied for and received from the New York State Empire State Development ("ESD") in the amount of ten million dollars ($10,000,000) dated July 25, 2025. The term of the lease shall end thirty (30) years after the Date of Commencement (as defined herein). See "NYS Grant" herein.

Date Certain. The Base Rent shall be set at amounts sufficient to cover debt service payments on the Series 2025 Bonds and fees of the Borrower, the Trustee and the DAC (as defined herein). Annual Rent is due and payable on March 1, 2027 (the "Date of Commencement") which is a date certain, and subsequent installments are due and payable on or before the first day of each succeeding calendar month. Initial Prepaid Rent consists of rent in the amount of four million six hundred thousand dollars ($4,600,000) which amount has been or shall be paid by ACCA to the Borrower for costs of construction, reconstruction and renovation of the Project Facility prior to closing on the Series 2025 Bonds. The Additional Rent is a triple net figure and shall be used to pay for taxes, utilities, insurance and maintenance and repairs as set forth in the ACCA Lease Agreement.

Event of Default. Failure to make payments of Rent and/or perform any other terms, covenants or conditions of the ACCA Lease Agreement is an event of default under the ACCA Lease Agreement. If an event of default should occur under the ACCA Lease Agreement, the Borrower has the right to, in addition to other remedies, recover possession of the Project Facility and require all Rent to continue to be paid in monthly installments during the remainder of the term of the ACCA Lease Agreement.

Delays. If the Borrower notifies ACCA that the Project Facility will not be substantially complete until after March 1, 2027 for reasons other than force majeure or a delay caused by ACCA, the Borrower will pay ACCA liquidated damages for costs incurred in connection with such delay.

If such delay is caused by ACCA, ACCA shall pay all such costs and expenses associated with such delay. Delays caused by ACCA include a delay in submission of plans or specifications caused by ACCA or a delay of ACCA giving approvals required for work to the Project Facility as well as delays due to: (i) changes on behalf of ACCA to the work of the Project Facility; (ii) postponement of the Borrower's work on the Project Facility at ACCA's request; (iii) material interference by ACCA; (iv) commercial unavailability of materials necessary to complete a change order; (v) failure of ACCA to comply with any of its obligations under the ACCA Lease Agreement, which would reasonably cause a delay; or (vi) failure of ACCA to timely pay the Additional Prepaid Rent.

Completion Guaranty

The General Contractor will be providing a guaranty of completion dated as of August 1, 2025 (the "Completion Guaranty"), in favor of the Trustee. Pursuant to the Completion Guaranty. the General Contractor absolutely and unconditionally guarantees all of the terms and conditions of the Construction Contract (as defined in the Completion Guaranty) including but not limited to the: (i) completion of construction of the Project; (ii) full and punctual payment and discharge of any and all labor, materials, and equipment incurred for or contracted by General Contractor or incurred by, contracted for or rendered for the General Contractor in connection with the construction of the Project; (iii) the payment of all valid claims, demands, loans or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract; and (iv) the due and prompt payment of all costs incurred, including reasonable attorneys' fees, in enforcing payment and performance of the Completion Guaranty.

Construction Contract

The General Contractor and the Borrower have entered into that certain Design/Build Agreement dated August 8, 2025 (the "Construction Contract") pursuant to which the General Contractor agreed to design and build the Project Facility. The Construction Contract is a lump sum contract in which the General Contractor agrees to bear the risk of any cost overrun.

NYS Grant

In furtherance of financing costs of the Project Facility, ESD has granted ACCA a capital grant from the Regional Council Capital Fund for an amount up to $10,000,000 (the "NYS Grant") subject to the availability of funds. Capital grant funding through ESD is available for capital-based economic development projects intended to create or retain jobs, prevent, reduce or eliminate unemployment and underemployment, and increase business or economic activity. The NYS Grant proceeds will be disbursed as a reimbursement for eligible expenses during design and construction of the Project Facility.

To bridge a portion of the financing in advance of ACCA's receipt of the NYS Grant, ACCA will obtain a 24-month taxable variable rate non-revolving draw down loan (the "Draw-Down Loan") from Key Government Finance, Inc. (the "Lender") for an amount up to $3,500,000. The NYS Grant proceeds will be applied to any outstanding principal and interest balance of the Draw-Down Loan. Payments of interest only are due during the term of the Draw-Down Loan and the Draw-Down Loan is secured by a pledge of the NYS Grant and of net revenues of ACCA which pledge will be on parity with any other outstanding pledges of ACCA's net revenues thereof.

Additional Bonds and Other Indebtedness

Under the Indenture, so long as no event of default exists under the Loan Agreement, Additional Bonds may be issued by the Issuer for the benefit of the Borrower. Prior to the issuance of such Additional Bonds, the Borrower must, inter alia, enter into an amendment to the Loan Agreement to reflect an amount at least equal to the sum of the total debt service payments due on the Series 2025 Bonds and all Additional Bonds and all other costs in connection with the Project Facility. Any such Additional Bonds may be secured on a parity with the Series 2025 Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Additional Bonds" in APPENDIX C hereto.

Limited Obligation

THE ISSUER HAS NO TAXING POWER. THE SERIES 2025 BONDS SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR ALBANY COUNTY, NEW YORK, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, ALBANY COUNTY, NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025 BONDS, AND NEITHER THE STATE OF NEW YORK NOR ALBANY COUNTY, NEW YORK SHALL BE LIABLE

THEREON NOR SHALL THE SERIES 2025 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE DULY PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

CERTAIN BONDHOLDERS' RISKS

The following is intended only as a summary of certain risk factors attendant to an investment in the Series 2025 Bonds and is not intended to be exhaustive. In order to identify risk factors and make informed investment decisions, potential investors should be thoroughly familiar with the entire Official Statement (including each Appendix) in order to make a judgment as to whether the Series 2025 Bonds are an appropriate investment. Purchasers of the Series 2025 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks or other financial institutions or certain recipients of Social Security benefits, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2025 Bonds. See "TAX MATTERS" herein.

The Series 2025 Bonds are limited obligations of the Issuer payable solely from amounts to be paid by the Borrower under the Loan Agreement and from other funds available to the Trustee under the Indenture. No representation or assurance can be given that the Borrower will generate sufficient revenues to meet its payment obligations under the Loan Agreement. The ability of the Borrower to comply with its obligations under the Loan Agreement depends primarily upon ACCA's ability to make the ACCA Lease Payments under the ACCA Lease Agreement. ACCA expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments under the ACCA Lease Agreement. The ability of ACCA to make the ACCA Lease Payments depends primarily upon the ability of ACCA to obtain a sufficient portion of the Hotel Occupancy Tax apportioned or otherwise payable by the County and revenues from related activities and operations and to maintain sufficient creditworthiness. Purchasers of the Series 2025 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the ACCA to generate such revenues. Future economic, demographic and other conditions, including the demand for hospitality and events services, the ability of ACCA to provide the hospitality and event services, economic developments in the State of New York and the County of Albany and competition from other venues, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of ACCA to provide for ACCA Lease Payments under the ACCA Lease Agreement. The future financial condition of the ACCA and the Borrower could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

THE FINANCIAL OBLIGATIONS OF THE COUNTY OF ALBANY, NEW YORK UNDER THE RESERVE FUND REPLENISHMENT AGREEMENT AND THE ADMINISTRATIVE SERVICES FUNDING AGREEMENT, INCLUDING THE OBLIGATION TO MAKE REPLENISHMENT PAYMENTS OR OTHER PAYMENTS, ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE EACH YEAR FOR SUCH PURPOSE BY THE COUNTY. THE RESERVE FUND REPLENISHMENT AGREEMENT AND THE ADMINISTRATIVE SERVICES FUNDING AGREEMENT ARE NOT A GENERAL OBLIGATION OF THE COUNTY. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY ARE PLEDGED TO THE AMOUNT DUE OR TO BECOME DUE.

Legislative and Regulatory Actions. ACCA and its operations are subject to regulation by the State of New York. No assurance can be given as to the effect on future operations of existing laws and regulations or of any future changes in such laws, regulations and standards.

Risks of Early Payment. The Series 2025 Bonds may be required to be paid prior to maturity upon optional redemption (as described under "THE SERIES 2025 BONDS" herein) and upon an acceleration following the occurrence of certain Events of Default under the Indenture and the Loan Agreement. If the Series 2025 Bonds become due upon an acceleration, interest on the Series 2025 Bonds shall cease to accrue on the date of the accelerated payment and no premium would be payable.

Tax-Exempt/Nonprofit Status. There can be no assurance that future changes in the laws, rules, regulations, interpretations and policies relating to the definition, activities and/or taxation of tax-exempt corporations will not have material adverse effects on the future operations of the Sole Member or the Borrower. Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Sole Member or Borrower to charge and collect revenues, finance or incur indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2025 Bonds. Although the Sole Member has covenanted to maintain its tax-exempt status, loss of tax-exempt status by the Sole Member would likely have a significant adverse effect on the Borrower and could result in the inclusion of interest on the Series 2025 Bonds in gross income for federal income tax purposes retroactive to their date of issue or acceleration of the maturity of the Series 2025 Bonds.

Covenant to Maintain Tax-Exempt Status of the Series 2025 Bonds. The tax-exempt status of the Series 2025 Bonds is based on the continued compliance by the Issuer, the Borrower and, where applicable, the Sole Member with certain covenants contained in the Indenture, the Loan Agreement, the Tax Regulatory Agreement and certain other documents executed by the Issuer, the Borrower and, where applicable, the Sole Member. These covenants are aimed at satisfying applicable requirements of the Code and relate generally to use by the Borrower of proceeds of the Series 2025 Bonds, maintenance of the status of the Sole Member as an organization meeting the requirement of Section 501(c)(3) of the Code, arbitrage limitations, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the Series 2025 Bonds. Failure to comply with such covenants could cause interest on the Series 2025 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2025 Bonds.

Certain Matters Relating to Enforceability of Obligations. The remedies available to Bondholders upon an Event of Default under the Indenture or the Loan Agreement are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the United States Bankruptcy Code (the "Bankruptcy Code"), the remedies specified in the Indenture, the Loan Agreement, the Pledge and Assignment, the Reserve Fund Replenishment Agreement, the Administrative Services Funding Agreement, the Guaranty, the Mortgage and the Assignment of Rents, may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the Series 2025 Bonds will be qualified as to enforceability of the various legal instruments by, among other things, limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

Other Factors. Additional factors may affect future operations of the Borrower and ACCA to an extent that cannot be determined at this time. These factors include, among others, the following:

(1) Increased costs and decreased availability of public liability insurance.

(2) Cost and availability of energy.

(3) High interest rates, which could prevent borrowing for needed capital expenditures.

(4) Claims presently unknown to the Borrower or ACCA.

(5) Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

(6) Cybersecurity threats, including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks.

(7) An inability of ACCA to generate revenues from conventions, meetings, tradeshows and social enterprises, resulting in reduced revenues.

TAX MATTERS

All quotations from and summaries and explanations of provisions of laws appearing under this caption do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Opinion of Bond Counsel

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law and assuming compliance with certain covenants and the accuracy of certain representations, (1) interest on the Series 2025 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code, except that (a) the Borrower or another Person, by failing to comply with certain requirements contained in the Code, may cause interest on the Series 2025 Bonds to become subject to federal income taxation and certain other taxes from the date of issuance thereof, (b) interest on the Series 2025 Bonds is included in the tax base for purposes of computing the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code and (c) interest on the Series 2025 Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code and (2) so long as interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2025 Bonds.

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Series 2025 Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145, 147, 148 and 149 of the Code and the regulations thereunder (collectively, the "Tax Requirements"). In the opinion of Bond Counsel, the Tax Regulatory Agreement and the other Financing Documents establish requirements and procedures, compliance with which will satisfy the Tax Requirements. Bond Counsel will not independently verify the accuracy of the certifications and representations of the Issuer and the Borrower or the continuing compliance with the covenants by the Issuer and the Borrower.

Bond Counsel does note that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2025 Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Borrower. The Issuer and the Borrower have each covenanted to take the actions required of it for the interest on the Series 2025 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2025 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of the interest paid or payable on the Series 2025 Bonds or the market value of the Series 2025 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, but is not a guaranty of that conclusion. The opinion is not binding upon the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (1) the effect of future changes in the Code and the applicable regulations under the Code or (2) the interpretation and enforcement of the Code or such regulations by the IRS.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE SERIES 2025 BONDS.

Tax Requirements

The Tax Requirements referred to above, which must be complied with in order that interest on the Series 2025 Bonds remain excluded from gross income for federal income tax purposes, include, but are not limited to:

(1) The requirement that (a) all property financed or refinanced with proceeds of the Series 2025 Bonds be owned by a 501(c)(3) organization or by a state or local governmental unit, and (b) no more than five percent (5%) of the proceeds of the Series 2025 Bonds be used for any private business use, treating as private business use (i) use (directly or indirectly) in a trade or business carried on by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization in a trade or business related to such Section 501(c)(3) organization's exempt purposes and (ii) possession of certain interests in the property financed or refinanced with proceeds of the Series 2025 Bonds by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization. The Borrower has indicated in the Tax Regulatory Agreement that (a) all property financed or refinanced with proceeds of the Series 2025 Bonds will be owned by a 501(c)(3) organization or by a state or local governmental unit, and (b) no more than five percent (5%) of the proceeds of the Series 2025 Bonds will be used for any private business use.

(2) The requirement that not more than two percent (2%) of the proceeds of the Series 2025 Bonds be utilized to finance the costs of the issuance of the Series 2025 Bonds. The Borrower has indicated in the Tax Regulatory Agreement that not more than two percent (2%) of the proceeds of the Series 2025 Bonds will be utilized to finance the costs of issuance of the Series 2025 Bonds.

(3) The requirements contained in Section 148 of the Code relating to arbitrage bonds, including but not limited to the requirement that, unless the Borrower satisfies one of the applicable exceptions provided by Section 148 of the Code, the excess of all amounts earned on the investment of the Gross Proceeds of the Series 2025 Bonds over that which would have been earned on such Gross Proceeds had such Gross Proceeds been invested at a Yield equal to that on the Series 2025 Bonds, and any investment income earned on such excess, be rebated to the United States. The Borrower has agreed in the Tax Regulatory Agreement and in the Loan Agreement to comply with the requirements of Section 148 of the Code.

(4) The requirement that the Project Facility not be used for a purpose prohibited under Section 147(e) of the Code (relating to, among others, any airplane, skybox or other private luxury box, facility primarily used for gambling, or store, the principal business of which is the sale of alcoholic beverages for consumption off premises).

(5) The requirement contained in Section 149(b) of the Code that payment of principal or interest on the Series 2025 Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Certain Collateral Federal Tax Consequences

You should also be advised that the Series 2025 Bonds are subject to, among others, the following provisions contained in the Code:

(1) interest on the Series 2025 Bonds may also be subject to a branch profits tax imposed upon certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations;

(2) interest paid by certain financial institutions on debt allocable to the cost of acquiring and carrying the Series 2025 Bonds is not deductible from Federal income taxation; and

(3) a property and casualty insurance company's deduction for losses incurred is reduced by 15% on tax-exempt income received from the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should also be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2025 Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Series 2025 Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2025 Bonds. Bond Counsel will express no opinion regarding these consequences.

Information Reporting and Backup Withholding

Interest paid on the Series 2025 Bonds will be subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2025 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Future Legislation or Other Post-Issuance Events

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2025 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, or administrative actions or court decisions, at either the federal or state level, may cause interest on the Series 2025 Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to State or local income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2025 Bonds for federal or state income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the New York State Legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of the Series 2025 Bonds. There can be no assurance that legislation enacted or proposed or actions by a court after the date of issuance of the Series 2025 Bonds will not have an adverse effect on the tax status of the interest paid or payable on the Series 2025 Bonds or the market value or marketability of the Series 2025 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in benefit) of the exclusion of the interest on the Series 2025 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2025 Bonds.

No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the market value or the marketability of the Series 2025 Bonds or the tax consequences of ownership of the Series 2025 Bonds. Similarly, it is not possible to predict whether any other legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2025 Bonds may occur.

Prospective purchasers of the Series 2025 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2025 Bonds at other than their original issuance at the respective prices set indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Series 2025 Bonds may affect the tax status of interest paid or payable on the Series 2025 Bonds.

Unless separately engaged for such purpose, Bond Counsel is not obligated to defend the Issuer or the owners of the Series 2025 Bonds regarding the tax status of the interest thereon in the event of an audit examination by the IRS. If the IRS does audit the Series 2025 Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Series 2025 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action by the IRS, including but not limited to the selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may alter the market value for, or the marketability of, the Series 2025 Bonds, and may cause the Issuer, the Borrower or the Bondholders to incur significant expense.

Discount Series 2025 Bonds

The excess, if any, of the amount payable at maturity of any maturity of the Series 2025 Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2025 Bonds with original issue discount (the "Discount Series 2025 Bonds") will be excluded from gross income for purposes of federal income taxation to the same extent as interest on such Series 2025 Bonds. In general, the issue price of a maturity of the Series 2025 Bonds is the first price at which a substantial amount of the Series 2025 Bonds of that maturity was sold to the public (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Series 2025 Bond is increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Series 2025 Bond for purposes of federal income taxation. In addition, original issue discount that accrues in each year to an owner of a Discount Series 2025 Bond will be included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Series 2025 Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Series 2025 Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of a Discount Series 2025 Bond that is subject to redemption prior to maturity or that is not purchased in the initial offering at the first price at which a substantial amount of such substantially identical Series 2025 Bonds is sold to the public may be determined according to rules that differ from those described above.

Prospective purchasers of Discount Series 2025 Bonds should consult their own tax advisors with respect to the determination for purposes of federal income taxation of the amount of original issue discount or interest properly accruable with respect to such Discount Series 2025 Bonds and with respect to state and local tax consequences of owning and disposing of Discount Series 2025 Bonds.

Premium Series 2025 Bonds

The excess, if any, of the tax adjusted basis of a maturity of any Series 2025 Bonds purchased as part of the initial public offering by a purchaser (other than a purchaser who holds such Series 2025 Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Owners of a maturity of the Series 2025 Bonds with bond premium (a "Premium Series 2025 Bond") will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Series 2025 Bond may realize taxable gain upon disposition of Premium Series 2025 Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring such Premium Series 2025 Bonds. In general, bond premium is amortized over the term of a Premium Series 2025 Bond for Federal income tax purposes in accordance with constant yield principles based on the owner's yield over the remaining term of such Premium Series 2025 Bond (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). The Owner of a Premium Series 2025 Bond is required to decrease such Owner's adjusted basis in such Premium Series 2025 Bond by the amount of amortizable bond premium attributable to each taxable year such Premium Series 2025 Bond is held. The amortizable bond premium on such Premium Series 2025 Bond attributable to a taxable year is not deductible for federal income tax purposes; however, bond premium is treated as an offset to qualified stated interest received on such Premium Series 2025 Bond.

Prospective purchasers of any Premium Series 2025 Bond should consult their tax advisors with respect to the determination for purposes of federal income taxation of the treatment of bond premium upon the sale or other disposition of such Premium Series 2025 Bond and with respect to the state and local tax consequences of acquiring, owning and disposing of such Premium Series 2025 Bond.

New York State Taxes

In the opinion of Bond Counsel, so long as interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2025 Bonds is exempt, under existing law, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Tax Risks - Loss of Federal Tax Exemption

As described above, interest on the Series 2025 Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2025 Bonds that violate the requirements and limitations prescribed by the Code. Although the Borrower has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Series 2025 Bonds may be deemed to be taxable from the date of issuance. The Series 2025 Bonds are not subject to mandatory redemption or to mandatory acceleration in the event of such an occurrence. No premium or additional interest will be paid to the Bondholders or former Bondholders to compensate the Bondholders for any losses they may incur as a result of the interest on the Series 2025 Bonds becoming subject to federal income taxation.

Form of Opinion of Bond Counsel

The form of the approving opinion of Bond Counsel with respect to the Series 2025 Bonds is attached hereto as Appendix D. See "PROPOSED FORM OF OPINION OF BOND COUNSEL" in APPENDIX D.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2025 Bonds will be passed upon by Hodgson Russ LLP, Albany, New York, Bond Counsel, whose approving opinion will be printed on or delivered with the Series 2025 Bonds. Certain legal matters will be passed upon for the Issuer by Hodgson Russ LLP, Albany, New York; for the Borrower by Reed Smith LLP, Philadelphia, Pennsylvania; for the Underwriter by Barclay Damon LLP, Albany, New York, for ACCA by Harris Beach Murtha Cullina PLLC, Albany, New York, for the County by Jeffery V. Jamison, Esq., Albany, New York and for the Trustee by Bond, Schoeneck & King, PLLC, Syracuse, New York.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

CONTINUING DISCLOSURE UNDERTAKINGS

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2025 Bonds and the Issuer will not provide any such information. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission (the "SEC"), the Borrower, ACCA and the County have undertaken certain responsibilities for any continuing disclosure to Bondholders as provided below, and the Issuer shall have no liability with respect to such disclosures.

The Borrower, County and ACCA have covenanted in an undertaking with Digital Assurance Certification L.L.C. ("DAC"), as exclusive disclosure dissemination agent (collectively, the "Undertaking") for the benefit of Bondholders to provide certain financial information and operating data related to the Borrower, County and ACCA. The ACCA has covenanted in the Undertaking to provide certain financial information and other operating data related to the ACCA by not later than one hundred fifty (150) days after the close of each of its fiscal year, commencing with the fiscal year ending December 31, 2025 (the "ACCA Annual Report"), and to provide notices of the occurrence of certain enumerated events. The County has covenanted in the Undertaking to provide certain financial information and operating data related to the County no later than forty-five (45) days after the County has caused such financial information and operating data to be filed with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), commencing with the fiscal year ending December 31, 2025 (the "County Annual Report"), and to provide notices of the occurrence of certain enumerated events. The respective ACCA Annual Report and the County Annual Report will be filed with EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. The County Annual Report shall be linked to the CUSIPs for the obligations for the County as to where the County postings can be found on EMMA. The specific nature of the information to be contained in the ACCA Annual Report and County Annual Report or the notices of material events, and the circumstances under which changes to this continued disclosure undertaking may be made, are contained in the Undertaking. The Undertaking has been made in order to assist the Underwriter in complying with the Rule. The form of the Undertaking is attached to this Official Statement as APPENDIX E – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Compliance History

Other than stated below the County has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to the Rule.

While the County made timely filings of its annual financial information for the fiscal years ended December 31, 2022, 2023 and 2024, its unaudited financial statements for the fiscal years ended December 31, 2022, 2023 and 2024 and its audited financial statements for the fiscal years ended December 31, 2022 and 2023, it erroneously omitted the CUSIPs related to the Dormitory Authority of the State of New York's Raise the Age Revenue Bond Financing Program Revenue Bonds, Series 2022, as required under its continuing disclosure obligation. The aforementioned filings were properly linked to such CUSIPs, and a notice was filed on EMMA on August 1, 2025.

FINANCIAL STATEMENTS

The financial statements of ACCA as of December 31, 2024 and 2023, and for the years then ended, included in this Official Statement, have been audited by UHY LLP, the ACCA's independent auditors, as stated in their report appearing in APPENDIX B-1 hereto. UHY LLP has not been engaged to perform and have not performed, since the date of its report included in APPENDIX B-1, any procedures on the financial statements addressed in that report.

The financial statements of the County as of December 31, 2023, and for the year then ended, included in this Official Statement, have been audited by BST & Co. CPAs, LLP, the County's independent auditors, as stated in their report appearing in APPENDIX B-2 hereto. BST & Co. CPAs, LLP has not been engaged to perform and have not performed, since the date of its report included in APPENDIX B-2, any procedures on the financial statements addressed in that report.

LITIGATION

The Issuer

There is no litigation of any nature pending or, to the knowledge of the Issuer, threatened against the Issuer at the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025 Bonds, or in any way contesting or affecting the validity of the Series 2025 Bonds, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any money or the security provided for the payment of the Series 2025 Bonds, or the existence or powers of the Issuer.

The Borrower

There is no litigation of any nature pending or, to the knowledge of the Borrower, threatened against the Borrower at the date of this Official Statement which, if decided against the Borrower: (i) would adversely affect the transactions contemplated by this Official Statement or the validity or enforceability of the Series 2025 Bonds, the Indenture, the Loan Agreement or any other agreement or instrument which is used or contemplated for use in the consummation of the transactions contemplated by this Official Statement or (ii) to the extent not covered by insurance would materially adversely affect the financial condition or operations of the Borrower.

ACCA

While there is a claim and formal lawsuit pending against the ACCA, there is no litigation of any nature pending or, to the knowledge of ACCA, threatened against ACCA at the date of this Official Statement which, if decided against ACCA: (i) would adversely affect the transactions contemplated by this Official Statement or the validity or enforceability of the Series 2025 Bonds, the Indenture, the Loan Agreement or any other agreement or instrument which is used or contemplated for use in the consummation of the transactions contemplated by this Official Statement or (ii) to the extent not covered by insurance would materially adversely affect the financial condition or operations of ACCA.

The County

While there are a number of claims and formal lawsuits pending against the County, there is no litigation of any nature pending or, to the knowledge of the County, threatened against the County at the date of this Official Statement which, if decided against the County: (i) would adversely affect the transactions contemplated by this Official Statement or the validity or enforceability of the Series 2025

Bonds, the Indenture, the Loan Agreement or any other agreement or instrument which is used or contemplated for use in the consummation of the transactions contemplated by this Official Statement or (ii) to the extent not covered by insurance would materially adversely affect the financial condition or operations of County. Certifications to those effects will be delivered at the time of the delivery of the Series 2025 Bonds.

Additional information relating to current litigation against the County are incorporated herein by reference. https://emma.msrb.org/P11869097-P11430085-P11874736.pdf

Only information contained in the internet web page identified above is incorporated herein and no additional information that may be reached from such page by linking to any other page should be considered to be incorporated herein.

RATING

S&P Global Ratings, a Standard and Poor's Financial Services LLC Business ("S&P") assigned a rating of "A+" with a positive outlook on the Series 2025 Bonds.

The rating reflects only the rating agency issuing such rating and is not a recommendation by such rating agency to purchase, sell or hold the obligations rated or as to the market price or suitability of such obligations for a particular investor. Generally, a rating agency bases its rating and outlook, if any, on the information and material furnished to it and on investigations, studies and assumptions of its own. An explanation of the significance of any rating may be obtained only from the rating agency furnishing such rating. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price or marketability of the Series 2025 Bonds.

UNDERWRITING

The Series 2025 Bonds are being purchased by KeyBanc Capital Markets Inc. (the "Underwriter") pursuant to a Bond Purchase Agreement among the Underwriter, the Issuer and the Borrower. The Underwriter has agreed to purchase the Series 2025 Bonds at an aggregate purchase price of 38,549,358.10 (representing the principal amount of the Series 2025 Bonds, plus a net premium of $37,883.10 and less an Underwriter's discount of $193,525.00). The Bond Purchase Agreement provides, among other things, that the Underwriter will purchase all the Series 2025 Bonds, if any are purchased. The obligation of the Underwriter to pay for the Series 2025 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including delivery of specified opinions of counsel and of a certificate of the Borrower that there has been no material adverse change in its condition (financial or otherwise) from that set forth in this Official Statement. The Bond Purchase Agreement also provides that the Borrower will indemnify the Underwriter and the Issuer against losses, claims and liabilities arising out of any materially incorrect statement or information contained in or material information omitted from this Official Statement pertaining to the Borrower. The initial public offering prices set forth on the inside front cover page of this Official Statement may be changed by the Underwriter from time to time without any requirement of prior notice. The Underwriter reserves the right to sell the Series 2025 Bonds to certain dealers and others at prices lower than those offered to the public.

The Series 2025 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The following paragraph has been provided by the Underwriter for inclusion herein. The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Borrower and to persons and entities with relationships with the Borrower, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and or instruments of the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

THE TRUSTEE

Manufacturers and Traders Trust Company, Buffalo, New York, has been appointed to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Series 2025 Bonds, or for the validity, sufficiency or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of the Series 2025 Bonds by the Issuer or the Borrower. The Trustee has not evaluated the risks, benefits or propriety of any investment in the Series 2025 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2025 Bonds, the technical or financial feasibility of the facilities financed or refinanced with proceeds of the Series 2025 Bonds, or the investment quality of the Series 2025 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Under the terms of the Indenture, the Trustee is liable only for those damages caused by its gross negligence or willful misconduct. All notices or other instruments required by the Indenture to be delivered to the Trustee must be delivered to the designated corporate trust agency office of the Trustee. The summary of the Trustee’s rights, duties, obligations and immunities contained herein is not intended to be a complete summary, and reference must be made to the Indenture for a complete statement of the Trustee’s rights, duties, obligations and immunities.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Series 2025 Bonds is to be construed as a contract with the holders of the Series 2025 Bonds.

The references herein to the Series 2025 Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty, the Mortgage and the Assignment of Rents and the other financing documents are brief outlines of certain provisions thereof. Such outlines do not purport to be complete. For full and complete statements of such provisions, reference is made to the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty, the Mortgage and the Assignment of Rents and the other financing documents, copies of which are available for inspection at the corporate trust office of the Trustee in New York, New York.

The agreement of the Issuer and the Borrower with the owners of the Series 2025 Bonds is fully set forth in the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty, the Mortgage and the Assignment of Rents and the other financing documents, and neither advertisements of the Series 2025 Bonds nor this Official Statement are to be construed as constituting an agreement with the owners of the Series 2025 Bonds. Statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of facts.

The attached Appendices are integral parts of this Official Statement and should be read together with all foregoing statements.

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This Official Statement has been duly authorized and approved by the Borrower and the Issuer and duly executed and delivered on its behalf by the officials signing below.

ALBANY COUNTY CAPITAL RESOURCE CORPORATION

By: */s/ Gary Domalewicz*
Authorized Officer

CIDC ALBANY CENTER, LLC

By: */s/ Frances Brandt*
Authorized Officer

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APPENDIX A-1

CERTAIN INFORMATION CONCERNING THE ALBANY CONVENTION CENTER AUTHORITY

A general description of the Albany Convention Center Authority ("ACCA"). The information in this APPENDIX A has been provided by the Authority and is believed to be reliable, but it has not been verified independently by the Issuer or the Underwriter. No representation whatsoever as to the accuracy, adequacy, or completeness of such information is made by the Issuer or the Underwriter.

THE AUTHORITY

The Albany Convention Center Authority (the "ACCA") is a is a body corporate and politic constituting a public benefit corporation of the State of New York (the "State"), created and existing under and by virtue of Title 28-BB of Article 8 of the Public Authorities Law of the State (the "PAL"), Chapter 468 of the Laws of 2004 of the State, as amended from time to time (the "Act"), organized for the purpose of, among other things, constructing, transforming and improving new and existing facilities for a convention center in the City of Albany (the "City"), Albany County (the "County") in the State, such convention center to include a trade exhibition facility, hotel accommodations, transportation infrastructure, tourism facilities, theatre facilities, retail business, and commercial office space facilities.

In creating the ACCA, the State Legislature determined a need to institute a comprehensive, coordinated program of convention activities in the City. It further determined that the creation of the ACCA was needed to provide the City with the capability to effectively and efficiently develop, renovate and undertake certain transformational economic development projects in the historic downtown area of the City in order to optimize the economic and social activities of the City and its environment. It was further found that the construction, transformation and improvement of new and existing facilities for a convention center consisting of trade exhibition, hotel accommodations, transportation infrastructure, tourism, theatre facilities, retail business, commercial office space facilities, including services for the operation and maintenance thereof, will provide significant economic and social benefits to the City and County and the entire capital district region and, that, consistent with social, economic, environmental and other essential considerations of State policy, locating and renovating new and improved facilities in the historic downtown area of the City is in the public interest, given the convenience and accessibility of the City, its significance in the history of the State and nation, its designation as a heritage area, its stature as the capital City of the State and the seat of State government, and the immediacy of the needs of the people of the state for the realization of the significant economic and social benefits to be derived from this convention center. The establishment was necessary to provide for the economic prosperity and general welfare of the people of the City of Albany and the State for the construction, development, location and operation of a convention center consisting of these facilities. The Legislature further found, determined and declared that the ACCA shall carry out its purposes and responsibilities directly and through agreements with local entities.

ACCA Facilities

The ACCA constructed the Albany Capital Center (the "ACC"), at a cost of approximately $78.8 million which facility opened for operations in March 2017. The ACCA is responsible for the management, improvement, and the operation of the ACC. The ACCA is responsible for ensuring the continued success and growth of the convention business for its related facilities. Responsibilities are directly linked to the ACCA's continued investment in and support of services, resources, facilities, and community projects that enhance the use and improvement of the ACC and its related services and facilities.

Events and Economic Impact

The ACCA's initial project, the Albany Capital Center, is an important economic engine in the County. Since opening its doors in 2017, the Albany Capital Center has generated over a projected $100,088,378 in total new visitor spending, has hosted 1,229 events and conferences and attracted approximately 660,009 visitors to the City. This has generated a projected 138,778 hotel room nights. This economic impact information is calculated by Discover Albany on a quarterly and annual basis and is presented to the ACCA Board of Directors and is included in its annual report.

The ACCA uses ASM Global as a venue manager of the Albany Capital Center. ASM Global is responsible for bringing events and conferences to the Albany Capital Center along with its destination marketing organization, Discover Albany. ASM Global conducts outreach through a dedicated sales team and attendance at conferences nationwide. The ACCA has entered into a management agreement with ASM Global through December 31, 2025, and is recommending exercising its option to a five-year renewal at its September 2025 Board Meeting, in which the 2026 budget will be presented.

Members of the ACCA

The ACCA is governed by a board of nine members (the "Board"). Three members are appointed by the Governor of New York State, one appointed by the Temporary President of the Senate, one member appointed by the Speaker of the Assembly. Two members are appointed by the Mayor of the City of Albany, with the advice and consent of the Common Council, and two members are appointed by the Albany County Executive, with the advice and consent of the County Legislature. All members of the board shall serve at the pleasure of their appointing authority. The Board conducts regular quarterly meetings that are open to the public pursuant to Article 7 of the New York Public Officers Law, which is New York's version of an "open meetings" law.

The present board members serve at the pleasure of their appointing authority:

Board Members	Office	Appointed By
Michele Vennard	Chair	Mayor
Jahkeen Hoke	Vice	Governor
Michael Hoffman	Treasurer	President Pro-Tempore of the New York State Senate
Sarah Reginelli	Secretary	Mayor
Todd Shapiro	Member	County Executive
John McDonald III	Member	Speaker of the Assembly
Michael McLaughlin	Member	County Executive
Dominick Purnomo	Member	Governor
Joseph Bonilla	Member	Governor

Biographies of the ACCA's Board are set forth below.

Michele Vennard; Chair. Michele spent 25 years as the President and CEO of Discover Albany (Albany County Convention & Visitors Bureau). Formerly served as Chairperson of Capitalize Albany Corporation and a board member of the Palace Performing Arts Center Board. She is also past chair of the Board of Trustees of The Sage Colleges in Albany and Troy and represented Colleges on the University Heights Assoc. Board of Directors. She was previously Chair of the NYS DMO Association. Other past Board service included the Capital Region Chamber of Commerce, Center for Economic Growth and Albany Symphony Orchestra. Michele is currently the Chair of and an appointed member of the Albany

Convention Center Authority, a board member of Canal NY and an appointed member of the NYS Canal Recreation way Commission.

Jahkeen Hoke; Vice Chair. Jahkeen Hoke is an entrepreneur with a portfolio of business development successes and a commitment to social progress. Jahkeen is a co-founder and chief development officer of 4th Family, and co-founder and board member of the Upstate NY Black Chamber of Commerce. Former chief executive officer of the Business for Good Foundation. In addition to the ACCA, Jahkeen has served on various non-profit and municipal boards, including the City of Albany Human Rights Committee, the City of Albany Industrial Development Agency & Capital Resource Corporation, Albany Symphony, and the City of Albany COVID Rebuild Taskforce.

Sarah Reginelli; Secretary. Senior Vice President, Ostroff Associates. Sarah has over 20 years in the public and nonprofit sectors. She most recently served as Vice President of Development at Cass Hill Development Companies, a fully integrated commercial real estate firm producing dynamic projects throughout the Capital Region. Sarah previously served as President of Capitalize Albany Corporation and CEO of the City of Albany Industrial Development Agency and Capital Resource Corporation. Sarah is active in the community, serving on the boards of numerous organizations.

Michael Hoffman; Treasurer. Owner of Turf Hotels, a hotel management company in the Capital District. Michael has served as chairman for both New York State Hospitality and Tourism Association (NYSHTA) and the InterContinental Hotel Group (IHG) Owner's Association. In addition to the ACCA, Michael also serves on the Board of Directors of the Epilepsy Foundation of Northeastern New York and is on the Advisory Board of Jake's Help from Heaven. He is also on the Board of Directors for the Teresian House Foundation Board and Discover Albany.

Todd Shapiro; Member. A veteran public relations executive, entrepreneur, and hospitality leader with over 30 years of experience building brands, shaping public perception, and creating dynamic gathering spaces across New York State. He is the founder and CEO of Todd Shapiro Associates. His work has focused on media placement, brand management, crisis communications and strategic storytelling. Shapiro began his career in media and public service before becoming VP at Howard J. Rubenstein Associates. There, he managed high-profile accounts across sports, business, and entertainment, gaining a reputation as a problem-solver and connector.

John McDonald III; Member. Elected Member of Assembly for the 108th Assembly District, which includes parts of Albany, Rensselaer and Saratoga Counties. Previously served as Mayor for thirteen years to the City of Cohoes and was an active member of the New York State Conference of Mayors having served as president of the statewide organization. John previously chaired the Capital District Transportation Committee, RiverSpark, the City of Cohoes Industrial Development Agency and the Cohoes Local Development Corporation. In addition, he has served on the boards of the New York State Heritage Areas Advisory Board, New York State Workforce Investment Board, State Comptroller's Local Advisory Team, the NYS Local Government Records Management Council and the Board of Governors for the New York State Municipal Insurance Reciprocal as well as many other regional councils and commissions.

Michael McLaughlin; Member. Deputy County Executive for the Office of the Albany County Executive. Prior to serving as Deputy County Executive, he has served in various roles, including Director of Policy and Research, and as Director of Policy and Intergovernmental Affairs in the Albany County Executive's Office. His prior public service also included working for the New York State Senate as Committee Director for a former Senator and Director of Operations.

Dominick Purnomo; Member. Owner of Dominick Purnomo Restaurant Group (Yono's, dp An American Brasserie, Day Line, Patrick Henry's, James Newbury, The Wire Event Center). Former President of the Greater Capital District of the New York State Restaurant Association. Dominick also Co-founded FEED ALBANY, which provides meals for those in need and at risk in the community, especially those who work in hospitality. In addition to the ACCA, Dominick currently sits on the Board of Directors for the New York State Restaurant Association, The New York Wine & Grape Foundation and The Palace Performing Arts Center, is a member of the Society of Fellows at the Culinary Institute of America, the American Sommelier Association, the Chevalier du Tastevin, a founding board member of the Albany Food & Wine Festival, the founder of the Sommelier Society of Albany.

Joseph Bonilla; Member. Co-founder, managing partner, and senior media director of Relentless, a creative strategy firm. Joseph was also a co-founder of Motor Oil Coffee, a craft coffee company based in the Capital Region, and CivMix, a news and commentary platform. Joseph previously served as the founding Executive Director of the Capital Craft Beverage Trail Association, Chairman of the City of Albany's Public, Educational, and Government Access Oversight Board, President of the Board of Directors for Capital CarShare Inc., and Vice Chair of Troy Prep Charter School. In addition to the ACCA, Joseph currently serves on the following boards and commissions: Vice President and Strategic Planning Chair, University at Albany Alumni Association Trustee, Maria College, Board Member, Ronald McDonald House Charities of the Capital Region, Board Member, Rensselaer County Chamber of Commerce, Board Member, United Way of the Greater Capital Region Advisory Board Member, Nelson A. Rockefeller College of Public Affairs and Policy Capital Region Board Member, New York League of Conservation Voters Board Member, New York Urban Orchards.

ACCA's Staff

The ACCA's Governing Body has appointed a full-time staff, including:

Monica Kurzejeski, Executive Director/CEO. Monica's background brings a wide range of experience to the ACCA. Most recently as Vice President of Property Management at Redburn Development Partners, she was tasked with developing and coordinating the property management team for each city portfolio. As Deputy Mayor for the City of Troy, Monica oversaw the day-to-day operations of the city workforce and infrastructure projects while continuing her passion for community building and economic development. Prior to this role, she was the Economic Development Coordinator for the city of Troy.

Her years of experience in commercial real estate with a focus on large scale historic buildings brings incredible depth of knowledge with a focus on customers, facilities maintenance, budget management, troubleshooting, construction, community building, placemaking and communications.

With a resume that includes Property Management, Construction, Retail Management, Event Coordination, versions of Chief of Staff, Economic Development and of course Deputy Mayor, Monica brings critical thinking, decision making, community and government relations, organizational management, and regional knowledge to the Authority. Community involvement is imperative to creating better communities. Monica fulfills this through her board and committee volunteer work as treasurer of the Troy Community Land Bank (appointed fall of 2024) and as Chair of the Capital Region Chamber Loan Committee. Her dedication and passion for people and places provides her with motivation to do what is right for our region.

ACCA Revenue

The ACCA generates funds for operation through, among others, events, services, catering, parking and advertising. For the year ending December 31, 2024, the ACC had total operating revenues of $2,711,266.

The ACCA also receives a portion of the tax imposed and collected by the county on occupancy of hotel or motel rooms in the County (the "Hotel Occupancy Tax"). ACCA revenue derived from the Hotel Occupancy Tax is equal to six-thirteenths of the distribution amount of the Hotel Occupancy Tax (currently 6.5%) and is credited to the Albany Convention Center Authority fund and used solely and exclusively by the ACCA for development (including construction), operation, repair, continuing use and maintenance of a convention center project to be located in the City of Albany. The ACCA portion of the Hotel Occupancy Tax is maintained in an account of the County separate and apart from any other funds and accounts of the County and is transferred by the County to the ACCA's operating account on a quarterly basis. The Hotel Occupancy Tax revenues for the years ended December 31, 2024 and 2023 were $5,207,226 and $4,560,634, respectively, and $1,668,132 and $1,382,476 of these revenues were due from the County at December 31, 2024 and 2023, respectively. Hotel Occupancy Tax receipts for years 2023 and 2024 were calculated at 6% and the ACCA received 50% of those receipts. In 2025 the Hotel Occupancy Tax rate increased by .5% and the ACCA share became six-thirteenths. In addition, the State passed statewide legislation regarding the collection of Hotel Occupancy Tax on short term rentals, and it is anticipated that the County will approve legislation by the end of 2025 to include short term rentals within its Hotel Occupancy Tax base.

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APPENDIX A-2

CERTAIN INFORMATION CONCERNING THE COUNTY OF ALBANY

Certain information relating to the County of Albany and current financial information and operating data is incorporated herein by reference. https://emma.msrb.org/P11869097-P11430085-P11874736.pdf

Only information contained in the internet web page identified above is incorporated herein and no additional information that may be reached from such page by linking to any other page should be considered to be incorporated herein.

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APPENDIX B-1

FINANCIAL STATEMENTS OF ALBANY CONVENTION CENTER AUTHORITY
ENDING DECEMBER 31, 2024 AND 2023

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ALBANY
CONVENTION
CENTER
AUTHORITY

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2024 and 2023

ALBANY CONVENTION CENTER AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Albany Convention Center Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Albany Convention Center Authority (the "Authority"), a component unit of the State of New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Albany Convention Center Authority, as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Albany Convention Center Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Albany Convention Center Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Albany Convention Center Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Albany Convention Center Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the Albany Convention Center Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Albany Convention Center Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Albany Convention Center Authority's internal control over financial reporting and compliance.

UHY LLP

Albany, New York
March 28, 2025

Albany Convention Center Authority
Management Discussion and Analysis
December 31, 2024 and 2023

The following is a discussion and analysis of the Albany Convention Center Authority, and its financial statements that reflect the financial activity that took place during the year ended December 31, 2024.

Authority Background

The Albany Convention Center Authority (ACCA) was created on September 21, 2004, by the enactment of Title 28-BB of the Public Authorities Law (Chapter 468 of the Laws of 2004). The general purpose of the ACCA is to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and maintain a convention facility located in the City of Albany (the Project).

The Authority Board consists of nine members, three are appointed by the Governor of New York State, one is appointed by the Temporary President of the Senate, one is appointed by the Speaker of the Assembly, two are appointed by the Albany County Executive, with the advice and consent of the County Legislature and two are appointed by the Mayor of the City of Albany, with the advice and consent of the Common Council. All members of the board shall serve at the pleasure of their appointing authority. As of January 1, 2025, all appointed positions are filled.

Significant activities during 2024 were as follows:

<u>The Albany Capital Center (ACC)</u>:

At the beginning of 2024, January generally starts the year off with a lighter calendar. After a financial record-breaking year and event days, 2024 ended on a high note.

Post pandemic as with other venues in the nation, the convention industry has recovered but slightly modified from pre-pandemic experiences. The ASM Albany operating team is leading the way in attending to the detail required and expected by the event planners and clients contracting the space. Compression is real. Many events are realizing that multi-year bookings are the only option to securing future dates. As always, our focused efforts are on sports, meetings, and conventions which garner the highest economic impact not only for the venue, but for the city, county and state we serve.

<u>2024 ACC Event Summary:</u>

- 186 Events
- 325 Event days
- 92,692 Attendees
- 14,750 Hotel Room Nights

<u>2025 Event Calendar as of January 9, 2025:</u>

- 102 Events
- 187 Event Days
- 62,917 Attendees
- 9,161 Hotel Room Nights
- 30 Event Contracts Pending

The Albany Capital Center (ACC) (continued):

2026 Event Calendar as of January 9, 2025:

- 19 Events
- 49 Event Days
- 16,639 Attendees
- 5,653 Hotel Room Nights
- 9 Event Contracts Pending

The success of the Albany Capital Center in both marketing and operations is directly attributable to ASM Global onsite staff, whose focus is on booking events within the 12–24-month period. In partnership with Discover Albany and leads generated through ASM Global, long lead events (those beyond 24 months) are vetted and responded too appropriately.

The ACCA, through strategic underwriting and partnership, supports Discover Albany as the Albany County Destination Marketing Organization who promotes Albany as a destination and that of Albany County as the hub of the Capital Region.

The survey process in place since 2018 obtains feedback on event experience. Following each event, ASM Global issues a survey to all attendees and meeting planners and shares the results with the ACCA Board on an annual basis. In so doing the performance of the ASM Global staff, the exclusive caterer, and preferred vendors including those for audio/visual, and decorating is measured by these metrics as a means of determining the Performance/Productivity and Quality Incentive Fee portion, if any, that would be payable to ASM Global Albany annually.

Those metrics directly related to the Performance/Productivity and Quality Incentive Fee are presented to the Economic Impact Committee for a recommendation to the ACCA Board.

Certain of the qualifications, related to operations budget performance and other qualitative metrics, ASM Global Albany was paid a Performance/Productivity and Quality Incentive Fee for FY 2024. In accordance with the contract, the base fee was adjusted for inflation and paid in full.

The Albany Convention Center Authority (ACCA):

To accurately assess the economic impact that the Albany Capital Center has upon the Capital Region, in 2017 the ACCA established the Economic Impact Committee, comprised of ACCA Board Members and Staff, and entered a Memorandum of Understanding (MOU) with the Albany County Convention and Visitors Bureau (ACCVB) a/k/a Discover Albany to provide an independent third-party review of the actual economic impacts resulting from events held at the ACC. Discover Albany staff meets with the Economic Impact Committee and reports to the ACCA Board on a quarterly basis and the resulting information is posted to the ACCA Website, distributed to stakeholders, and presented at the public meetings of the ACCA Board.

The Albany Convention Center Authority (ACCA) (continued):

From the ACC booking reports and data from hotels, ASM Global and event organizers, Discover Albany inputs the data into Destinations International's Economic Impact Calculator (EIC), a recognized and respected standard analysis tool for the hospitality industry. The EIC Report generated is the sum of visitor, meeting planner, and exhibitor spending and forms the basis for the summary provided to the ACCA including visitor count, hotel room nights, sales tax receipts and Full Time Equivalent (FTE) jobs generated.

The ACCA tracks performance and measures the impact upon the local and regional economy, as a critical component of its mission is to provide significant economic and social benefits to the City of Albany, Albany County, and the Capital Region. Utilizing the economic indicators provided by Discover Albany, the Albany Capital Center has, since opening March 1, 2017, generated the following as reported on January 27, 2025:

- Total Visitor Spending **$92,015,838**
- Sales Tax:
  - NY State Sales Taxes: $4,741,663
  - Albany County Sales Taxes: $5,257,425
  - Total Sales Tax Collected related to events at the ACC: **$9,999,088**
- Attendees **601,745**
- Hotel Room Nights **128,779**
- Events **1,133**
- Full Time Equivalent Jobs supported by The ACC Events **28,371**

For 2024, the ACCA share of the Albany County Hotel/Motel Occupancy Tax (HOT) continued at 3/6ths (3 points) of the total county receipts from the 6% tax charged to hotel guests. The tax was renewed in 2020 by the State of New York as part of its budget process and has been extended to December 31, 2024.

The tax was renewed by NYS and Albany County late 2024 and included a .5% increase allocated to the County Economic Development agency which required a new formula for splitting up the receipts. The ACCA with this new legislation will receive $5/13^{th}$ of the total county receipts post-administrative fee (if applicable) which doesn't negatively impact the amounts going forward. This new legislation also is in effective for a three-year period rather than a two- or one-year agreement in previous iterations.

In FY 2024 the receipts increased directly due to increases in both occupancy and room rate such that the total of the Occupancy Tax receipts to the ACCA were approximately 132% of the budgeted amount.

The distributions from Albany County in each quarter served to cover the operating losses incurred by the Albany Capital Center, cover expenses incurred by the ACCA, and fund and establish reserves. It is important to note that post-pandemic, ASM Global Albany has worked to reduce the deficit year over year through additional revenues and efficient operations of the building. The remaining funding after closing the operating gap is invested to fund operating reserves in accordance with our operating contract with ASM Global Albany and used to fund capital improvements, future projects, and walkway reserves necessary to maintain the facility in good order. Reserve amounts are budgeted on an annual basis.

Other Significant Activities:

The ACCA remains committed to maintaining the efficiency and appearance of the Albany Capital Center in recognition of the significant investment by New York State and the important ongoing funding source that is the ACCA share of the Albany County Hotel/Motel Occupancy Tax.

During FY 2024 the ACCA underwrote the following capital improvement projects

- Soft Surface upgrades throughout the facility
- Flooring replacement throughout the entrances and event space in the facility.
- Lobby entrance walk off carpet system
- Main Entrance Gutter improvements
- Kitchen upgrades
- HVAC replacement work
- New LED wall installation
- New event inventory including podiums, tables, and stanchions
- New maintenance equipment
- Upgraded lighting interior and exterior (flagpole)
- Four new water bottle fill stations
- New exterior bike racks

ACCA has engaged Baker PR as its marketing and public relations partner. Through coordinated efforts with their team and working with ASM Global, the ACCA is furthering the venues representation and elevating the mission and work of the authority to promote transparency, partnership and community outreach. In addition, the ACCA sought opportunities to participate in industry trades publications and support our partner community organizations.

Overview of the Financial Statements:

The financial statements provide summary information about the ACCA's 2024 and 2023 operations including net position. The notes provide explanation and additional details about the financial statements.

The ACCA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and Government Accounting Standards Board (GASB). Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

Albany Convention Center Authority
Management Discussion and Analysis
December 31, 2024 and 2023

Net Position:

	December 31, 2024	December 31, 2023	$ Change
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 3,260,542	$ 1,788,296	$ 1,472,246
Certificates of deposit	7,755,750	7,051,090	704,660
Accounts receivable	795,528	517,059	278,469
Due from County of Albany, New York	1,668,132	1,382,476	285,656
Prepaid expenses and other	911,139	146,680	764,459
Total current assets	14,391,091	10,885,601	3,505,490
NONCURRENT ASSETS			
Capital assets, net of accumulated depreciation	65,903,800	67,359,898	(1,456,098)
Total assets	80,294,891	78,245,499	2,049,392
DEFERRED OUTFLOWS OF RESOURCES	76,828	64,947	11,881
Total assets and deferred outflows of resources	$80,371,719	$78,310,446	$ 2,061,273
LIABILITIES			
Accounts payable and accrued expenses	$ 455,592	$ 293,666	$ 161,926
Deferred revenue	437,034	306,652	130,382
Accrued wages and employee benefits	2,136	13,054	(10,918)
Total current liabilities	894,762	613,372	281,390
NONCURRENT LIABILITIES			
Net pension liability	-	16,137	(16,137)
OPEB obligation	119,357	104,986	14,371
Total liabilities	1,014,119	734,495	279,624
DEFERRED INFLOWS OF RESOURCES	15,515	12,670	2,845
NET POSITION	79,342,085	77,563,281	1,778,804
Total liabilities, deferred inflows of resources and net position	$80,371,719	$78,310,446	$ 2,061,273

Significant Changes to Net Position:

- The increase in cash and cash equivalents and increases in certificates of deposit were the result of intentional investment in existing and new CDARS to the financial portfolio to gain interest income and set aside reserves for future operations and capital improvements. The direct increase in the cash and cash equivalents is due to expiration dates of existing CDARS.

- The decrease of approximately $1.4 million in capital assets is primarily a result of depreciation.

- Due from County of Albany increase is due to the increase in HOT receipts from an increase in occupancy and average daily rate in the County.

Albany Convention Center Authority
Management Discussion and Analysis
December 31, 2024 and 2023

Revenue and Expenses:

	2024	2023	$ Change
Revenues	$ 2,711,266	$ 2,336,485	$ 374,781
Expenses			
Salary and wages	151,242	136,826	14,416
Fringe benefits	61,883	4,133	57,750
Insurance	109,695	111,045	(1,350)
Office and other expense	100,816	41,045	59,771
Professional fees	297,785	176,444	121,341
Contractual services	3,608,823	3,270,603	338,220
Depreciation expense	2,143,100	2,268,581	(125,481)
Total expenses	6,473,344	6,008,677	464,667
Operating loss	(3,762,078)	(3,672,192)	(89,886)
Appropriations and other revenues			
Hotel-Motel Occupancy Tax	5,207,226	4,560,634	646,592
Interest income	333,565	260,747	72,818
Other	91	-	91
Total appropriations and other revenue	5,540,882	4,821,381	719,501
Change in net position	1,778,804	1,149,189	629,615
Total net position beginning of year	77,563,281	76,414,092	1,149,189
Total net position end of year	$79,342,085	$77,563,281	$ 1,778,804

Significant Changes to Revenues and Expenses and Appropriations and Other Revenues:

- Fringe benefits were due to an additional employee and the addition of contractual health care coverage. The previous Executive Director retired, and the Authority is obligated to pay for retirement health care for that individual as well.

- Professional legal fee increase was due to an employee transition, an active lawsuit, and legal consultation for potential expansion. There was also an increase in public relations, marketing and community sponsorship for 2024.

- The contractual services increase was primarily due to additional staff for ASM Global/Albany for operating, repairs and maintenance that was due, increases in insurance and utilities.

- Appropriations and other revenues show an increase in 2024 due to higher than budgeted hotel occupancy tax and interest income earned.

<u>Currently Known Facts and Circumstances</u>:

- The Albany County Hotel Motel Occupancy Tax currently resides with the NYS Budget and has been renewed for three years beginning in 2025. There has been a formula change to the legislation to include another entity as part of the distribution of receipts. The new legislation increased the tax from 6% to 6.5% to accommodate the additional entity resulting in the amount of funding received by the ACCA to remain consistent. The expected addition of the short-term rental legislation that has been approved by NYS still needs legislative approval from Albany County will also increase the receipts paid to the ACCA as part of the overall formula.

- The ACCA in 2024 completed a full facility (front of house) upgrade to the flooring and soft surfaces. The result of this investment will enable the facility to maintain its "affordable luxury" brand furthering its efforts to maintain current clients and attract new NYS and Northeast clients to Albany and Albany County.

- The ACCA is currently working on a plan to expand the Albany Capital Center to 126 State Street. In 2024, the authority entered an "option to lease" agreement with Community Initiatives Development Corporation (CIDC) to explore this expansion opportunity. The expansion has been contemplated since 2017 when the facility opened, knowing at that time that the footprint was too small to compete on a larger national scale. This expansion will result in almost 50,000 additional square feet that will include additional meeting rooms, a historic ballroom, and a 10,000 square foot exhibition space to complement the current offerings in the existing facility. The buildings will be connected by a large open space/walkway across Howard Street connecting the meeting rooms and pre-function spaces. The ACCA is currently working on the financing aspects of this project and concurrently going through the pre-development and planning process in partnership with CIDC. Our industry consultant HVS has completed market studies for the ACCA since the authority was established and has provided updates throughout the years. In 2024, we authorized an additional study post pandemic to confirm the market demand and future operating capacity to take on debt payments to support the expansion.

- The Albany Capital Center has won numerous industry awards in 2024. Those awards are a direct reflection of the investment, the maintenance, and the tremendous work by the ASM Global/Albany operating team and their dedication to their trade.

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 3,260,542**	$ 1,788,296
Certificates of deposit	**7,755,750**	7,051,090
Accounts receivable	**795,528**	517,059
Due from County of Albany, New York	**1,668,132**	1,382,476
Prepaid expenses and other	**911,139**	146,680
Total current assets	**14,391,091**	10,885,601
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	**65,903,800**	67,359,898
Total assets	**80,294,891**	78,245,499
DEFERRED OUTFLOWS OF RESOURCES	**76,828**	64,947
Total assets and deferred outflows of resources	**$ 80,371,719**	$ 78,310,446
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	**$ 455,592**	$ 293,666
Deferred revenue	**437,034**	306,652
Accrued wages and employee benefits	**2,136**	13,054
Total current liabilities	**894,762**	613,372
NONCURRENT LIABILITIES		
Net pension liability	**-**	16,137
OPEB obligation	**119,357**	104,986
Total noncurrent liabilities	**119,357**	121,123
Total liabilities	**1,014,119**	734,495
DEFERRED INFLOWS OF RESOURCES	**15,515**	12,670
NET POSITION		
Net investment in capital assets	**65,903,772**	67,359,898
Unrestricted	**13,438,313**	10,203,383
Total net position	**79,342,085**	77,563,281
Total liabilities, deferred inflows of resources and net position	**$ 80,371,719**	$ 78,310,446

See notes to financial statements.

ALBANY CONVENTION CENTER AUTHORITY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended December 31, 2024 and 2023

	2024	2023
Revenues	**$ 2,711,266**	$ 2,336,485
Expenses		
Salaries and wages	**151,242**	136,826
Fringe benefits	**61,883**	4,133
Insurance	**109,695**	111,045
Office and other expense	**100,816**	41,045
Professional fees	**297,785**	176,444
Contractual services (Note 9)	**3,608,823**	3,270,603
Depreciation	**2,143,100**	2,268,581
Total expenses	**6,473,344**	6,008,677
Operating loss before appropriations and other revenues	**(3,762,078)**	(3,672,192)
Appropriations and other revenues		
Hotel-Motel Occupancy Tax	**5,207,226**	4,560,634
Interest income	**333,565**	260,747
Other revenue	**91**	-
Total appropriations and other revenues	**5,540,882**	4,821,381
Change in net position	**1,778,804**	1,149,189
Total net position, beginning of year	**77,563,281**	76,414,092
Total net position, end of year	**$ 79,342,085**	$ 77,563,281

See notes to financial statements.

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	**$ 2,563,179**	$ 2,488,784
Personal service payments	**(234,845)**	(168,311)
Cash payments to vendors, contractors and other professionals	**(4,707,044)**	(3,631,986)
Net cash used in operating activities	**(2,378,710)**	(1,311,513)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from County of Albany	**4,921,570**	4,569,105
Net cash provided by non-capital and related financing activities	**4,921,570**	4,569,105
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	**(699,610)**	(308,986)
Net cash used in capital and related financing activities	**(699,610)**	(308,986)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of certificates of deposit	**(704,660)**	(5,051,090)
Cash received from interest	**333,565**	260,747
Cash received from other revenue	**91**	-
Net cash used in investing activities	**(371,004)**	(4,790,343)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,472,246**	(1,841,737)
CASH AND CASH EQUIVALENTS, Beginning of year	**1,788,296**	3,630,033
CASH AND CASH EQUIVALENTS, End of year	**$ 3,260,542**	$ 1,788,296
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss before appropriations and other revenues (losses)	**$ (3,762,078)**	$ (3,672,192)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	**2,155,708**	2,287,321
Net changes in assets and liabilities:		
Accounts receivable	**(278,469)**	242,593
Prepaid expenses and other	**(764,459)**	(49,696)
Change in deferred outflows, inflows, net pension and OPEB liabilities (assets)	**(10,802)**	(32,869)
Accounts payable and accrued expenses	**161,926**	(1,893)
Deferred revenue	**130,382**	(90,294)
Accrued wages and employee benefits	**(10,918)**	5,517
Net cash used in operating activities	**$ (2,378,710)**	$ (1,311,513)

See notes to financial statements.

NOTE 1 — FINANCIAL REPORTING ENTITY

The Albany Convention Center Authority (Authority) is a Public Benefit Corporation created by the State of New York (State) Legislature in 2004 to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage and maintain a convention center facility (Project) to be located in the City of Albany, New York (City). Operations began with the creation of the Authority's Board in February 2006. The Authority's Board consists of nine members: three members appointed by the Governor of the State, one member each appointed by the Temporary President of the State Senate and the Speaker of the State Assembly, respectively, two members appointed by the Mayor of the City of Albany with the advice and consent of the City's Common Council, and two members appointed by the County of Albany, New York (County) Executive with the consent and advice of the County Legislature.

The Authority meets the criteria set forth in generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the State of New York's basic financial statements based on the State's responsibility for the appointment of a majority of the Authority members, and their approval of certain debt issuances. As a component unit, the Authority's financial statements may be discretely presented in the State of New York's basic financial statements. The accompanying financial statements present the financial position and the changes in net position and cash flows of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

The Authority constructed a convention center (Capital Center) at a cost of approximately $78.8 million primarily funded through the New York State Office of General Services (OGS). The Capital Center opened for operations in March 2017.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of GASB Statement No. 20, as amended, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority has elected not to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

The more significant accounting policies are described below:

Basis of Accounting

The Authority's activities are accounted for similar to those often found in the private sector, using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with an original maturity of three months or less when purchased. These deposits are fully collateralized by federal deposit insurance or secured under a collateral pledge and control agreement.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

The Authority manages its investments pursuant to Section 98(a) of the State Finance Law. Permitted investments are defined as obligations in which the State Comptroller may invest which include obligations of the United States and its Federal agencies, collateralized time deposits, commercial paper, bankers acceptances and repurchase agreements.

Certificates of Deposit

Certificates of Deposit include investments in a CD Option account (formerly known as CDARS) which consist of certificates of deposit with original terms over three months when purchased. These investments are held until maturity and carried at amortized cost. The Authority's certificates of deposit bear interest at rates ranging from 3.78% to 4.50% with original terms ranging from 26 to 52 weeks. The certificates of deposit are fully collateralized by federal deposit insurance.

Due from the County of Albany, New York

During 2006, enabling legislation authorized a portion of Hotel-Motel Occupancy Tax (HOT) revenue collected and remitted to the treasury of the County of Albany be set aside for use by the Authority (Note 5). The HOT revenue is recognized when earned based on management's estimates using budgeted and historical collection data adjusted each quarter based on actual amounts collected and deposited into an account designated by the Authority. Due from County of Albany, New York consists of the Authority's estimated share of hotel taxes collected on behalf of the Authority.

Income Taxes

The Authority is a public benefit corporation of the State of New York. As such, income earned in the exercise of its essential government functions is exempt from state and federal income taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reporting of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

Pension

The Authority accounts for pensions in accordance with GASB 68, Accounting and Financial Reporting for Pensions (GASB 68). This statement addresses accounting and financial reporting for pensions provided to Authority employees that are administered by the New York State and Local Employees' Retirement System. This statement also requires various note disclosures and required supplementary information. However, due to the overall immaterial impact of this pension accounting on the statements of revenues, expenses, and changes in net position such note disclosures and required supplementary information have not been included.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits (OPEB)

The Authority provides health insurance for certain qualifying retirees. The Authority uses GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) to recognize the total OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense, and information about and changes in the total OPEB liability.

New Accounting Pronouncements

Effective for the year ended December 31, 2024, the Authority implemented GASB Statement No. 101, *"Compensated Absences,"* which clarifies the recognition, measurement, and financial reporting requirements for compensated absences. This statement establishes a uniform methodology for recognizing liabilities related to leave benefits earned but not yet taken. Upon evaluation, the implementation of GASB 101 did not have a material impact on the Authority's financial statements or related disclosures. The Authority's existing policies and practices were consistent with the principles outlined in GASB 101.

NOTE 3 — CASH AND CASH EQUIVALENTS

The Authority's cash and cash equivalents are categorized in accordance with criteria established by the GASB to give an indication of the level of risk assumed. Cash and cash equivalents as of December 31, are reflected below.

	2024		2023	
	Carrying Value	Bank Balance	Carrying Value	Bank Balance
Cash and cash equivalents	$3,260,542	$3,276,803	$1,788,296	$1,856,360
	$3,260,542	$3,276,803	$1,788,296	$1,856,360

The cash and cash equivalents were covered by FDIC insurance or otherwise collaterally secured at December 31, 2024.

NOTE 4 — HOTEL-MOTEL OCCUPANCY TAX

During 2006, legislation was amended which authorizes the County of Albany to impose and collect taxes from occupants of hotel-motel rooms in the County. Among other amendments, this legislation authorized a portion of hotel and motel occupancy taxes collected and remitted to the treasury of the County be deposited into a fund held separate and for the benefit of the Authority. Funds in excess of expenses and outstanding applications for withdrawals submitted by the Authority may be invested in accordance with certain provisions of law. Investment income earned is retained by the fund and made available to the Authority along with all other moneys of the fund. The County transfers money to the Authority's operating account on a quarterly basis which is to be used by the Authority for the convention center. This tax was originally subject to a sunset provision and ended in December 2008. This tax was re-enacted during 2009 with the tax imposed for the period from November 1, 2009 through December 31, 2010. The provisions of the legislation have been further extended through December 31, 2024. As of March 1, 2017, upon substantial completion of the Albany Capital Center, the Authority's share of the Hotel-Motel Occupancy Tax increased from 1% to 3%. The Hotel-Motel Occupancy Tax revenues for the years ended December 31, 2024 and 2023 were $5,207,226 and $4,560,634, respectively, and $1,668,132 and $1,382,476 of these revenues were due from the County of Albany, New York at December 31, 2024 and 2023, respectively.

NOTE 5 — CAPITAL ASSETS

The following schedule summarizes the capital assets of the Authority and related changes for the years ended December 31, 2024 and 2023:

	January 1, 2024	Additions	Deletions	Transfers	December 31, 2024
Land	$ 4,070,381	$ -	$ -	$ -	$ 4,070,381
Construction in progress	115,553	18,029	-	(133,582)	-
Building and building improvements	76,123,997	641,598	-	132,332	76,897,927
Furniture, equipment and other	2,480,644	40,085	(23,123)	1,250	2,498,856
Total	82,790,575	699,712	(23,123)	-	83,467,164
Less: accumulated depreciation	(15,430,677)	(2,155,708)	23,021	-	(17,563,364)
Capital assets, net	$ 67,359,898	$ (1,455,996)	$ (102)	$ -	$ 65,903,800

	January 1, 2023	Additions	Deletions	Transfers	December 31, 2023
Land	$ 4,070,381	$ -	$ -	$ -	$ 4,070,381
Construction in progress	33,300	82,253	-	-	115,553
Building and building improvements	76,100,093	23,904	-	-	76,123,997
Furniture, equipment and other	2,277,815	202,829	-	-	2,480,644
Total	82,481,589	308,986	-	-	82,790,575
Less: accumulated depreciation	(13,143,356)	(2,287,321)	-	-	(15,430,677)
Capital assets, net	$ 69,338,233	$ (1,978,335)	$ -	$ -	$ 67,359,898

Building and building improvements, furniture, equipment and other assets are capitalized and depreciated over a period consistent with the underlying estimated useful life when placed in service. Depreciation expense related to building and building improvements, furniture, equipment and other assets was approximately $2,155,700 and $2,287,300 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 — RETIREMENT BENEFITS

One employee of the Authority participates in the New York State and Local Employees' Retirement System ("System" or "ERS").

The System is a cost-sharing multiple-employer defined benefit plan administered by the State Comptroller. Plan benefits, including retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors. The System issues a financial report that includes financial statements and other information for the System which is available to the public. The financial report may be obtained from the New York State and Local Employees' Retirement System at www.osc.state.ny.us/retire.

NOTE 6 — RETIREMENT BENEFITS (Continued)

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Authority to the pension accumulation fund. The rate was 12.9% and 18.0% for the Authority's active employee for 2024 and 2023, respectively. Employee contributions are deducted from their salaries and remitted on a current basis to the System.

The Authority recognized net pension expense of approximately $11,700 and $18,100 for the years ended December 31, 2024 and 2023, respectively which is included in fringe benefits in the statements of revenue, expenses and changes in net position.

At December 31, 2024 and 2023 the Authority reported deferred outflows of resources, deferred inflows of resources, and liabilities for its proportionate share of the ERS deferred outflows of resources, deferred inflows of resources, and net pension liability, respectively. The ERS net pension liability is measured as of March 31 each year, and the total pension liabilities were determined by an actuarial valuation as of April 1, 2023 and 2022, with updated procedures used to roll forward the total pension liability to March 31, 2024 and 2023, respectively. The Authority's proportion was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for each fiscal year ended on the measurement date. At the March 31, 2024 and 2023 measurement date, the Authority's proportion was 0.0000000% and 0.0000753%, respectively.

The Authority has reported additional deferred outflows of resource as of December 31, 2024 and 2023 for employer contributions made subsequent to the measurement dates.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS

The Authority provides certain health care benefits for retired employees and their covered dependents.

Plan Description and Funding Policy

The Authority administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for qualifying retirees and their covered dependents and can be amended by action of the Authority. The Plan does not currently issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The Authority pays the full cost of eligible retiree health insurance. The Authority currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by the Authority.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At both January 1, 2024 and January 1, 2023, the actuarial valuation dates, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	1
	2

Total OPEB Liability

At December 31, 2024 and 2023, the Authority reported a liability of $119,357 and $104,986, respectively. The total OPEB liability as of December 31, 2024 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024. The total OPEB liability as of December 31, 2023 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate used in December 31, 2024 measurement – 4.00%
Discount rate used in December 31, 2023 measurement – 3.25%
Healthcare cost trend rates – 6.21% for 2024 (decreasing to an ultimate rate of 4.30% by 2062)

The discount rate was based on the Bond Buyer 20-Bond General Obligation Bond Index.

Mortality rates were based on the Pri.H-2012 No Collar Mortality Table with generational improvements using Scale MP-2021.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at December 31, 2022	$ 102,413
Changes for the year:	
Service cost	-
Interest	3,328
Changes of benefit terms	-
Differences between expected and actual experience	(6,230)
Changes of assumptions or other inputs	5,475
Benefit payments	-
Net changes	2,573
Balance at December 31, 2023	$ 104,986
Changes for the year:	
Service cost	-
Interest	3,330
Changes of benefit terms	-
Differences between expected and actual experience	25,285
Changes of assumptions or other inputs	(10,050)
Benefit payments	(4,194)
Net changes	14,371
Balance at December 31, 2024	$ 119,357

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1.0% Decrease	Discount Rate	1.0% Increase
Total OPEB Liability	$ 133,059	$ 119,357	$ 107,794

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1.0% Decrease	Trend Rate	1.0% Increase
Total OPEB Liability	$ 107,472	$ 119,357	$ 133,272

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and December 31, 2023, the Authority recognized OPEB expense (benefit) of $6,772 and $(31,698), respectively. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,319	$ -
Changes of assumptions or other inputs	-	7,281
Total	$ 18,319	$ 7,281

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,230
Changes of assumptions or other inputs	5,475	-
Total	$ 5,475	$ 6,230

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31	Amount
2025	$ 4,197
2026	4,197
2027	2,644
	$ 11,038

NOTE 8 — LINE OF CREDIT

The Authority has available a revolving demand line of credit totaling $250,000 with a bank. Borrowings under the line bear interest at Prime Rate plus 2.0%, adjusted annually (9.5% at December 31, 2024). Interest on outstanding borrowings is due monthly. There were no borrowings outstanding at December 31, 2024 and 2023.

NOTE 9 — FACILITY OPERATOR AGREEMENTS

The management, operations and marketing of the Albany Capital Center is facilitated through a Management Agreement with ASM Global. The initial agreement expired December 31, 2020. In July 2020, the Authority executed an amended and restated management agreement, extending the term through December 31, 2023. The agreement was further amended in April 2022, extending the term through December 31, 2025.

As part of this agreement ASM Global is responsible for the financial activity of the Albany Capital Center. ASM Global manages all revenues collected by the Albany Capital Center from facility rental; food and beverage sales; parking lot operations and other ancillary income. In turn, ASM Global incurs expenses associated with operating the facility (i.e., salaries of permanent and temporary staff who orchestrate events and handle administrative functions; utility expenses; the promotion and advertising of the Albany Capital Center; and general facility maintenance and repairs). Financial activity of the Albany Capital Center is reviewed by management.

During the years ended December 31, revenues from the Albany Capital Center are as follows:

	2024	2023
Direct event income		
Rental	$ 682,658	$ 623,686
Service	292,987	237,005
Ancillary income		
Food and beverage catering	1,126,412	942,753
Parking	147,940	125,274
Electrical	51,078	46,370
Audio visual and other	252,162	214,955
Other operating income		
Advertising	85,274	78,381
Other	72,755	68,061
Total revenues	$2,711,266	$2,336,485

NOTE 9 — FACILITY OPERATOR AGREEMENTS (Continued)

During the years ended December 31, contractual services expenses from the Albany Capital Center are as follows:

	2024	2023
Service	$ 863,735	$ 693,052
Salaries and wages	1,178,697	1,143,979
Payroll taxes and benefits	331,124	325,442
General and administrative	300,820	281,780
Operating	92,406	74,569
Repairs and maintenance	283,740	262,340
Insurance	61,521	44,562
Utilities	260,480	254,250
Depreciation	12,608	18,740
Management fee	223,692	171,889
Total expenses	$ 3,608,823	$ 3,270,603

As base compensation to ASM Global for providing services, the Authority pays ASM Global an annual fixed fee, and has since 2021, adjusted annually for changes in the CPI-U through December 31, 2025.

ASM Global is also entitled to annual quantitative and qualitative incentive fees, as defined, with respect to each fiscal year. The incentive fee under the initial term of the agreement shall not exceed 50% of the aggregate compensation of fixed fee and incentive fee in any given fiscal year and shall be calculated as follows:

(A) Quantitative incentive fee: not to exceed 70% of the annual fixed fee, equal to 25% of the amount by which the actual operating revenues exceed the revenue benchmark; provided, however, such eligibility is contingent upon ASM Global operating within the approved budget.

(B) Qualitative incentive fee: an amount equal to 30% of annual fixed fee, eligible upon meeting the criteria defined in the Management Agreement.

Beginning in 2021, The incentive fee under the amended and restated management agreement shall not exceed 250% of the fixed fee, and total compensation (aggregate of the fixed fee and incentive fee) shall not exceed 5% of operating revenues and shall be calculated as follows:

(A) Performance/Productivity incentive fee: not to exceed 200% of the annual fixed fee, equal to 20% of fixed fee if operating revenues exceed the operating revenues from the immediately preceding fiscal year; provided, however, such eligibility is contingent upon ASM Global operating within the approved budget; and 20% of the fixed fee if annual attendance was between 100,000 and 150,000, or 45% of the fixed fee if annual attendance was over 150,000; and 20% of the fixed fee if annual event days were between 300 and 320, or 45% of the fixed fee if annual event days were in excess of 320; and 20% of the fixed fee if annual events were between 200 and 220, or 45% of the fixed fee if annual events were in excess of 220; and 20% of the fixed fee if annual hotel room nights generated were between 30,000 and 35,000, or 45% of the fixed fee if annual hotel nights generated were in excess of 35,000.

NOTE 9 — FACILITY OPERATOR AGREEMENTS (Continued)

(B) Qualitative incentive fee: an amount not to exceed 50% of annual fixed fee, eligible upon meeting the criteria defined in the Management Agreement.

The incentive fees earned for the years ended December 31, 2024 and 2023 were $119,649 and $71,056, respectively.

In accordance with the terms of the Management Agreement, the Authority is required to provide the operator certain operating funds sufficient to meet operating expenses. During 2024 and 2023, the Authority provided ASM Global with $489,120 and 882,247, respectively, to meet operating expenses.

NOTE 10 — SHUTTERED VENUE OPERATORS GRANT

In July 2021, the Authority received a Shuttered Venue Operators Grant ("SVOG") from the Small Business Administration ("SBA") in the amount of $627,703. The grant covered certain eligible operating expenses during the period from March 2020 through July 2022. The Authority applied the grant to costs incurred during the year ended December 31, 2021 and the entire $627,703 was included in grant revenue for the year ended December 31, 2021.

According to the rules of the SBA, the Authority is required to retain the SVOG documentation related to employment records for four years and all other records documenting compliance and eligibility for three years following the receipt of funds, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Authority's judgments pertaining to satisfying SVOG compliance or eligibility, the Authority may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

In September 2024, the Authority entered into an option to lease agreement with CIDC Albany Center, LLC for property that will be utilized for expansion and improvements of the Albany Capital Center. The payments required under this option are primarily being used by the Optionor for pre-construction planning, design, and engineering costs for the project. As part of this agreement, an initial installment payment of $500,000 was made in October 2024 with additional monthly installment payments of $316,667 required at the beginning of each month from January 1, 2025, through June 30, 2025 for a total of $2,400,000. As of December 31, 2024, total payments of $816,667 have been made under this agreement and are included in prepaid and other assets on the statement of net position. The option allows the Authority and Optionor to negotiate a mutually acceptable lease agreement for execution by June 30, 2025. If the option is exercised, it is expected that the Optionor will construct the facility for the project to be completed by December 31, 2026.

NOTE 12 — RISKS AND UNCERTAINTIES

From time to time, the Authority may be involved in legal proceedings and litigation arising in the normal course of business. In the opinion of management, the outcome of any outstanding proceedings and litigation will not materially affect the financial position, results of operations and cash flows of the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

ALBANY CONVENTION CENTER AUTHORITY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY

Year Ended December 31, 2024

	2024	2023	2022	2021	2020
Service cost	$ -	$ -	$ 3,929	$ 5,983	$ 33,637
Interest	3,330	3,328	4,967	13,209	12,406
Changes of benefit terms	-	-	-	-	(1,486)
Differences between expected and actual experience	25,285	(6,230)	(11,977)	(545,885)	(29,155)
Change of assumptions or other inputs	(10,050)	5,475	(23,049)	788	50,915
Benefit payments	(4,194)	-	-	-	-
Net change in total OPEB liability	14,371	2,573	(26,130)	(525,905)	67,803
Total OPEB liability - beginning	104,986	102,413	128,543	654,448	586,645
Total OPEB liability - ending	$ 119,357	$ 104,986	$ 102,413	$ 128,543	$ 654,448

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board
Albany Convention Center Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Controller General of the United States, the financial statements of the Albany Convention Center Authority (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Albany, New York
March 28, 2025

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APPENDIX B-2

FINANCIAL STATEMENTS OF THE COUNTY OF ALBANY
ENDING DECEMBER 31, 2023

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County of Albany, New York

Financial Report
December 31, 2023

County of Albany, New York

Financial Report
December 31, 2023

Contents

BST

Independent Auditor's Report

County Executive and Members
of the County Legislature
County of Albany, New York
Albany, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albany, New York (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Albany County Airport Authority, the Albany County Industrial Development Agency, and the Albany County Land Bank Corporation, which are shown as discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except that the financial statements of the Shaker Place Rehabilitation & Nursing Center, a major enterprise fund, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The financial statements of the Shaker Place Rehabilitation & Nursing Center, a major enterprise fund, were not audited in accordance with *Government Auditing Standards*.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements of the discretely presented component units. The information has been subjected to the auditing procedures applied by the other auditors in their audits of the financial statements of the discretely presented component units. In our opinion, based on the reports of the other auditors, the supplementary information listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
September 27, 2024

This section of the County of Albany, New York's (County) annual financial report presents its discussion and analysis of financial performance during the year ended December 31, 2023. Please read it in conjunction with the financial statements.

Financial Highlights

- The County's total net position increased by $69,189,093.
- At December 31, 2023, liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources by $141,285,365 (net position).
- Governmental activities revenues increased by approximately 4.6%, primarily as a result of investment earnings and operating grants. Revenues from business-type activities increased by 18.9%, primarily as a result of increases in charges for services and investment earnings.
- Governmental activities expenses increased 8.9% in comparison to the previous year. Business-type activities expenses increased 11.6% primarily as a result of increased employee benefit costs.
- Unassigned fund balance for the General Fund was $122,513,207 at December 31, 2023. The unreserved fund balance was approximately 17.4% of total General Fund revenue.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the financial statements, and required supplementary information. The financial statements include two types of statements that present different views of the County:

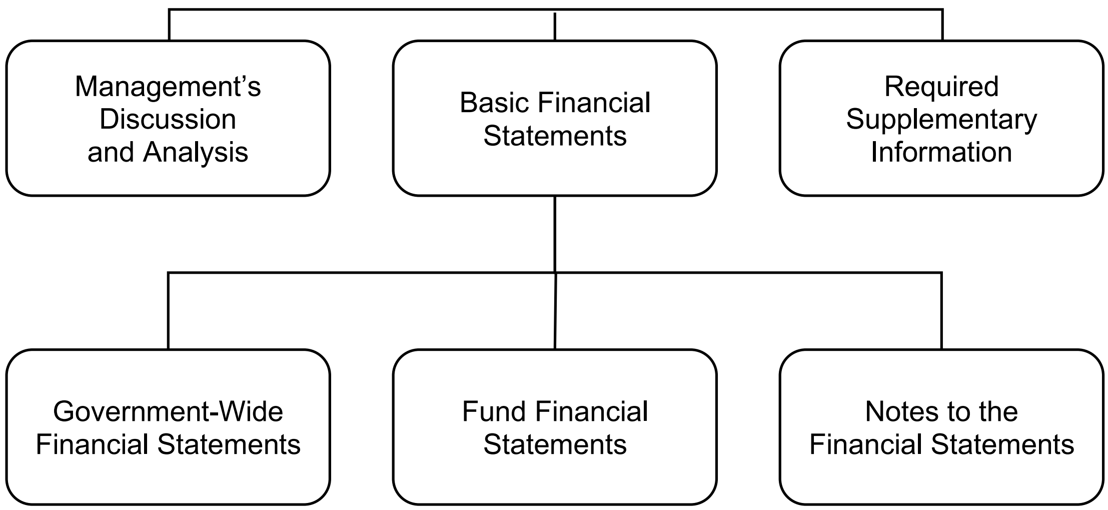
- The first of the statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County, reporting the operations in *more detail* than the entity-wide statements.
  - The *governmental fund statements* tell how *general government services*, such as public safety, were financed in the *short-term* as well as what remains for future spending.
  - The *proprietary fund statements* offer *short-* and *long-term* financial information about the activities that the County operates *like businesses*, such as utility systems, an enterprise recreation civic center and a rehabilitation and nursing center.
  - The *fiduciary fund statements* provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that is designed to enhance the reader's understanding of the financial condition of the County.

Overview of the Financial Statements (Continued)

Table A-1 shows how the various parts of this annual report are arranged and related to one another.

Table A-1: Organization of the County's Annual Financial Report



Overview of the Financial Statements (Continued)

Table A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

Table A-2: Major Features of the Entity-Wide and Fund Financial Statements

		Fund Financial Statements		
	Government-Wide Statements	**Governmental**	**Proprietary**	**Fiduciary**
Scope	Entire entity and component units (except fiduciary funds)	The day-to-day operating activities of the County, such as police, fire, and parks	The activities of the County, such as utility systems, parking facilities, and nursing centers	Instances in which the County administers resources on behalf of others
Required Financial Statements	• Statement of Net Position (Deficit) • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position (Deficit) • Statement of Revenues, Expenses, and Changes in Net Position (Deficit) • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus, except agency funds do not have measurement focus
Type of Balance Information	All assets, deferred outflows of resources, liabilities, deferred inflows of resources, both financial and capital short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; deferred inflows of resources; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, deferred inflows of resources, both financial and capital short-term and long-term	All resources held in a trustee or agency capacity for others
Type of Inflow and Outflow Information	All inflows and outflows during year, regardless of when cash is received or paid	Near-term inflows and outflows of spendable resources	All inflows and outflows during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources currently required to be disclosed under accounting principles generally accepted in the United States of America (U.S. GAAP). All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the County's net position and how it has changed. Net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial health or position of the County.

- Over time, increases or decreases in net position are indicators of whether the financial position is improving or deteriorating, respectively.

- For an assessment of the overall health of the County, additional non-financial factors, such as changes in the County's property tax base and the condition of roads, buildings, and other facilities, should be considered.

The government-wide financial statements are divided into three categories:

- <u>Governmental activities:</u> Most services, such as public safety, health and social services, and general administration, are included in this category. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.

- <u>Business-type activities:</u> Fees are charged to customers to help cover the costs of certain services, such as health facility, recreation, and sewer.

- <u>Component units:</u> Although legally separate, component units are important because the County is financially accountable for these entities. The County's three component units, the Albany County Airport Authority, the Albany County Industrial Development Agency, and the Albany County Land Bank Corporation, are aggregated and reported in a separate column to emphasize that they are legally separate from the County.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources.

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

Government-wide statements are reported utilizing an economic resources measurement focus and a full accrual basis of accounting that involves the following steps to format the statement of net position (deficit):

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenues and expenses using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - Net investment in capital assets: Net position invested in capital assets, net of related debt;
  - Restricted net position: Net position with constraints placed on its use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
  - Unrestricted net position: Net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific revenue sources and spending on particular programs.

The County has three types of funds:

- Governmental funds: Most of the services are included in governmental funds, which generally focus on: (1) how *cash and other financial assets* can be readily converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the County. The governmental fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. Because this information does not encompass the additional long-term focus of the government-wide statements, a separate reconciliation provides additional information that explains the relationship (or differences) between them. The major governmental funds consist of the General Fund, Debt Service Fund, Miscellaneous Special Revenue Fund, and Capital Project Funds. The nonmajor governmental funds consist of the Special Grant Fund, County Road Fund and County Machinery Funds. Required statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances.

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

- Proprietary funds: The proprietary funds generally report services for which customers are charged a fee. Like government-wide statements, proprietary funds provide both long-term and short-term financial information. The enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The County uses internal service funds (the other type of proprietary fund) to report activities that provide services to its other programs and activities. The County currently has one internal service fund, which is used to account for the County's risk management activities. Required statements are the statement of net position (deficit), the statement of revenues, expenses, and changes in net position (deficit), and the statement of cash flows.

- Fiduciary funds: The County is the *trustee* or *fiduciary* for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. Required statements are the statement of fiduciary net position and the statement of changes in fiduciary net position.

Financial Analysis of the County as a Whole

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed government-wide statement of net position (deficit):

Table A- 3: Condensed Statement of Net Position (Deficit) (in millions)

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	
Current assets	$ 524.4	$ 503.0	$ 56.2	$ 53.6	$ 580.6	$ 556.6	4 %
Noncurrent assets	257.0	277.7	151.4	162.3	408.4	440.0	(7)%
Total assets	781.4	780.7	207.6	215.9	989.0	996.6	(1)%
Deferred outflows of resources	127.7	147.3	23.7	22.5	151.4	169.8	(11)%
Current liabilities	268.5	261.1	29.7	29.8	298.2	290.9	3 %
Long-term liabilities	542.4	470.8	172.6	167.0	715.0	637.8	12 %
Total liabilities	810.9	731.9	202.3	196.8	1,013.2	928.7	9 %
Deferred inflows of resources	218.1	376.3	50.4	71.9	268.5	448	100 %
Net position (deficit)							
Net investment in capital assets	69.8	70.7	31.3	28.3	101.1	99.0	2 %
Restricted	50.1	84.2	8.1	7.8	58.2	92.0	(37)%
Unrestricted	(239.8)	(335.1)	(60.8)	(66.4)	(300.6)	(401.5)	(25)%
Total net position (deficit)	**$ (119.9)**	**$ (180.2)**	**$ (21.4)**	**$ (30.3)**	**$ (141.3)**	**$ (210.5)**	

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Deficit)

The County's 2023 revenues totaled $662.7 million (see Table A-4). This excludes the $143.5 million of sales tax revenue that is received and passed through to other localities but is required to be recorded as revenue in the statement of activities. Taxes and operating grants accounted for most of the County's revenue by contributing 59.5% and 21.3%, respectively, of every dollar raised (see Table A-5). The remainder came from charges for services, investment earnings and other miscellaneous sources.

The total cost of all programs and services totaled $593.6 million for the year ended December 31, 2023. This also excludes the $143.5 million of sales tax revenue distributed to other localities but is required to be recorded as an expenditure in the statement of activities.

Net position (deficit) increased by $69.1 million during 2023.

Table A-4: Changes in Net Position (Deficit) (in millions)

	Year Ended December 31, 2023		
	Governmental Activities	Business-Type Activities	Total
REVENUES			
Program revenues			
Charges for services	$ 47.3	$ 61.5	$ 108.8
Operating grants	171.8	0.0	171.8
General revenues			
Property taxes	98.9	0.0	98.9
Other taxes	380.9	0.0	380.9
Investment earnings	16.4	0.9	17.3
Other	19.1	9.4	28.5
Total revenues	734.4	71.8	806.2
EXPENSES			
General government support	225.0	0.0	225.0
Education	36.1	0.0	36.1
Public safety	111.6	0.0	111.6
Health	45.7	0.0	45.7
Transportation	36.3	0.0	36.3
Economic assistance and opportunity	198.3	0.0	198.3
Culture and recreation	0.7	0.0	0.7
Home and community service	5.1	0.0	5.1
Interest and fiscal changes on debt	6.0	0.0	6.0
Business-type activities			
Shaker Place Rehabilitation & Nursing Center	0.0	45.1	45.1
Enterprise Recreation Civic Center	0.0	11.9	11.9
Sewer District	0.0	15.3	15.3
Total expenses	664.8	72.3	737.1
TRANSFERS	(9.3)	9.3	0.0
Change in net position (deficit)	**$ 60.3**	**$ 8.8**	**$ 69.1**

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Deficit) (Continued)

Table A-5: Sources of Revenues for the Year 2023

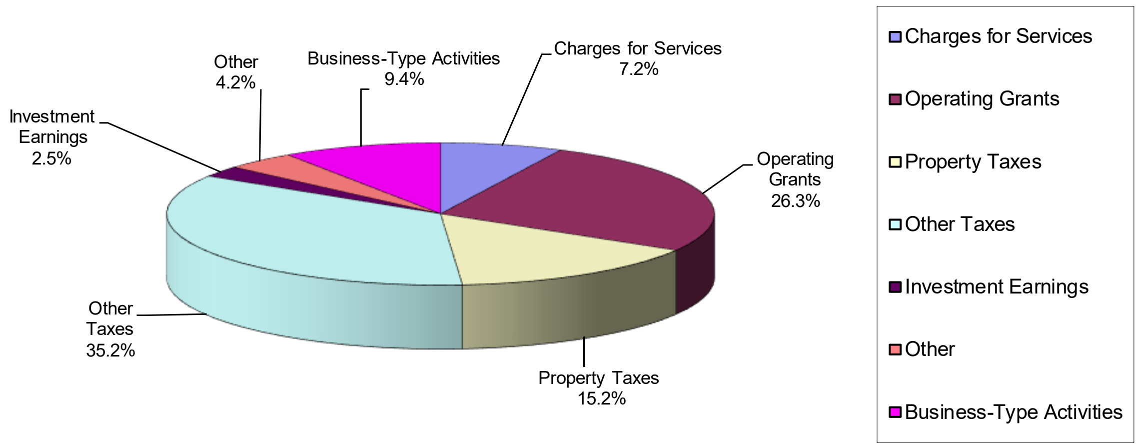
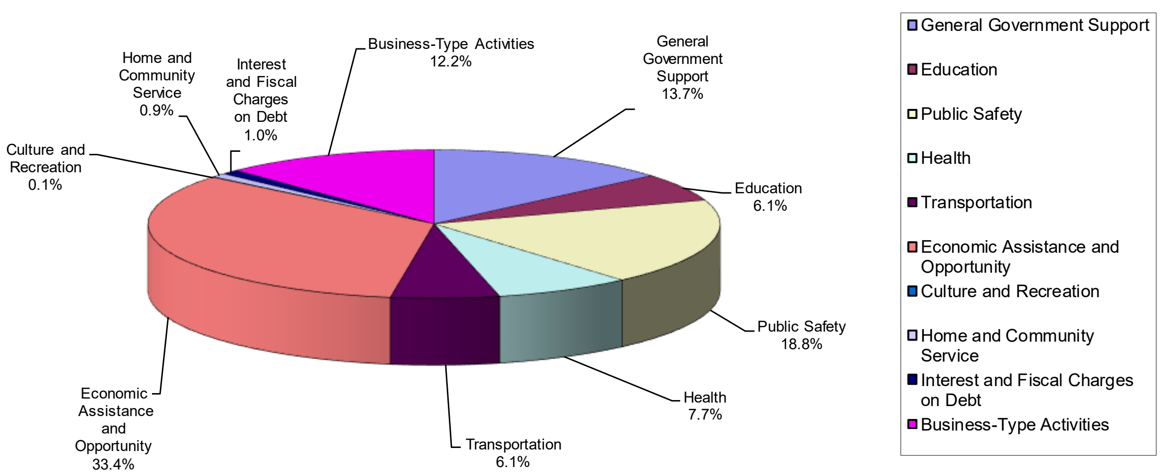


Table A-6: Expenses for the Year 2023



Governmental Activities

Revenues for the County's governmental activities totaled $734.4 million, while total expenses equaled $664.8 million. During the year 2023, the County's net transfer from governmental activities to support its business-type activities amounted to $9.3 million. Therefore, the increase in net position for governmental activities was $60.3 million. The continuation of the County's stable financial condition can be credited to:

- Continued leadership of the County Executive and the County Legislature;
- Approval of the County's proposed annual budget; and
- A secure tax base.

Financial Analysis of the County as a Whole (Continued)

Governmental Activities (Continued)

Table A-7 presents the cost of nine major County governmental activities: general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community service, and interest and fiscal charges on debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the County's taxpayers by each of these functions.

Table A-7: Net Cost of Governmental Activities (in millions)

Category	Total Cost 2023	Net Cost (Surplus) 2023
General government support	$ 225.0	$ 195.7
Education	36.1	23.4
Public safety	111.6	76.2
Health	45.7	15.1
Transportation	36.3	27.3
Economic assistance and opportunity	198.3	98.1
Culture and recreation	0.7	(0.4)
Home and community service	5.1	4.3
Interest and fiscal charges on debt	6.0	6.0
Total	**$ 664.8**	**$ 445.7**

- The cost of all governmental activities this year was $664.8 million (includes the distribution of sales tax);
- The users of the County's programs ($47.3 million) financed some of the cost;
- Federal and state governments subsidized certain programs with grants and contributions ($171.8 million); and
- Most of the County's net costs ($445.7 million) were financed by taxes and other miscellaneous revenue (includes the distribution of sales tax).

Business-Type Activities

Revenues for the County's business-type activities totaled approximately $71.8 million, while total expenses equaled $72.3 million. During the year 2023, the County's net transfer from governmental activities to support its business-type activities amounted to approximately $9.3 million. Therefore, there was an increase of $8.8 million in net position (deficit) for business-type activities in 2023.

Financial Analysis of the County as a Whole (Continued)

Business-Type Activities (Continued)

The continuation of the stable financial condition of the County's business-type activities can be attributed to:

- Continued leadership of the County Executive and the County Legislature;
- Approval of the County's proposed annual budget; and
- Increases in rates and fees.

Table A-8 presents the cost of major County business-type activities: rehabilitation and nursing center, enterprise recreation civic center, and sewer. The table also shows each activity's net cost (surplus) (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost, when reflected, shows the financial burden placed on the County's taxpayers by each of these functions.

Table A-8: Net Cost of Business-Type Activities (in millions)

Category	Total Cost 2023	Net Cost 2023
Shaker Place Rehabilitation & Nursing Center	$ 45.1	$ 7.3
Enterprise Recreation Civic Center	11.9	3.2
Sewer District	15.3	0.2
Total	**$ 72.3**	**$ 10.7**

- The cost of all business-type activities this year was $72.3 million;
- The users of the County's programs ($61.5 million) financed a majority of the cost; and
- The County's net cost was $10.7 million.

Budgetary Highlights

Over the course of the year, the County Legislature and County Executive revised the budget several times. These budget amendments fall into two categories:

- Changes made to account for significant events; and
- Increases in appropriations to prevent budget overruns.

Capital Assets

At December 31, 2023, the County had invested $408.0 million in a broad range of capital assets, including land, infrastructure, buildings and building improvements, and equipment, which includes vehicles and motor equipment. The County continues to invest in its infrastructure, buildings, and equipment. Significant ongoing capital projects within the County's business-type activities were advanced during 2023.

Budgetary Highlights (Continued)

Debt Administration

At year-end, the County had $280.6 million in general obligation and other long-term debt outstanding. More detailed information about the County's long-term liabilities is presented in Note 7 to the financial statements.

Table A-9: Outstanding Long-Term Debt (in millions)

	Governmental Activities	Business-Type Activities	Total
Bonds payable	$ 159.2	$ 121.4	$ 280.6
Compensated absences	14.1	0.3	14.4
Lease liability	0.8	0.0	0.8
Subscription-based IT arrangement liabilities	0.5	0.0	0.5
Net pension liability	97.8	15.2	113.0
OPEB liability	297.1	47.8	344.9
Total	**$ 569.5**	**$ 184.7**	**$ 754.2**

Factors Bearing on the Future of the County and Next Year's Budgets

New York State has burdened counties with the expenditure of significant amounts of local resources for unfunded mandates. The growth of these programs has placed strain on county budgets for New York State counties. The New York State-run Medical Assistance Program has caused significant local cost increases in recent years. The County has little control over these expenditures, and the program will continue to put financial stress on local finances. The County is also faced with significant costs in its retirement contribution to the New York State Retirement System and increases in other employee fringe benefits.

Contacting the County's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the County and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Albany County
Attn: Executive Deputy Comptroller
112 State Street, Room 1030
Albany, New York 12207
(518) 447-7130

County of Albany, New York

Government-Wide Financial Statements
Statement of Net Position (Deficit)

	December 31, 2023			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	$ 98,715,333	$ 21,422,544	$ 120,137,877	$ 50,861,130
Cash and cash equivalents, restricted	28,835,132	3,176,369	32,011,501	28,451,775
Investments	73,348,593	3,140,131	76,488,724	-
Investments, restricted	97,894,597	17,963,089	115,857,686	-
Custodial accounts	-	432,931	432,931	-
Taxes receivable, net	90,013,499	-	90,013,499	-
Other receivables	20,933,208	12,282,747	33,215,955	4,652,597
Other receivables, restricted	-	-	-	10,679,485
State and federal receivables	97,874,911	6,681,417	104,556,328	-
Internal balances	11,365,866	(11,365,866)	-	-
Due from Custodial Fund	44,532	-	44,532	-
Due from other governments	2,132,830	-	2,132,830	-
Inventory	167,394	157,342	324,736	-
Prepaid and other	3,091,843	1,038,665	4,130,508	1,039,395
Lease receivable	-	828,736	828,736	2,722,345
Workers' compensation reserve	-	515,715	515,715	-
Total current assets	524,417,738	56,273,820	580,691,558	98,406,727
NONCURRENT ASSETS				
Prepaid expenses	-	-	-	178,797
Property held for resale	-	-	-	1,590,788
Lease receivable	-	325,212	325,212	16,969,066
Capital assets, net	257,074,314	150,952,413	408,026,727	275,882,269
Total noncurrent assets	257,074,314	151,277,625	408,351,939	294,620,920
Total assets	781,492,052	207,551,445	989,043,497	393,027,647
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	70,810,410	10,981,944	81,792,354	1,063,610
OPEB	54,701,712	12,771,415	67,473,127	906,998
Deferred loss on refunding	2,257,473	-	2,257,473	638,650
Total deferred outflows of resources	127,769,595	23,753,359	151,522,954	2,609,258

See accompanying Notes to Financial Statements.

County of Albany, New York

Government-Wide Financial Statements
Statement of Net Position (Deficit) (Continued)

	December 31, 2023			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	$ 67,040,296	$ 5,433,785	$ 72,474,081	$ 4,482,688
Accrued liabilities	33,512,704	3,788,512	37,301,216	12,925,402
Claims payable	232,165	331,293	563,458	-
Custodial accounts	-	312,764	312,764	-
Payable from restricted assets	-	-	-	16,275,794
Due to other governments	66,846,258	-	66,846,258	-
Deposits	8,576,455	-	8,576,455	-
Due to others, net	-	623,233	623,233	-
Current maturities of bonds payable	25,128,667	12,067,551	37,196,218	-
Current portion of compensated absences	1,412,865	31,294	1,444,159	-
Current portion of subscription-based IT arrangement liabilities	440,954	-	440,954	-
Current portion of lease liability	145,899	-	145,899	165,078
Unearned revenue	63,399,997	7,123,652	70,523,649	-
Accrued interest	1,789,707	-	1,789,707	-
Total current liabilities	268,525,967	29,712,084	298,238,051	33,848,962
NONCURRENT LIABILITIES				
Bonds payable, less current maturities	134,068,268	109,382,731	243,450,999	51,326,412
Compensated absences, less current portion	12,715,789	281,644	12,997,433	-
Net pension liability, proportionate share	97,843,721	15,174,523	113,018,244	1,026,081
OPEB liability	297,100,092	47,750,949	344,851,041	6,386,068
Subscription-based IT arrangement liabilities, less current portion	59,057	-	59,057	-
Lease liability, less current portion	657,717	-	657,717	-
Total noncurrent liabilities	542,444,644	172,589,847	715,034,491	58,738,561
Total liabilities	810,970,611	202,301,931	1,013,272,542	92,587,523
DEFERRED INFLOWS OF RESOURCES				
Pensions	7,845,017	1,216,678	9,061,695	75,313
OPEB	210,298,629	47,866,072	258,164,701	766,596
Leases	-	1,352,878	1,352,878	18,721,114
Other	-	-	-	1,784,303
Concession Improvement Trust funds	-	-	-	906,386
Total deferred inflows of resources	218,143,646	50,435,628	268,579,274	22,253,712
NET POSITION (DEFICIT)				
Net investment in capital assets	69,754,563	31,323,295	101,077,858	208,844,436
Restricted	50,148,224	8,092,192	58,240,416	38,318,628
Unrestricted	(239,755,397)	(60,848,242)	(300,603,639)	33,632,606
Total net position (deficit)	**$ (119,852,610)**	**$ (21,432,755)**	**$ (141,285,365)**	**$ 280,795,670**

See accompanying Notes to Financial Statements.

County of Albany, New York

Government-Wide Financial Statements
Statement of Activities

	Year Ended December 31, 2023							
					Net (Expense) Revenue and Change in Net Position (Deficit)			
		Program Revenues			Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
PRIMARY GOVERNMENT								
Governmental activities								
General government support	$ 225,013,437	$ 18,082,128	$ 11,220,317	$ -	$ (195,710,992)	$ -	$ (195,710,992)	$ -
Education	36,100,684	2,576,978	10,141,271	-	(23,382,435)	-	(23,382,435)	-
Public safety	111,624,251	15,065,408	20,335,473	-	(76,223,370)	-	(76,223,370)	-
Health	45,687,544	4,804,095	25,774,673	-	(15,108,776)	-	(15,108,776)	-
Transportation	36,276,987	2,447,377	6,537,757	-	(27,291,853)	-	(27,291,853)	-
Economic assistance and opportunity	198,314,451	3,091,839	97,070,943	-	(98,151,669)	-	(98,151,669)	-
Culture and recreation	670,039	513,608	637,970	-	481,539	-	481,539	-
Home and community service	5,050,189	670,721	59,972	-	(4,319,496)	-	(4,319,496)	-
Interest and fiscal charges on debt	6,030,480	-	-	-	(6,030,480)	-	(6,030,480)	-
Total governmental activities	664,768,062	47,252,154	171,778,376	-	(445,737,532)	-	(445,737,532)	-
Business-type activities								
Sewer District	15,288,631	15,134,053	-	-	-	(154,578)	(154,578)	-
Enterprise Recreation Civic Center	11,881,047	8,630,637	-	-	-	(3,250,410)	(3,250,410)	-
Shaker Place Rehabilitation & Nursing Center	45,064,131	37,756,469	-	-	-	(7,307,662)	(7,307,662)	-
Total business-type activities	72,233,809	61,521,159	-	-	-	(10,712,650)	(10,712,650)	-
Total primary government	**$ 737,001,871**	**$ 108,773,313**	**$ 171,778,376**	**$ -**	(445,737,532)	(10,712,650)	(456,450,182)	
COMPONENT UNITS								
Albany County Industrial Development Agency	$ 2,482,369	$ 819,303	$ -	$ -				(1,663,066)
Albany County Airport Authority	65,317,809	53,230,207	-	22,162,212				10,074,610
Albany County Land Bank Corporation	3,870,605	2,272,977	-	-				(1,597,628)
Total component units	**$ 71,670,783**	**$ 56,322,487**	**$ -**	**$ 22,162,212**				6,813,916
GENERAL REVENUES AND TRANSFERS								
Real property taxes					98,913,240	-	98,913,240	-
Real property tax items					7,920,811	-	7,920,811	-
Non-property tax items					372,982,759	-	372,982,759	-
Intergovernmental charges					3,615,423	9,241,177	12,856,600	-
Use of money and property					16,405,924	919,703	17,325,627	2,458,598
Sale of property and compensation for loss					7,144,701	-	7,144,701	-
Donation of property for sale					-	-	-	660,100
Miscellaneous					8,431,551	63,986	8,495,537	6,402,717
Net interfund transfers					(9,323,461)	9,323,461	-	-
Total general revenues and transfers					506,090,948	19,548,327	525,639,275	9,521,415
Change in net position (deficit)					**60,353,416**	**8,835,677**	**69,189,093**	**16,335,331**
NET POSITION (DEFICIT), ***beginning of year***					(180,206,026)	(30,268,432)	(210,474,458)	264,460,339
NET POSITION (DEFICIT), ***end of year***					**$ (119,852,610)**	**$ (21,432,755)**	**$ (141,285,365)**	**$ 280,795,670**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Balance Sheet - Governmental Funds

	December 31, 2023			
	Major Funds			
	General	Miscellaneous Special Revenue	Other Governmental	Total
ASSETS				
Cash and cash equivalents	$ 82,359,447	$ -	$ 15,757,876	$ 98,117,323
Cash and cash equivalents, restricted	5,141,591	-	11,332,442	16,474,033
Investments	73,348,593	-	-	73,348,593
Investments, restricted	-	62,490,274	35,404,323	97,894,597
Taxes receivable, net	90,013,499	-	-	90,013,499
Other receivables	20,070,958	-	843,733	20,914,691
State and federal receivables	92,899,316	-	4,975,595	97,874,911
Due from other funds	34,497,552	-	275,235	34,772,787
Due from other governments	2,129,108	-	-	2,129,108
Inventory	167,394	-	-	167,394
Prepaid expenses	3,809,974	-	135,683	3,945,657
Total assets	**$ 404,437,432**	**$ 62,490,274**	**$ 68,724,887**	**$ 535,652,593**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 60,605,747	$ 418,332	$ 4,364,875	$ 65,388,954
Accrued liabilities	24,318,693	-	1,426,038	25,744,731
Due to other funds	-	3,701,151	19,661,238	23,362,389
Due to other governments	66,843,901	-	2,358	66,846,259
Unearned revenue	5,029,206	-	-	5,029,206
Deposits payable	8,576,455	-	-	8,576,455
Total liabilities	165,374,002	4,119,483	25,454,509	194,947,994
DEFERRED INFLOWS OF RESOURCES				
Other unavailable resources	-	58,370,791	-	58,370,791
Tax revenues, unavailable	44,275,888	-	-	44,275,888
Total deferred inflows of resources	44,275,888	58,370,791	-	102,646,679
FUND BALANCES				
Nonspendable	26,708,826	-	135,683	26,844,509
Restricted	5,755,961	-	39,799,137	45,555,098
Assigned	39,809,548	-	3,335,558	43,145,106
Unassigned	122,513,207	-	-	122,513,207
Total fund balances	194,787,542	-	43,270,378	238,057,920
Total liabilities, deferred inflows of resources, and fund balances	**$ 404,437,432**	**$ 62,490,274**	**$ 68,724,887**	**$ 535,652,593**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Reconciliation of the Total Fund Balances in the Governmental Funds
to the Government-Wide Statement of Net Position (Deficit)

		December 31, 2023
Total governmental fund balances		$ 238,057,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements but are included in the statement of net position (deficit).		257,074,314
Deferred outflows are not financial resources and, therefore, are not reported in the fund financial statements but are included in the statement of net position (deficit):		
Deferred charges, pensions	$ 70,810,410	
Deferred charges, OPEB	54,701,712	
Deferred loss on refunding	2,257,473	127,769,595
Deferred inflows are not financial resources and, therefore, are not reported in the fund financial statements but are included in the statement of net position (deficit):		
Deferred charges, pensions	(7,845,017)	
Deferred charges, OPEB	(210,298,629)	(218,143,646)
Prepayment of the County's retirement system contribution is a prepaid expense in the governmental funds but a deferred outflow in the governmental activities. Additionally, the prepayment of amortized amounts is a prepaid expense in the governmental funds but a reduction of debt in the governmental activities.		(853,813)
Property taxes that are not considered collectible in the current period are deferred in the governmental funds, and revenues that do not provide current resources are not included in governmental fund financial statements.		44,275,888
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. In the government-wide financial statements, the Internal Service Fund assets and liabilities are included with the activities that utilize the majority of the services provided. The County's governmental activities are the major users of these services. This is the amount of net position included with the governmental activities in the statement of net position (deficit).		3,010,241
The following long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable	(158,877,308)	
Compensated absences	(14,128,654)	
Lease liability	(803,616)	
Subscription-based IT arrangement liabilities	(500,011)	
OPEB liability	(297,100,092)	
Net pension liability	(97,843,721)	(569,253,402)
Accrued interest expense on long-term debt is not reported as an expenditure in governmental funds but is included as a liability in the statement of net position (deficit).		(1,789,707)
Total net position (deficit)		**$ (119,852,610)**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2023			
	Major Funds			
	General	Miscellaneous Special Revenue	Other Governmental	Total
REVENUES				
Real property taxes	$ 93,392,927	$ -	$ -	$ 93,392,927
Real property tax items	7,920,811	-	-	7,920,811
Non-property tax items	369,942,333	-	3,084,345	373,026,678
Departmental income	30,984,075	-	-	30,984,075
Intergovernmental charges	14,725,486	-	1,266,318	15,991,804
Use of money and property	12,131,581	-	3,945,515	16,077,096
Fines and forfeitures	232,356	-	-	232,356
Sale of property and compensation for loss	4,437,848	-	1,850,419	6,288,267
Miscellaneous local sources	5,660,040	-	123,453	5,783,493
Interfund revenues	-	-	1,511,296	1,511,296
State aid	93,577,821	-	5,132,632	98,710,453
Federal aid	72,854,966	755,565	2,068,730	75,679,261
Total revenues	705,860,244	755,565	18,982,708	725,598,517
EXPENDITURES				
Current operations				
General government support	195,830,430	-	-	195,830,430
Education	36,100,684	-	-	36,100,684
Public safety	74,996,100	-	-	74,996,100
Transportation	1,415,632	-	15,810,310	17,225,942
Health	38,510,819	-	-	38,510,819
Economic assistance and opportunity	185,950,051	-	-	185,950,051
Culture and recreation	407,283	-	-	407,283
Home and community service	5,979,009	-	-	5,979,009
Employee benefits	67,011,671	-	3,610,944	70,622,615
Capital outlay, general government support	2,488,884	755,565	12,961,953	16,206,402
Capital outlay, public safety	4,034,135	-	2,055,370	6,089,505
Capital outlay, health	504,822	-	-	504,822
Capital outlay, transportation	-	-	21,364,533	21,364,533
Capital outlay, economic assistance and opportunity	369,840	-	-	369,840
Capital outlay, home and community service	79,856	-	-	79,856
Debt service				
Principal	1,047,288	-	23,798,921	24,846,209
Interest	39,641	-	8,504,925	8,544,566
Total expenditures	614,766,145	755,565	88,106,956	703,628,666
Excess (deficiency) of revenues over (under) expenditures	**91,094,099**	**-**	**(69,124,248)**	**21,969,851**
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangement asset	1,240,864	-	-	1,240,864
Transfers from other funds	2,392,044	-	41,261,223	43,653,267
Transfers to other funds	(50,377,442)	-	(9,141,511)	(59,518,953)
Total other financing sources (uses)	(46,744,534)	-	32,119,712	(14,624,822)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	**44,349,565**	**-**	**(37,004,536)**	**7,345,029**
FUND BALANCES, ***beginning of year***	150,437,977	-	80,274,914	230,712,891
FUND BALANCES, ***end of year***	**$ 194,787,542**	**$ -**	**$ 43,270,378**	**$ 238,057,920**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position (Deficit) Shown in the Government-Wide Statement of Activities

		Year Ended December 31, 2023
Net change in fund balances - total governmental funds		$ 7,345,029
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlays	$ 41,641,823	
Disposals	(86,909)	
Depreciation expense	(25,506,276)	16,048,638
Governmental funds report bond refundings as other financing sources and uses. However, in the statement of activities, the gain on refunding is reported as a deferred outflow and amortized over the life of the bond. This is the amount of amortization in the current period.		
Amortization of gain on refundings		(907,957)
Property tax revenues and certain social service revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,518,133
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include:		
Compensated absences	(2,269,175)	
OPEB liability	(878,219)	
Change in deferred outflows of resources, OPEB liability	(15,227,619)	
Change in deferred inflows of resources, OPEB liability	36,290,919	17,915,906
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the amortized portion of the New York State Retirement bill.		1,073,580
Revenues and expenditures of the Internal Service Fund are not included in business-type activities but are included in governmental activities in the statement of activities.		2,562,172
Repayment and refunding of bond principal and other long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position (deficit).		23,801,101
Repayment of lease and subscription-based IT arrangement liabilities are an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position (deficit).		
Leases	306,435	
Subscription-based IT arrangements	740,853	1,047,288
Proceeds from subscription-based IT arrangement assets are included in the statement of revenues, expenditures, and changes in fund balances as an other financing source but included in the statement of net position (deficit) as a liability.		(1,240,864)
In the statement of activities, bond premiums are amortized against interest expense over the life of the bond.		3,106,855
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		330,536
Governmental funds report the annual contribution to the New York State Retirement System as employee benefits expense. The prior-year contribution is required to be recognized as an expense, as well as the change in the following items:		
Change in net pension liability	(134,540,871)	
Change in deferred outflows of resources	(3,577,956)	
Change in deferred inflows of resources	121,871,826	(16,247,001)
Change in net position (deficit) of governmental activities		**$ 60,353,416**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Net Position (Deficit) - Proprietary Funds

	December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and cash equivalents	$ 11,098,042	$ 8,234,347	$ 2,090,155	$ 21,422,544	$ 598,010
Cash and cash equivalents, restricted	1,847,669	1,328,700	-	3,176,369	12,361,099
Investments	-	-	3,140,131	3,140,131	-
Investments, restricted	-	16,141,925	1,821,164	17,963,089	-
Custodial accounts	-	-	432,931	432,931	-
Receivables	7,952,034	1,239,161	3,091,552	12,282,747	18,517
State and federal receivables	-	-	6,681,417	6,681,417	3,722
Inventory	-	-	157,342	157,342	-
Prepaid expenses	111,036	148,040	779,589	1,038,665	-
Lease receivable	-	828,736	-	828,736	-
Workers' compensation reserve	-	-	515,715	515,715	-
Total current assets	21,008,781	27,920,909	18,709,996	67,639,686	12,981,348
NONCURRENT ASSETS					
Lease receivable	-	325,212	-	325,212	-
Capital assets, net	25,500,534	52,898,253	72,553,626	150,952,413	-
Total noncurrent assets	25,500,534	53,223,465	72,553,626	151,277,625	-
Total assets	46,509,315	81,144,374	91,263,622	218,917,311	12,981,348
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges, pensions	2,305,004	-	8,676,940	10,981,944	-
Deferred charges, OPEB	2,761,985	-	10,009,430	12,771,415	-
Total deferred outflows of resources	5,066,989	-	18,686,370	23,753,359	-

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Net Position (Deficit) - Proprietary Funds (Continued)

	December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	$ 1,247,693	$ 1,790,059	$ 2,396,033	$ 5,433,785	$ 1,651,342
Accrued liabilities	190,638	1,817,469	1,780,405	3,788,512	7,767,973
Claims payable	331,293	-	-	331,293	232,165
Due to others, net	-	-	623,233	623,233	-
Due to other funds	513,837	2,039,830	8,812,199	11,365,866	-
Current portion of compensated absences	31,294	-	-	31,294	-
Unearned revenue	-	7,123,652	-	7,123,652	-
Current maturities of bonds payable	866,401	5,861,585	5,339,565	12,067,551	47,010
Custodial accounts	-	-	312,764	312,764	-
Total current liabilities	3,181,156	18,632,595	19,264,199	41,077,950	9,698,490
NONCURRENT LIABILITIES					
Bonds payable, less current maturities	5,289,268	42,770,123	61,323,340	109,382,731	272,617
Compensated absences, less current portion	281,644	-	-	281,644	-
Net pension liability, proportionate share	3,184,986	-	11,989,537	15,174,523	-
OPEB liability	11,198,527	-	36,552,422	47,750,949	-
Total noncurrent liabilities	19,954,425	42,770,123	109,865,299	172,589,847	272,617
Total liabilities	23,135,581	61,402,718	129,129,498	213,667,797	9,971,107

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Net Position (Deficit) - Proprietary Funds (Continued)

	December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT) (CONTINUED)					
DEFERRED INFLOWS OF RESOURCES					
Pensions	$ 255,369	$ -	$ 961,309	$ 1,216,678	$ -
Leases	-	1,352,878	-	1,352,878	-
OPEB	13,040,583	-	34,825,489	47,866,072	-
Total deferred inflows of resources	13,295,952	1,352,878	35,786,798	50,435,628	-
NET POSITION (DEFICIT)					
Net investment in capital assets	19,344,865	4,266,545	7,711,885	31,323,295	-
Restricted for					
Capital projects	-	1,328,700	-	1,328,700	-
Debt service	1,126,249	-	-	1,126,249	-
Other purposes	5,637,243	-	-	5,637,243	4,593,126
Unrestricted	(10,963,586)	12,793,533	(62,678,189)	(60,848,242)	(1,582,885)
Total net position (deficit)	**$ 15,144,771**	**$ 18,388,778**	**$ (54,966,304)**	**$ (21,432,755)**	**$ 3,010,241**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Revenues, Expenses, and Changes in Net Position (Deficit) - Proprietary Funds

	Year Ended December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
OPERATING REVENUES					
Charges for services, net	$ 14,363,312	$ 8,630,637	$ 33,777,039	$ 56,770,988	$ 2,104,127
Other operating revenues	770,741	-	3,979,430	4,750,171	893,154
Total operating revenues	15,134,053	8,630,637	37,756,469	61,521,159	2,997,281
OPERATING EXPENSES					
Health care services	-	-	23,410,383	23,410,383	-
Administrative and general services	3,792,039	-	3,228,827	7,020,866	-
Employee benefits	3,013,796	-	7,339,419	10,353,215	5,624,651
Depreciation	2,226,263	3,275,789	4,797,503	10,299,555	-
Contractual expenses	6,083,131	6,720,413	-	12,803,544	1,666,163
New York State assessment	-	-	1,966,066	1,966,066	-
County cost allocations	-	-	2,124,755	2,124,755	-
Total operating expenses	15,115,229	9,996,202	42,866,953	67,978,384	7,290,814
Operating income (loss)	**18,824**	**(1,365,565)**	**(5,110,484)**	**(6,457,225)**	**(4,293,533)**
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	462,298	42,922	414,483	919,703	328,828
Interest on debt	(173,402)	(1,884,845)	(2,197,178)	(4,255,425)	(15,348)
Intergovernmental transfer	-	-	9,241,177	9,241,177	-
Other	25,000	-	38,986	63,986	-
Total nonoperating revenues (expenses)	313,896	(1,841,923)	7,497,468	5,969,441	313,480
Income (loss) before transfers	**332,720**	**(3,207,488)**	**2,386,984**	**(487,784)**	**(3,980,053)**
TRANSFERS					
Transfers from other funds	-	7,716,754	8,376,458	16,093,212	6,542,225
Transfers to other funds	(696,912)	(6,072,839)	-	(6,769,751)	-
	(696,912)	1,643,915	8,376,458	9,323,461	6,542,225
Change in net position (deficit)	**(364,192)**	**(1,563,573)**	**10,763,442**	**8,835,677**	**2,562,172**
NET POSITION (DEFICIT), ***beginning of year***	15,508,963	19,952,351	(65,729,746)	(30,268,432)	448,069
NET POSITION (DEFICIT), ***end of year***	**$ 15,144,771**	**$ 18,388,778**	**$ (54,966,304)**	**$ (21,432,755)**	**$ 3,010,241**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES					
Cash received for services provided	$ 10,684,243	$ 8,578,457	$ 31,395,766	$ 50,658,466	$ 2,989,732
Cash received from grants and others	770,741	-	3,979,430	4,750,171	-
Cash payments to suppliers for goods and services	(10,267,382)	(6,462,478)	(13,979,513)	(30,709,373)	(8,046,155)
Cash payments to employees for services	(2,902,469)	-	(20,211,025)	(23,113,494)	-
	(1,714,867)	2,115,979	1,184,658	1,585,770	(5,056,423)
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES					
Cash received from others	25,000	-	9,241,177	9,266,177	-
Other nonoperating revenues (expenses)	-	-	(76,022)	(76,022)	-
Transfers in (out)	(774,849)	5,408,694	(2,835,841)	1,798,004	6,542,225
	(749,849)	5,408,694	6,329,314	10,988,159	6,542,225
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	-	(1,178,833)	(3,605,683)	(4,784,516)	-
Payments of long-term debt	(852,434)	(5,736,058)	(4,991,045)	(11,579,537)	(44,722)
Interest paid	(173,402)	(1,884,845)	(2,474,397)	(4,532,644)	(15,348)
	(1,025,836)	(8,799,736)	(11,071,125)	(20,896,697)	(60,070)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES					
Interest received	462,298	42,922	414,483	919,703	328,828
Purchases of investments	-	(971,648)	-	(971,648)	-
Proceeds from sale of investments	-	-	2,949,927	2,949,927	-
	462,298	**(928,726)**	**3,364,410**	**2,897,982**	**328,828**
Net increase (decrease) in cash and cash equivalents	**(3,028,254)**	**(2,203,789)**	**(192,743)**	**(5,424,786)**	**1,754,560**
CASH AND CASH EQUIVALENTS, ***beginning of year***	15,973,965	11,766,836	2,282,898	30,023,699	11,204,549
CASH AND CASH EQUIVALENTS, ***end of year***	**$ 12,945,711**	**$ 9,563,047**	**$ 2,090,155**	**$ 24,598,913**	**$ 12,959,109**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Cash Flows - Proprietary Funds (Continued)

	Year Ended December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ 18,824	$ (1,365,565)	$ (5,110,484)	$ (6,457,225)	$ (4,293,533)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,226,263	3,275,789	4,797,503	10,299,555	-
OPEB accrual	207,896	-	2,693,802	2,901,698	-
Bad debt	-	-	877,020	877,020	-
Portion due to employees' retirement system to be amortized	(20,577)	-	(57,245)	(77,822)	-
(Increase) decrease in					
Receivables	(3,679,069)	(31,426)	(3,258,293)	(6,968,788)	(3,827)
Due from other governments	-	-	-	-	(3,722)
Workers' compensation reserve	-	-	3,837,623	3,837,623	-
Prepaid expenses and other assets	36,647	(65,699)	(106,593)	(135,645)	-
Lease receivable	-	705,253	-	705,253	-
Deferred outflows of resources, pensions	(19,243)	-	(1,215,127)	(1,234,370)	-
Deferred outflows of resources, OPEB	538,394	-	(594,640)	(56,246)	-
Increase (decrease) in					
Accounts payable	(162,052)	203,553	(309,925)	(268,424)	1,577,406
Due to others	-	-	181,607	181,607	-
Accrued liabilities	(252,116)	120,081	(320,617)	(452,652)	(1,086,449)
Claims payable	(3,123)	-	-	(3,123)	(1,246,298)
Compensated absences	17,419	-	-	17,419	-
Due to employees' retirement system	(14,691)	-	(39,115)	(53,806)	-
Net pension liability	4,314,179	-	15,613,108	19,927,287	-
Unearned revenue	-	58,182	-	58,182	-
Deferred inflows of resources, leases	-	(784,189)	-	(784,189)	-
Deferred inflows of resources, pensions	(3,736,096)	-	(11,847,266)	(15,583,362)	-
Deferred inflows of resources, OPEB	(1,187,522)	-	(3,956,700)	(5,144,222)	-
Net cash provided (used) by operating activities	**$ (1,714,867)**	**$ 2,115,979**	**$ 1,184,658**	**$ 1,585,770**	**$ (5,056,423)**

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Fiduciary Net Position - Fiduciary Fund

	December 31, 2023 Custodial Fund
ASSETS	
Cash and cash equivalents, restricted	$ 5,849,502
LIABILITIES	
Due to other funds	44,532
NET POSITION	
Restricted	
Bail deposits	565,583
Court and trust	4,832,448
Miscellaneous	406,939
	$ 5,804,970

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements
Statement of Changes in Fiduciary Net Position - Fiduciary Fund

	Year Ended December 31, 2023 Custodial Fund
ADDITIONS	
Bail deposits	$ 170,075
Court and trust	243,143
Miscellaneous	167,938
Total additions	581,156
DEDUCTIONS	
Bail deposits	97,732
Court and trust	217,484
Miscellaneous	98,505
Total deductions	413,721
Change in fiduciary net position	**167,435**
FIDUCIARY NET POSITION, ***beginning of year***	5,637,535
FIDUCIARY NET POSITION, ***end of year***	**$ 5,804,970**

See accompanying Notes to Financial Statements.

Note 1. Organization and Summary of Significant Accounting Policies

The financial statements of the County of Albany, New York (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

a. Reporting Entity

The County is a municipal corporation established in 1683, which performs local governmental functions within its jurisdiction, including law enforcement services; economic assistance; health services; maintenance of County roads and waterways; and operation of a rehabilitation and nursing center, airport, sewer district, and enterprise recreation civic center. The County is governed by an elected County Executive and a 39-member County Legislature.

The County provides mandated social service programs, such as Medicaid, Temporary Assistance for Needy Families, Supplemental Nutrition Program, and Safety Net. The County also provides services and facilities in the areas of culture, recreation, education, police, youth, health, senior services, roads, and sanitary sewage. These general government programs and services are financed by various taxes, state and federal aid, and departmental revenue, which primarily comprise service fees and various types of program-related charges.

<u>Component units:</u> In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the County and/or its citizens, or whether the activity is conducted within geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities. Based on the application of these criteria, the following is a brief review of the component units addressed in defining the County's reporting entity.

The financial statements include the financial data of the County's three component units. These units are aggregated and reported in a separate column to emphasize that they are legally separate from the County. The financial information of these component units has been summarized from their audited financial statements.

- <u>*Albany County Industrial Development Agency:*</u> The Albany County Industrial Development Agency (Agency) was created under the provisions of the laws of New York State for the purpose of encouraging economic growth in the County and limits its activity to projects in the County. The Agency is exempt from federal, state, and local income taxes. The Agency's Board of Directors is appointed by the County Legislature. The financial statements of the Agency have been prepared on an accrual basis. The annual financial report can be obtained by writing to the Albany County Industrial Development Agency, 112 State Street, Room 1116, Albany, New York 12207.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

a. Reporting Entity (Continued)

- *Albany County Airport Authority:* The Albany County Airport Authority (Authority) was created by New York State on August 4, 1993, pursuant to the provisions of Chapter 686 of the Laws of 1993 as an independent public benefit corporation under Article 8, Title 32, of the New York State Public Authorities Law. On March 15, 1994, the transfer date, the Authority entered into an interim agreement with the County whereby the County granted, and the Authority accepted, sole possession, use, occupancy, and management of the Albany County Airport (Airport), including all rights, interest, powers, privileges, and other benefits in each and every contract relating to the maintenance, operation, leasing, management, or construction of the Airport, and all other rights, privileges, or entitlements necessary to continue to use, operate, and develop the Airport. A permanent transfer agreement was signed on December 5, 1995, which, upon its approval by the Federal Aviation Administration, became effective on May 16, 1996, for a term of 40 years.

  The Authority's activities are accounted for in a similar manner to those activities often found in the private sector using the flow of economic resources measurement focus and the activities accrual basis of accounting. All assets and deferred inflows of resources, liabilities and deferred outflows of resources, revenues, and expenses are accounted for through a single enterprise fund, with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

  The Authority's Board of Directors consists of seven members: four appointed by the majority leader of the County Legislature and three by the County Executive. The Authority's financial statements are available by writing to the Chief Financial Officer, Albany County Airport Authority, Administration Building, Suite 204, Albany, New York 12211-1057.

- *Albany County Land Bank Corporation:* The Albany County Land Bank Corporation (Corporation) was established on July 1, 2014 for the purpose of rehabilitating decrepit and abandoned or seized properties in the County. The Corporation is governed by its Articles of Incorporation, bylaws, and general laws of the State of New York. The financial statements of the Corporation have been prepared on an accrual basis. The annual financial report can be obtained by writing to the Albany County Land Bank Corporation, 255 Orange Street, Suite 104, Albany, New York 12210.

Government-wide financial statements: The government-wide financial statements (the statement of net position (deficit) and the statement of activities) report information on all of the non-fiduciary activities of the County. Interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Indirect expenses have been included as part of the program expenses reported for the various functional activities. *Program revenues* include (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Items not included among program revenues are reported instead as *general revenues*.

Fund financial statements: The fund financial statements report information about the County's funds, including fiduciary funds. Separate financial statements are provided for major governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

a. Reporting Entity (Continued)

Governmental funds: The County considers the following governmental funds as major funds:

- *General Fund:* This fund is the principal operating fund of the County and is used to account for all financial resources except those required to be accounted for in other funds.

- *Miscellaneous Special Revenue Fund:* This fund is used to account for the accumulation of financial resources provided to the County under the American Rescue Plan Act of 2021 (ARPA).

Proprietary funds: Proprietary funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The County maintains three proprietary funds as follows:

- *Shaker Place Rehabilitation & Nursing Center:* The Shaker Place Rehabilitation & Nursing Center (Rehabilitation and Nursing Center) is a 250-bed state-licensed facility. The County provides an operating subsidy to the Rehabilitation and Nursing Center to help defray operating expenses.

- *Enterprise Recreation Civic Center:* The Enterprise Recreation Civic Center accounts for all activity related to the entertainment performances scheduled at the Enterprise Recreation Civic Center for the benefit of the Capital District and surrounding areas.

- *Sewer District:* The Sewer District (District) was established by County Resolution 45 of 1968 and has provided wastewater services since 1974. The District was established to account for the construction and operation of sewers and sewage treatment facilities in the County.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Internal service fund: Although this fund is not a proprietary fund, it utilizes proprietary fund accounting and is used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The County uses the Internal Service Fund to account for its risk management activities. The County is self-insured for certain risks, including workers’ compensation and unemployment benefits.

Fiduciary fund: This fund is used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are measurable when the amount of the revenue is subject to reasonable estimate. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues exclusive of revenue from federal- and state-supported programs to be available if they are collected within 60 days of the end of the current period. Revenue from federal- and state-supported programs are considered available if collected within one year of year-end. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. All other revenue items that are not measurable are recognized when cash is received by the County.

c. Budgets and Budgetary Accounting

The County's annual procedures in establishing the budgetary data reflected in the financial statements are as follows:

General budget process: The County Executive submits to the County Legislature a tentative budget for the fiscal year commencing the following January 1. The tentative budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. The County Legislature acts on the tentative budget by December 20. If the County Legislature does not act, the tentative budget is automatically adopted.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as assignments of fund balance since the commitments do not constitute expenditures or liabilities. Open encumbrances authorized by appropriation from the previous year's budget, after review and approval by the Budget Director, are added to the current year's budget approved by the County Legislature to provide the modified budget, which is presented in the accompanying financial statements.

Budgetary principles: The budget is developed on the basis of principles that are generally consistent with U.S. GAAP, except that encumbrances are treated as budgetary expenditures in the year of occurrence of the commitment to purchase. Open encumbrances authorized by appropriation from the previous year's budget, after review and approval by the Commissioner of Management and Budget, are added to the current year's budget approved by the County Legislature. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified. This results in the following reconciliation of fund balances (the General Fund and non-major funds) computed on a U.S. GAAP basis and a budgetary basis:

U.S. GAAP basis, fund balances, December 31, 2023	$ 238,057,920
Outstanding encumbrances	(39,809,548)
Budgetary basis, fund balances, December 31, 2023	$ 198,248,372

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

d. Credit Risk

In compliance with New York State law, County investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of New York, time deposit accounts, and certificates of deposit issued by a bank or trust company located and authorized to do business in New York State, and certain joint or cooperative investment programs.

<u>Interest rate risk:</u> As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is the County's policy to generally limit investments to 180 days or less.

<u>Custodial credit risk:</u> For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the fair value of purchased securities in repurchase transactions must be maintained, and the securities must be held by a third party in the County's name.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of New York State General Municipal Law.

<u>Concentration of credit risk:</u> To promote competition in rates and service costs, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions.

e. Cash and Investments

All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents.

f. Inventory

Inventory, which comprises general supplies (General Fund) and housekeeping, medical, and dietary supplies (those of the Rehabilitation and Nursing Center), is valued at the lower of cost (first-in, first-out) or market. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

g. Lease Receivable

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement or the County's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

h. Restricted Assets

Certain resources of the governmental and proprietary funds are classified as restricted assets on the balance sheet or the statement of net position (deficit) as the County Legislature limits their use. These resources are maintained in separate bank accounts.

i. Capital Assets

Capital assets, which include property, buildings and building improvements, equipment, leased assets, subscription-based information technology (IT) arrangement assets, and infrastructure assets (e.g., roads, bridges, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets other than leased or subscription-based IT arrangement assets are defined by the County as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or the estimated historical cost if purchased or constructed in instances where such records and information are not available. Donated capital assets are recorded at the estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are incurred.

Capital assets of the County other than leased or subscription-based IT arrangement assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	20 years
Land improvements	20 years
Infrastructure	
Dams and drainage systems	100 years
Water and sewer systems	50 years
Traffic control systems	40 years
Bridges and culverts	30 years
Roads	10 years
Equipment	
Office equipment and furniture	7 years
Heavy equipment	15 years
Other	5 years
Vehicles	8 years
Computers	3 years

The County records a lease asset at the commencement of the lease. The lease asset is initially measured at the amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the asset, ranging from one to 18 years.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

i. Capital Assets (Continued)

The County records a subscription-based IT arrangement asset at the subscription commencement date. The subscription-based IT arrangement asset is initially measured at the amount of the subscription-based IT arrangement liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus any applicable capitalizable implementation costs. The subscription-based IT arrangement asset is amortized on a straight-line basis over the shorter of the subscription period or the useful life of the subscription-based IT arrangement asset, ranging from one to four years.

The County evaluates prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both: (a) the decline in service utility of the capital asset is large in magnitude; and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2023.

j. Property Tax Revenue Recognition

The County-wide property tax is levied by the County Legislature effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on January 1 of the year for which they are levied. In the fund financial statements, property tax is only recognized as revenue in the year for which the property tax is made and to the extent that such taxes are received within the reporting period or 60 days thereafter.

Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are recorded as deferred inflows of resources in the fund financial statements.

k. Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net assets by the County that is applicable to a future period. The County's deferred outflows of resources represent the loss on the refunding of bonds that is being amortized into interest expense over the life of the new bonds as well as deferred costs related to the change in the net pension liability and postemployment benefits other than pensions (OPEB).

l. Deferred Inflows of Resources and Unearned Revenues

Deferred inflows of resources represent an acquisition of net assets that applies to future periods. The County's deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period as defined in Note 1b. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

Deferred inflows of resources in the General Fund of $44,275,888 at December 31, 2023 represent property tax revenue that was not considered available. Deferred inflows of resources in the Miscellaneous Special Revenue Fund of $61,485,964 represent ARPA grant funding that is not considered available. The Enterprise Recreation Civic Center reports deferred inflows of resources in relation to lease agreements in which the Enterprise Recreation Civic Center acts as a lessor. In addition, deferred inflows of resources in the proprietary funds and governmental activities represent amounts related to the change in the net pension liability and OPEB, if any.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

l. Deferred Inflows of Resources and Unearned Revenues (Continued)

Unearned revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. Unearned revenues in the General Fund and the Enterprise Recreation Civic Center of $5,029,206 and $7,877,465, respectively, represent cash receipts for which the underlying service has not been performed as of December 31, 2023.

m. Compensated Absences

Under the terms of personnel policies and union agreements, County employees earn vacation and sick leave subject to certain limitations. Accumulated vacation not taken at the end of the fiscal year or during the succeeding years is paid upon termination. Accumulated sick leave is payable upon retirement. The long-term portion (i.e., accumulated vacation and sick pay expected to be paid from future expendable resources for the government funds) is recorded in general long-term debt in the government-wide financial statements. The costs of vacation and sick pay of the proprietary funds are accounted for as liabilities of those funds.

n. Insurance

The County assumes liability for most risk, including, but not limited to, workers' compensation. Asserted and incurred but not reported claims and judgments are recorded when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated.

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liability are recorded in the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded in general long-term debt in the government-wide financial statements.

o. Resident Service Revenue

Patient service revenue of the Rehabilitation and Nursing Center is recorded at established rates. Payments for services rendered to residents covered by Medicare, Medicaid, and certain other prospective rates or cost-based third-party payers are generally less than established rates, and contractual allowances are recorded to reflect these differences. The rates established by the third-party payers are based on a defined cost of service in providing patient care and are subject to audit by the third-party payers. Any adjustments to previously reimbursed amounts resulting from these audits are recognized when they are known. This revenue is reflected in charges for services, net, in the statement of revenues, expenses, and changes in net position (deficit) - proprietary funds.

The final determination of amounts due to the Rehabilitation and Nursing Center under these cost reimbursement programs is subject to audit or review by the respective administrative agencies, and provision has been made for estimated adjustments that may result. Differences between estimated amounts accrued and final settlements are reported in operations in the year of settlement.

p. Pensions

Substantially all County employees are members of various New York State retirement systems. The County is invoiced annually by the systems for its share of the costs (see Note 8).

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

q. Interfund Revenues

The County allocates General Fund costs incurred in the general administration of the County to other funds based on their proportionate benefit of the total costs allocated. Such costs are reported as general government support expenditures in the General Fund and the benefiting funds.

r. Fund Balance/Net Position (Deficit)

In the government-wide and proprietary fund statements of net position (deficit), net position (deficit) represents the difference between the assets and deferred outflows, and liabilities and deferred inflows, subdivided into the following three categories:

- Net investment in capital assets: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes (BAN), which are attributable to the acquisition, construction, or improvement of capital assets, reduce the balance in the category.

- Restricted net position: This category presents net position with constraints placed on use either by: (1) external groups, such as creditors, grantors, contributors, or laws and regulations of the County or other governments; or (2) laws through constitutional provisions or enabling legislation that are legally enforceable. Liabilities to be extinguished from restricted assets reduce the balance in this category.

- Unrestricted net position (deficit): This category presents all other net position (deficit) that does not meet the definition of “restricted net position” or “net investment in capital assets.”

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable: Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

- Restricted: Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation that are legally enforceable.

- Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government’s highest level of decision-making authority.

- Assigned: Amounts that are constrained only by the government’s intent to be used for a specified purpose but are not restricted or committed in any manner.

- Unassigned: The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

r. Fund Balance/Net Position (Deficit) (Continued)

The County's fund balance policy is set by the County Legislature, the highest level of decision-making authority. The County Legislature considers "formal action" for a committed fund balance to be the passing of a resolution. The County Legislature has delegated the ability to assign fund balance to the County Comptroller. The County considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

s. 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 revenues and other financing sources, expenses/expenditures and other financing uses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

t. Adoption of New Accounting Standard

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to provide guidance on the reporting and disclosure of subscription-based IT arrangements. This statement (1) defines a subscription-based IT arrangement; (2) establishes that a subscription-based IT arrangement results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a subscription-based IT arrangement; and (4) requires note disclosures.

The County adopted this statement on January 1, 2023, which included the recording of the following, which had no effect on the beginning balance or fund balance of the County's governmental funds:

Governmental Activities		
Capital assets, subscription-based IT arrangement assets	$	1,240,864
Subscription-based IT arrangement liabilities		1,240,864

u. Subsequent Events

The County has evaluated subsequent events for potential recognition or disclosure through September 27, 2024, the date the financial statements were available to be issued.

Note 2. Cash and Investments

The County's investment policies are governed by New York State statutes and various resolutions of the County Legislature. County monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State of New York. Permissible investments include obligations of the U.S. Treasury and U.S. government agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Note 2. Cash and Investments (Continued)

It is the County's policy for deposits to be secured by collateral valued at fair value or par, whichever is lower, less the amount of the FDIC insurance. The County's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The County's deposits were adequately insured and collateralized as of December 31, 2023.

As of December 31, 2023, the County has $188,846,410 invested with the New York Cooperative Liquid Assets Securities System (NYCLASS), which is a short-term highly liquid investment fund. NYCLASS is subject to the Municipal Cooperative Agreement Amended and Restated as of March 14, 2014 (the Agreement) and is structured in accordance with New York State General Municipal Law (GML), Article 3-A and Article 5-G, Sections 119-n and -o, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML, Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated "AAA" by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawals, or transfers) on a normal business day. There are no limits on the dollar amount or number of daily transactions, except that the total daily withdrawals may not exceed the total balance on the deposit.

As of December 31, 2023, the County has investments in U.S. Treasury securities totaling $3,500,000.

The County reports certain assets at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The framework for measuring fair value includes a three-level valuation hierarchy of fair value measurements. This valuation hierarchy is based on observable inputs and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions and other inputs subject to management's judgment.

These inputs are incorporated in the following fair value hierarchy:

Level 1: Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs are other prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority.

The County considers its investments in U.S. Treasury securities to be Level 1 investments.

The County's investment in NYCLASS is reported at fair value using quoted prices for identical items that are not actively traded. The County considers its NYCLASS investments to be Level 2 within the hierarchy of fair value measurements.

The methods described above may produce fair values that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the County believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 3. Property Taxes and Non-Property Tax Items

Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the General Fund. The current year's property taxes are levied, and the prior year's unpaid school taxes are re-levied on a warrant to collect taxes by December 31, based on the full assessed value of real property within the County, and attached as an enforceable lien on January 1. Collections within the County are the responsibility of town receivers and collectors through April 1. Collections within the County for the cities of Albany, Cohoes, and Watervliet are the responsibility of the cities' receivers and collectors through December 31, August 31, and October 31, respectively. At that time, settlement proceedings take place whereby the County becomes the tax collecting agent, and the towns and cities receive full credit for their entire levy. The collections thereafter are the responsibility of the County.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for schools is recognized as a liability, is included in due to other governments, and was $23,516,523 at December 31, 2023. Another portion of the receivable that is not considered available under the modified accrual basis of accounting (i.e., not collected within 60 days) is recorded as deferred inflows of resources in the fund financial statements and totaled $44,275,888 at December 31, 2023.

Taxes receivable are reported net of an allowance for uncollectible amounts of $8,635,813 at December 31, 2023.

Tax rates are calculated using assessments prepared by individual town and city assessors as adjusted by the New York State Board of Equalization and Assessment for the purpose of apportionment. The five-year average taxable assessed value of real property, as adjusted by New York State, is $30,140,016,511.

The primary non-property tax item is sales tax, which is accrued as revenue based on the date the taxes are remitted to the State of New York. Sales tax receivable was $40,052,145 at December 31, 2023 and is included within state and federal receivables in the General Fund.

Note 4. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables of the County consisted of the following:

Fund	Interfund Receivables	Interfund Payables
General	$ 34,497,552	$ -
Other governmental	275,235	19,661,238
Shaker Place Rehabilitation & Nursing Center	-	8,812,199
Enterprise Recreation Civic Center	-	2,039,830
Miscellaneous Special Revenue	-	3,701,151
Sewer District	-	513,837
Custodial	-	44,532
	$ 34,772,787	$ 34,772,787

Note 4. Interfund Receivables, Payables, and Transfers (Continued)

The County made the following operating transfers:

	Transfers Out				
	General	Other Governmental	Sewer District	Enterprise Rec. Civic Center	Total
Transfers In					
General	$ -	$ 2,392,044	$ -	$ -	$ 2,392,044
Other governmental	34,491,472	-	696,912	6,072,839	41,261,223
Internal Service	-	6,542,225	-	-	6,542,225
Enterprise Recreation Civic Center	7,509,512	207,242	-	-	7,716,754
Shaker Place Nursing & Rehabilitation Center	8,376,458	-	-	-	8,376,458
Total	$ 50,377,442	$ 9,141,511	$ 696,912	$ 6,072,839	$ 66,288,704

Transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification.

Note 5. Receivables

Other receivables accrued by the County consist of the following:

Fund	
General, chargebacks and miscellaneous	$ 20,070,958
Other governmental, hotel occupancy tax	738,321
Other governmental, miscellaneous	105,412
Enterprise Recreation Civic Center, customers, tenants, promoters, and commissions	1,239,161
Sewer District, municipal charges	7,952,034
Shaker Place Rehabilitation & Nursing Center, resident charges	3,091,552
Internal Service, insurance charges	18,517
Total	$ 33,215,955

Note 5. Receivables (Continued)

State and federal receivables: State and federal receivables primarily represent claims for reimbursement of expenditures in administering various health and social service programs in accordance with New York State and federal laws and regulations. They are net of related advances from New York State. Cash advances received by the County under other programs are reported as other liabilities. Amounts accrued are as follows:

Fund		
Shaker Place Rehabilitation & Nursing Center, grants and aid, various programs	$	6,681,417
Other governmental, miscellaneous		3,722
General, social service programs		34,654,931
General, sales tax		40,052,145
General, grants and aid, various programs		18,192,240
		99,584,455
Other governmental		
Capital Projects, Consolidated Highway Improvement Program		354,564
County Road, Consolidated Highway Improvement Program		1,249,413
County Road, Pave-New York Program		2,595,399
County Road, automobile use tax		776,219
Total	$	104,560,050

Due from other governments: Due from other governments represents amounts due primarily from other local municipalities for chargebacks and other miscellaneous items. Amounts accrued are as follows:

Fund		
General, chargebacks and miscellaneous	$	2,129,108

Note 6. Capital Assets, Net

a. Governmental Activities Capital Assets

A summary of governmental activities capital assets by major classification is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 8,097,715	$ -	$ -	$ 8,097,715
Construction in progress	30,259,753	35,805,985	33,416,531	32,649,207
Total capital assets not being depreciated	38,357,468	35,805,985	33,416,531	40,746,922
Capital assets being depreciated				
Buildings and building improvements	265,900,284	10,448,873	-	276,349,157
Infrastructure	252,499,243	23,018,868	-	275,518,111
Lease assets	1,430,104	-	86,909	1,343,195
Subscription-based IT arrangement assets	-	1,240,864	-	1,240,864
Equipment	30,761,346	4,543,764	243,362	35,061,748
Total capital assets being depreciated	550,590,977	39,252,369	330,271	589,513,075
Less accumulated depreciation/amortization for				
Buildings and building improvements	118,786,547	9,116,007	-	127,902,554
Infrastructure	206,556,390	12,521,510	-	219,077,900
Lease assets	331,577	233,739	-	565,316
Subscription-based IT arrangement assets	-	566,185	-	566,185
Equipment	22,248,255	3,068,835	243,362	25,073,728
Total accumulated depreciation/amortization	347,922,769	25,506,276	243,362	373,185,683
Governmental activities capital assets, net	$ 241,025,676	$ 49,552,078	$ 33,503,440	$ 257,074,314

Depreciation expense for 2023 was charged to functions of the primary government as follows:

Governmental activities	
General government support	$ 6,550,681
Public safety	5,300,361
Health	64,027
Transportation	13,243,552
Economic assistance and opportunity	197,791
Culture and recreation	149,864
	$ 25,506,276

Note 6. Capital Assets, Net (Continued)

b. Business-Type Activities Capital Assets

A summary of business-type activities capital assets by major classification is as follows:

	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	$ 3,533,810	$ -	$ -	$ 3,533,810
Construction in progress	14,266,331	4,636,320	9,084,618	9,818,033
Total capital assets not being depreciated	17,800,141	4,636,320	9,084,618	13,351,843
Capital assets being depreciated				
Buildings and improvements	320,236,885	9,084,618	-	329,321,503
Equipment	15,126,210	148,196	-	15,274,406
	335,363,095	9,232,814	-	344,595,909
Accumulated depreciation	196,695,784	10,299,555	-	206,995,339
Total capital assets being depreciated	138,667,311	(1,066,741)	-	137,600,570
Business-type activities capital assets, net	$ 156,467,452	$ 3,569,579	$ 9,084,618	$ 150,952,413

Note 7. Noncurrent and Debt-Related Liabilities

a. Bond Indebtedness

Bonded indebtedness is recorded in the governmental activities and enterprise funds. The following is a summary of bond transactions:

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2022	Accretion, Issuances and Refunding	Amortization/ Payments/ Refunding/ Transfers	Balance December 31, 2023
Governmental Activities							
General Fund							
2014 general obligation refunding	2014/2027	2.000%/5.000%	$ 25,663,369	$ 12,930,635	$ -	$ 2,460,666	$ 10,469,969
2016 general obligation refunding	2016/2026	1.000%/5.000%	25,330,000	11,510,000	-	2,715,000	8,795,000
2017 general obligation refunding	2017/2028	3.000%/4.000%	16,643,100	14,433,857	-	2,168,078	12,265,779
2018 general obligation	2018/2029	4.000%/5.000%	57,442,127	41,329,743	-	5,061,094	36,268,649
2019 general obligation	2019/2039	2.000%/5.000%	18,556,884	16,556,204	-	728,801	15,827,403
2019 general obligation refunding	2019/2025	5.000%	9,450,000	5,080,000	-	1,605,000	3,475,000
2019 general obligation refunding	2019/2024	5.000%	23,493,894	12,363,376	-	6,025,095	6,338,281
2020 general obligation	2020/2036	2.000%/4.000%	3,764,405	3,466,008	-	192,811	3,273,197
2020 general obligation refunding	2020/2028	5.000%	7,200,000	5,675,000	-	830,000	4,845,000
2021 general obligation	2022/2036	2.000%/5.000%	22,420,189	21,326,997	-	1,117,593	20,209,404
2022 general obligation	2023/2036	4.000%/5.000%	10,768,920	10,768,920	-	324,505	10,444,415
2022 revenue bond	2023/2038	5.000%	16,120,000	16,120,000	-	615,000	15,505,000
			236,852,888	171,560,740	-	23,843,643	147,717,097
Unamortized premium			-	14,586,693	-	3,106,855	11,479,838
Total governmental activities			$ 236,852,888	$ 186,147,433	$ -	$ 26,950,498	$ 159,196,935

Note 7. Noncurrent and Debt-Related Liabilities (Continued)

a. Bond Indebtedness (Continued)

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2022	Accretion, Issuances and Refunding	Payments/ Refunding/ Transfers	Balance December 31, 2023
Business-Type Activities							
Sewer District							
2006 clean water	2006/2026	3.601%/4.769%	$ 4,052,176	$ 890,000	$ -	$ 215,000	$ 675,000
2015 EFC revenue bond	2015/2035	0.200%/3.942%	3,644,853	2,460,000	-	170,000	2,290,000
2017 general obligation refunding	2017/2028	3.000%/4.000%	674,199	584,909	-	87,625	497,284
2018 general obligation	2018/2029	4.000%/5.000%	4,131,856	2,944,322	-	361,398	2,582,924
Shaker Place Rehabilitation & Nursing Center							
2013 general obligation	2013/2028	2.000%/4.000%	350,000	149,293	-	22,388	126,905
2018 general obligation	2018/2029	4.000%/5.000%	34,620,637	24,369,764	-	2,991,242	21,378,522
2019 general obligation	2019/2039	2.000%/5.000%	45,147,966	41,729,182	-	1,836,910	39,892,272
2020 general obligation	2020/2036	2.000%/4.000%	335,595	308,996	-	17,189	291,807
2022 general obligation	2023/2036	4.000%/5.000%	4,092,328	4,092,328	-	123,316	3,969,012
Enterprise Recreation Civic Center							
2014 general obligation refunding	2014/2027	2.000%/5.000%	8,701,631	4,384,365	-	834,334	3,550,031
2018 general obligation	2018/2029	4.000%/5.000%	44,545,920	32,352,346	-	3,988,175	28,364,171
2019 general obligation	2019/2039	2.000%/5.000%	7,111,305	6,344,612	-	279,289	6,065,323
2019 general obligation refunding	2019/2024	5.000%	136,106	71,624	-	34,905	36,719
2021 general obligation	2022/2036	2.000%/5.000%	549,811	523,003	-	27,407	495,596
2022 general obligation	2023/2036	4.000%/5.000%	8,368,752	8,368,752	-	252,179	8,116,573
			166,463,135	129,573,496	-	11,241,357	118,332,139
Unamortized premium			-	3,733,542	-	615,399	3,118,143
Total business-type activities			$ 166,463,135	$ 133,307,038	$ -	$ 11,856,756	$ 121,450,282

Note 7. Noncurrent and Debt-Related Liabilities (Continued)

a. Bond Indebtedness (Continued)

The annual repayment of principal and interest on bonded debt is as follows:

	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	Total
Year ending December 31,					
2024	$ 25,128,667	$ 6,462,977	$ 12,067,551	$ 4,238,766	$ 47,897,961
2025	19,622,631	5,348,994	12,606,594	3,664,828	41,243,047
2026	18,611,499	4,507,097	13,215,628	3,062,819	39,397,043
2027	16,288,029	3,773,738	13,616,911	2,428,628	36,107,306
2028	14,190,740	3,100,667	13,287,130	1,810,143	32,388,680
2029-2033	29,800,819	10,769,096	30,123,803	4,737,199	75,430,917
2034-2038	20,291,643	7,770,681	20,008,357	1,797,884	49,868,565
2039-2040	3,783,069	2,749,363	3,406,165	85,262	10,023,859
Total	$ 147,717,097	$ 44,482,613	$ 118,332,139	$ 21,825,529	$ 332,357,378

b. Noncurrent and Debt-Related Liabilities

Bond anticipation notes: Liabilities for BANs, if any, are generally accounted for in the Capital Projects Funds and business-type activities. BANs must be renewed annually and typically require principal payments at that time. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewable for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Compensated absences: As explained in Note 1m, the County records the value of governmental fund type compensated absences in the governmental activities. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to the future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable.

Lease liability: At lease commencement, the County records a lease liability at the present value of payments expected to be made during the lease term.

Subscription-based IT arrangement liability: At subscription commencement, the County records a subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription period.

Note 7. Noncurrent and Debt Related Liabilities (Continued)

b. Noncurrent and Debt-Related Liabilities (Continued)

Summary of changes: The following tables summarize changes in the County's noncurrent and debt-related liabilities:

	Balance December 31, 2022	Increases/ Additions	Decreases/ Payments	Balance December 31, 2023
Governmental Activities				
Bonds payable	$ 186,147,433	$ -	$ 26,950,498	$ 159,196,935
Due to employees' retirement system	1,073,580	-	1,073,580	-
Compensated absences	11,859,479	3,455,123	1,185,948	14,128,654
Net pension liability	-	97,843,721	-	97,843,721
Lease liabilities	1,110,051	-	306,435	803,616
Subscription-based IT arrangement liabilities	-	1,240,864	740,853	500,011
OPEB liability	296,221,873	16,343,295	15,465,076	297,100,092
	$ 496,412,416	$ 118,883,003	$ 45,722,390	$ 569,573,029

	Balance December 31, 2022	Increases/ Additions	Decreases/ Payments	Balance December 31, 2023
Business-Type Activities				
Bonds payable	$ 133,307,038	$ -	$ 11,856,756	$ 121,450,282
Due to employees' retirement system	131,628	-	131,628	-
Compensated absences	295,519	20,371	2,952	312,938
Net pension liability	-	15,174,523	-	15,174,523
OPEB liability	44,849,252	5,751,033	2,849,336	47,750,949
	$ 178,583,437	$ 20,945,927	$ 14,840,672	$ 184,688,692

Note 8. Retirement Plan

a. Plan Description and Benefits Provided

The County participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from ERS at www.osc.state.ny.us/retire.

ERS provides retirement, disability, and death benefits for eligible members, including an automatic cost-of-living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Note 8. Retirement Plan (Continued)

b. Contributions

Employees in ERS Tiers I through IV are non-contributory, except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The County's contributions for the current year and the two preceding years were as follows:

Year ended December 31,		
2023	$	17,894,293
2022		21,684,259
2021		20,712,547

Contributions made to ERS were equal to 100% of the contributions required for each year, less the applicable amortizations.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For New York State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.

- For subsequent New York State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in ERS's average rate and the previous graded rate.

- For subsequent New York State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in ERS's average rate and the previous graded rate.

- For subsequent New York State fiscal years in which ERS's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to ERS's fiscal years when the local employer opts to participate in the program. The County fully repaid the liability due to ERS during the year ended December 31, 2023.

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the County reported a liability of $113,018,244 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of April 1, 2022. The County's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2023 measurement date, the County's proportionate share was 0.5270382%.

Note 8. Retirement Plan (Continued)

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2023, the County recognized pension expense of $37,934,972. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,037,327	$ 3,173,979
Changes in assumptions	54,888,949	606,626
Net differences between projected and actual investment earnings on pension plan investments	-	663,977
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,477,454	4,617,113
County contributions subsequent to the measurement date	13,388,624	-
Total	$ 81,792,354	$ 9,061,695

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2024	$ 13,268,042
2025	(7,299,294)
2026	22,710,633
2027	30,662,654
Total	$ 59,342,035

Note 8. Retirement Plan (Continued)

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2022 valuation, with updated procedures used to roll forward the total pension liability to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.90%
Salary Scale	4.40%, indexed by service
Investment Rate of Return, Including Inflation	5.90% compounded annually, net of expenses
Decrement	Based on FY 2016-2020 experience
Mortality Improvement	Society of Actuaries' Scale MP-2020
Cost-of-Living Adjustment	1.50%

e. Investment Asset Allocation

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class and ERS's target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/absolute return strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

f. Discount Rate

The discount rate projection of cash flows assumes that contributions from members will be made at the current member contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8. Retirement Plan (Continued)

g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
County's proportionate share of the net pension liability (asset)	$ 273,116,621	$ 113,018,244	$ (20,762,575)

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of ERS as of March 31, 2023 were as follows (dollars in thousands):

Employer's total pension liability	$ 232,627,259
Plan net position	(211,183,223)
Employer's net pension liability	$ 21,444,036
Ratio of plan net position to the employer's total pension liability	90.78%

Note 9. Postemployment Benefits Other Than Pensions

a. Plan Description

The County provides a single-employer self-insured PPO health plan (Plan). The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the County's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the County and the unions representing employees and are renegotiated at the end of each of the bargaining periods.

b. Funding Policy

Contribution requirements are also negotiated between the County and union representatives. The County contributes a percentage of the cost of current-year premiums for eligible retired Plan members and their spouses. The Plan is funded under a pay-as-you-go process, which is a method of financing postretirement health care benefits under which the contributions to the Plan are generally made at or around the same time and amount as benefits and expenses become due. For the year ended December 31, 2023, the County contributed $18,314,412 to the Plan. Plan members receiving benefits contribute a percentage of their premium costs.

Note 9. Postemployment Benefits Other Than Pensions (Continued)

b. Funding Policy (Continued)

A summary of the participants of the Plan as of the January 1, 2023 valuation date is as follows:

Actives	1,783
Retirees	1,831
Total	3,614

c. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the County reported a liability of $344,851,041 for its OPEB liability. The OPEB liability was measured as of January 1, 2023 by an actuarial valuation as of that date. For the year ended December 31, 2023, the County recognized OPEB expense of $22,094,328. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 67,473,127	$ 258,164,701

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2024	$ (24,385,213)
2025	(24,385,213)
2026	(24,385,213)
2027	(28,014,669)
2028	(39,090,999)
Thereafter	(50,430,267)
Total	$ (190,691,574)

Note 9. Postemployment Benefits Other Than Pensions (Continued)

d. Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation date was determined using the following actuarial assumptions:

Discount Rate	3.88%
Valuation Date	January 1, 2023
Salary Scale	3.00%
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.
Marital Rate	100% elect dependent coverage
Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll
Health Care Cost Trends	Year 1 (January 1, 2025): 7.00% Ultimate Trend (January 1, 2035 and later): 4.50% Grading per year: 0.25%

The discount rate used to measure the liability was 3.88%, based on the average of the Bond Buyer 20-Year General Obligation Bond Index, S&P Municipal Bond 20-Year High Grade Rate Index and Fidelity GO AA 20-Year Bond Index.

e. Schedule of Changes in Net OPEB Liability

The changes in the net OPEB liability are as follows:

January 1, 2023	$ 341,071,125
Changes for the year	
Service cost	7,337,512
Interest cost	12,878,260
Benefit payments	(18,314,412)
Changes in assumptions	1,878,556
Net changes for the year	3,779,916
December 31, 2023	$ 344,851,041

f. Sensitivity of OPEB Liability to Changes in Health Care Cost Trend Rates and Discount Rate

The following presents the OPEB liability of the Plan as of December 31, 2023 using the current health care cost trend rate as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1% higher or lower than the current rate:

	1% Decrease	Current Rate	1% Increase
OPEB liability	$ 299,520,655	$ 344,851,041	$ 402,950,455

Note 9. Postemployment Benefits Other Than Pensions (Continued)

f. Sensitivity of OPEB Liability to Changes in Health Care Cost Trend Rates and Discount Rate (Continued)

The following presents the OPEB liability of the Plan as of December 31, 2023 using the current discount rate of 3.88%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current rate:

	1% Decrease (2.88%)	Current Rate (3.88%)	1% Increase (4.88%)
OPEB liability	$ 397,145,939	$ 344,851,041	$ 303,271,269

Note 10. Leases

a. Lessee Agreements

The County has a variety of lease agreements for certain buildings, building improvements and equipment that are reported within the governmental activities. A summary of future minimum principal and interest payments is as follows:

	Principal	Interest
Year ending December 31,		
2024	$ 145,899	$ 10,710
2025	70,087	9,533
2026	46,694	8,465
2027	28,420	7,919
2028	29,946	7,483
2029-2033	174,657	30,020
2034-2038	222,044	15,233
2039-2040	85,869	1,167
Total	$ 803,616	$ 90,530

Note 10. Leases (Continued)

b. Lessor Agreements

The County has a variety of lease agreements for certain facilities within the Enterprise Recreation Civic Center. A summary of future minimum rental receivables and related interest under the lease agreements is as follows:

	Principal	Interest
Year ending December 31,		
2024	$ 828,736	$ 15,446
2025	169,472	1,729
2026	130,552	644
2027	25,188	61
Total	$ 1,153,948	$ 17,880

Note 11. Subscription-Based IT Arrangements

The County has a variety of subscription-based IT arrangements. A summary of future minimum principal and interest payments is as follows:

	Principal	Interest
Year ending December 31,		
2024	$ 440,954	$ 13,170
2025	38,526	1,216
2026	20,531	206
Total	$ 500,011	$ 14,592

Note 12. Fund Balance

In the fund financial statements, the County reports restrictions of net assets for amounts that are legally restricted by outside parties for a specific purpose or restricted by enabling legislation.

	General	Other Governmental
Nonspendable		
Prepaids and inventory	$ 3,977,368	$ 135,683
Long-term interfund loans	22,731,458	-
	26,708,826	135,683
Restricted for		
Debt service	-	18,740,627
Capital reserve	-	21,058,510
Tax stabilization	1,957,719	-
EMS ambulance reserve	495,514	-
911 reserve	118,855	-
Retirement reserve	3,183,873	-
	5,755,961	39,799,137
Assigned for		
Appropriations	39,809,548	-
Special revenue purposes	-	3,335,558
	39,809,548	3,335,558
Unassigned	122,513,207	-
Total fund balance	$ 194,787,542	$ 43,270,378

Note 13. Risk Financing Activities

The County is exposed to various risks of loss related to auto, property, general liability, public officers' liability, and workers' compensation. The County has purchased an insurance policy for all risks (excluding workers' compensation), which includes a cash deductible with varying amounts per occurrence and in the aggregate per claim year.

County employees are entitled to coverage under the New York State Unemployment Insurance Law. The County has elected to discharge its liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-to-dollar reimbursement to the fund for benefits paid from the fund to former County employees and charged to the County's account.

The County is self-insured for workers' compensation benefits on a cost-reimbursement basis. Each fund of the County is responsible for claims payments incurred for its employees. The County is commercially insured with excess insurance, with a self-insured retention of $700,000 and $750,000 for Police, Sheriffs, and Corrections Officers and an employer's liability limit of $2,000,000.

Note 13. Risk Financing Activities (Continued)

All funds of the County participate in the program and make payments to the Internal Service Fund based on estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for unforeseen losses. The claims liability of $7,767,973 reported in the fund at December 31, 2023, is based on claims reported prior to the issuance of the financial statements indicating that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability amount during 2023 were as follows:

Balance January 1	Current-Year Claims and Changes in Estimates	Claim Payments	Balance December 31
$ 8,854,422	$ 5,972,200	$ 7,058,649	$ 7,767,973

The Shaker Place Rehabilitation & Nursing Center maintains a workers' compensation risk-retention fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for unforeseen losses. The funded balance maintained by the Shaker Place Rehabilitation & Nursing Center totaled $515,715 at December 31, 2023.

Note 14. Commitments and Contingencies

a. Lawsuits

The County is a defendant in a number of lawsuits that arise out of the normal course of operations of the County. The County records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. It is in the opinion of the County's legal counsel that an unfavorable outcome with respect to certain lawsuits is probable, with the potential damages estimated to total $1,470,262. Accordingly, the County has reported a liability of $232,165 and $1,238,097 within claims payable and accounts payable, respectively, in the Self Insurance Fund at December 31, 2023.

b. Grant Programs

The County participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the County believes, based upon its review of current activity and prior experience, that the amount of such disallowances, if any, will be minimal.

c. Contracts

The County has entered into various contracts with outside vendors for goods and services that were unperformed at year-end. The County has provided authority to fund these transactions in the subsequent year's budget.

Note 14. Commitments and Contingencies (Continued)

d. Labor Relations

Certain County employees are represented by 12 bargaining units, with the balance governed by County rules and regulations. Each contract has an expiration date of December 31, 2027.

e. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the County expect such compliance to have, any material effect upon the capital expenditures or financial condition of the County. The County believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

f. Regulatory Environment (Shaker Place Rehabilitation & Nursing Center)

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time.

g. Transfers to the County

Under the terms of the agreement between the Enterprise Recreation Civic Center, the operator, and the County, net surpluses earned by the Enterprise Recreation Civic Center are transferred to the County in the year subsequent to when those surpluses are earned. Transfers received by the County will fund net losses that are incurred by the Enterprise Recreation Civic Center. During the year ended December 31, 2023, the Enterprise Recreation Civic Center transferred $6,072,839 to the County.

Note 15. Tax Abatements

Certain property values in the County have been reduced as the result of payment in lieu of tax (PILOT) agreements entered into by the Agency for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in the County, including the County. As a result of the agreement, the County receives PILOT payments which are equal to the reduced assessed value times the County's levied tax rate.

There were no significant abatement programs in effect at December 31, 2023.

Note 16. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 101, Compensated Absences: This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Note 16. Accounting Standards Issued But Not Yet Implemented (Continued)

GASB Statement No. 102, Certain Risk Disclosures: The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, Financial Reporting Model Improvements: This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual or infrequent items, definitions of nonoperating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the extent of the potential impact of these statements, if any, on the County's financial statements.

County of Albany, New York

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2023	2022	2021	2020	2019	2018
Beginning of year	$ 341,071,125	$ 502,968,070	$ 683,948,129	$ 656,140,407	$ 525,971,830	$ 520,083,996
Changes for the year						
Service cost	7,337,512	4,754,405	8,842,294	12,498,119	7,004,888	5,651,486
Interest cost	12,878,260	20,748,924	13,863,456	13,023,732	18,539,318	19,399,100
Benefit payments	(18,314,412)	(13,164,647)	(15,363,953)	(22,802,356)	(17,381,223)	(19,162,752)
Changes in assumptions	1,878,556	(174,235,627)	(188,321,856)	25,088,227	122,005,594	-
Net changes for the year	3,779,916	(161,896,945)	(180,980,059)	27,807,722	130,168,577	5,887,834
End of year	$ 344,851,041	$ 341,071,125	$ 502,968,070	$ 683,948,129	$ 656,140,407	$ 525,971,830
Covered payroll	$ 115,423,942	$ 120,341,638	$ 121,545,085	$ 118,004,937	$ 114,567,900	$ 111,230,971
OPEB liability as a percentage of covered payroll	299%	283%	414%	580%	573%	473%

Schedule is intended to show information for 10 years. Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

See Independent Auditor's Report.

County of Albany, New York

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability/Asset

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.5270382%	0.5070583%	0.4980909%	0.5235608%	0.5149016%	0.4936194%	0.5034731%	0.4940550%	0.5056861%
County's proportionate share of the net pension liability (asset)	$ 113,018,244	$ (41,449,914)	$ 495,969	$ 138,641,943	$ 36,482,342	$ 15,931,295	$ 47,307,460	$ 79,297,203	$ 17,083,314
County's covered-employee payroll	$ 130,860,432	$ 130,080,845	$ 121,749,440	$ 122,170,679	$ 123,282,866	$ 123,860,584	$ 119,146,390	$ 118,773,066	$ 112,117,907
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.37%	-31.86%	0.41%	113.48%	29.59%	12.86%	39.71%	66.76%	15.24%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

County of Albany, New York

Required Supplementary Information
Schedule of Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 17,894,293	$ 21,684,259	$ 20,712,547	$ 18,521,615	$ 18,473,962	$ 18,345,949	$ 18,078,611	$ 18,390,616	$ 20,096,421
Contributions in relation to the contractually required contribution	$ 17,894,293	$ 21,684,259	$ 20,712,547	$ 18,521,615	$ 18,473,962	$ 18,345,949	$ 18,078,611	$ 18,390,616	$ 16,961,239
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,135,182
County's covered-employee payroll	$ 130,860,432	$ 130,080,845	$ 121,749,440	$ 122,170,679	$ 123,282,866	$ 123,860,584	$ 119,146,390	$ 118,773,066	$ 112,117,907
Contribution as a percentage of covered-employee payroll	14%	17%	17%	15%	15%	15%	15%	15%	15%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

County of Albany, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund

	Year Ended December 31, 2023			
	Budgeted Amounts		Actual	Variance With Modified Positive
	Adopted	Modified	Amounts	(Negative)
REVENUES				
Real property taxes	$ 96,902,250	$ 96,902,250	$ 93,392,927	$ (3,509,323)
Real property tax items	8,688,875	8,718,571	7,920,811	(797,760)
Non-property tax items	341,619,010	355,451,969	369,942,333	14,490,364
Department income	32,501,481	33,327,938	30,984,075	(2,343,863)
Intergovernmental charges	14,084,869	14,533,302	14,725,486	192,184
Use of money and property	3,738,184	3,814,400	12,131,581	8,317,181
Fines and forfeitures	440,650	440,650	232,356	(208,294)
Sale of property and compensation for loss	9,350	9,350	4,437,848	4,428,498
Miscellaneous local sources	6,172,254	6,291,500	5,660,040	(631,460)
Interfund revenues	43,964	43,964	-	(43,964)
State aid	93,125,985	102,262,875	93,577,821	(8,685,054)
Federal aid	75,096,820	77,810,395	72,854,966	(4,955,429)
Total revenues	672,423,692	699,607,164	705,860,244	6,253,080
EXPENDITURES				
General government support	194,238,981	214,798,552	198,319,314	16,479,238
Public safety	92,112,053	106,603,731	79,030,235	27,573,496
Transportation	1,121,150	1,299,022	1,415,632	(116,610)
Health	45,083,291	50,303,334	39,015,641	11,287,693
Economic assistance and opportunity	193,310,535	193,347,472	186,319,891	7,027,581
Culture and recreation	1,774,686	2,034,076	407,283	1,626,793
Education	32,212,243	34,796,092	36,100,684	(1,304,592)
Home and community service	9,795,058	10,210,114	6,058,865	4,151,249
Employee benefits	67,581,612	65,845,616	67,011,671	(1,166,055)
Debt service				
Principal	-	-	1,047,288	(1,047,288)
Interest	-	-	39,641	(39,641)
Total expenditures	637,229,609	679,238,009	614,766,145	64,471,864
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangements	-	-	1,240,864	1,240,864
Appropriated fund balance	8,500,000	8,500,000	-	(8,500,000)
Interfund transfers in	473,898	10,664,878	2,392,044	(8,272,834)
Interfund transfers out	(44,167,981)	(45,006,140)	(50,377,442)	(5,371,302)
Total other financing sources (uses)	(35,194,083)	(25,841,262)	(46,744,534)	(20,903,272)
Net change in fund balance	**$ -**	**$ (5,472,107)**	**44,349,565**	**$ 49,821,672**
FUND BALANCE, ***beginning of year***			150,437,977	
FUND BALANCE, ***end of year***			**$ 194,787,542**	

See Independent Auditor’s Report.

County of Albany, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Miscellaneous Special Revenue Fund

	Year Ended December 31, 2023			
	Budgeted Amounts		Actual	Variance With Modified Positive
	Adopted	Modified	Amounts	(Negative)
REVENUES				
Federal aid	$ 812,000	$ 812,000	$ 755,565	$ (56,435)
EXPENDITURES				
General government support	812,000	812,000	755,565	56,435
Net change in fund balance	**$ -**	**$ -**	**-**	**$ -**
FUND BALANCE, *beginning of year*			-	
FUND BALANCE, *end of year*			**$ -**	

See Independent Auditor's Report.

County of Albany, New York

Supplementary Information
Combining Statement of Net Position -
Discretely Presented Component Units

	December 31, 2023			
	Albany County Industrial Development Agency	Albany County Airport Authority	Albany County Land Bank Corporation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	$ 4,464,464	$ 42,799,679	$ 3,596,987	$ 50,861,130
Cash and cash equivalents, restricted	-	28,451,775	-	28,451,775
Other receivables	-	2,109,957	2,542,640	4,652,597
Other receivables, restricted	-	10,679,485	-	10,679,485
Lease receivable	-	2,722,345	-	2,722,345
Prepaid and other	1,929	936,293	101,173	1,039,395
Total current assets	4,466,393	87,699,534	6,240,800	98,406,727
NONCURRENT ASSETS				
Prepaid expenses	-	178,797	-	178,797
Property held for resale	-	-	1,590,788	1,590,788
Lease receivable	-	16,969,066	-	16,969,066
Capital assets, net	-	275,717,191	165,078	275,882,269
Total noncurrent assets	-	292,865,054	1,755,866	294,620,920
Total assets	4,466,393	380,564,588	7,996,666	393,027,647
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	-	1,063,610	-	1,063,610
Deferred charges, OPEB	-	906,998	-	906,998
Deferred loss on refunding	-	638,650	-	638,650
Total deferred outflows of resources	-	2,609,258	-	2,609,258

See Independent Auditor's Report.

County of Albany, New York

Supplementary Information
Combining Statement of Net Position -
Discretely Presented Component Units (Continued)

	December 31, 2023			
	Albany County Industrial Development Agency	Albany County Airport Authority	Albany County Land Bank Corporation	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	$ 7,529	$ 4,046,593	$ 428,566	$ 4,482,688
Accrued liabilities	-	12,925,402	-	12,925,402
Payable from restricted assets	-	16,275,794	-	16,275,794
Lease liability	-	-	165,078	165,078
Total current liabilities	7,529	33,247,789	593,644	33,848,962
NONCURRENT LIABILITIES				
Bonds payable	-	51,326,412	-	51,326,412
OPEB liability, net	-	6,386,068	-	6,386,068
Net pension liability, proportionate share	-	1,026,081	-	1,026,081
Total noncurrent liabilities	-	58,738,561	-	58,738,561
Total liabilities	7,529	91,986,350	593,644	92,587,523
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	-	75,313	-	75,313
Deferred charges, OPEB	-	766,596	-	766,596
Leases	-	18,721,114	-	18,721,114
Other	-	-	1,784,303	1,784,303
Concession Improvement Trust funds	-	906,386	-	906,386
Total deferred inflows of resources	-	20,469,409	1,784,303	22,253,712
NET POSITION				
Net investment in capital assets	-	208,844,436	-	208,844,436
Restricted	-	38,318,628	-	38,318,628
Unrestricted	4,458,864	23,555,023	5,618,719	33,632,606
Total net position	**$ 4,458,864**	**$ 270,718,087**	**$ 5,618,719**	**$ 280,795,670**

See Independent Auditor's Report.

County of Albany, New York

Supplementary Information
Combining Statement of Activities -
Discretely Presented Component Units

	Year Ended December 31, 2023			
	Albany County Industrial Development Agency	**Albany County Airport Authority**	**Albany County Land Bank Corporation**	**Total**
OPERATING REVENUES				
Charges for services, net	$ 819,303	$ 48,753,790	$ 682,507	$ 50,255,600
Other operating revenues	-	4,476,417	37,726	4,514,143
Operating grants and contributions	-	-	1,552,744	1,552,744
Total operating revenues	819,303	53,230,207	2,272,977	56,322,487
OPERATING EXPENSES				
Cost of services	2,212,500	41,287,434	2,929,542	46,429,476
General and administrative	269,869	2,871,427	941,063	4,082,359
Depreciation	-	19,050,784	-	19,050,784
Total operating expenses	2,482,369	63,209,645	3,870,605	69,562,619
Operating loss	**(1,663,066)**	**(9,979,438)**	**(1,597,628)**	**(13,240,132)**
NONOPERATING REVENUES (EXPENSES)				
Other nonoperating revenues	-	6,402,717	-	6,402,717
Other nonoperating grants	-	5,232,617	-	5,232,617
Interest earnings	86,658	2,371,341	599	2,458,598
Interest on debt	-	(2,108,164)	-	(2,108,164)
Total nonoperating revenues	86,658	11,898,511	599	11,985,768
Gain (loss) before special items	**(1,576,408)**	**1,919,073**	**(1,597,029)**	**(1,254,364)**
SPECIAL ITEMS				
Capital contributions	-	16,929,595	-	16,929,595
Donation of property for sale	-	-	660,100	660,100
Total special items	-	16,929,595	660,100	17,589,695
Change in net position	**(1,576,408)**	**18,848,668**	**(936,929)**	**16,335,331**
NET POSITION, ***beginning of year***	6,035,272	251,869,419	6,555,648	264,460,339
NET POSITION, ***end of year***	**$ 4,458,864**	**$ 270,718,087**	**$ 5,618,719**	**$ 280,795,670**

See Independent Auditor's Report.

APPENDIX C

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS

DEFINITIONS

The following terms have the meanings stated herein when used in this Appendix and the documents summarized below:

"ACCA" means Albany Convention Center Authority and its successors and assigns.

"ACCA Lease Agreement" means the lease dated as of July 7, 2025, as amended by that certain first amendment to lease agreement dated as of July 30, 2025, each by and between the Borrower and ACCA.

"Account" means, with respect to any Series of Bonds, an account created within any Fund designated and created pursuant to Section 401 of the Indenture.

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants selected by the Borrower.

"Act" means the Enabling Act.

"Additional Bonds" means any bonds issued by the Issuer pursuant to Section 214 of the Indenture.

"Additional Equipment" means, in connection with any Additional Project, any additional materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of a related Series of Additional Bonds, or intended to be acquired with any payment which the Borrower incurred in anticipation of the issuance of such Series of Additional Bonds and for which the Borrower will be reimbursed from the proceeds of such Series of Additional Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Loan Agreement.

"Additional Facility" means, in connection with any Additional Project, any buildings, improvements, structures, and other related facilities (A) located on the Land or the Additional Land, (B) financed or refinanced with the proceeds of the sale of a Series of Additional Bonds or any payment made by the Borrower pursuant to Section 3.5 of the Loan Agreement or any payment which the Borrower incurred in anticipation of the issuance of such Series of Additional Bonds and for which the Borrower will be reimbursed from the proceeds of such Series of Additional Bonds, and (C) not constituting a part of the Additional Equipment, all as they may exist from time to time.

"Additional Land" means, with respect to any Series of Additional Bonds, any real estate which will be the site of an Additional Project Facility intended to be financed with the proceeds of such Series of Additional Bonds.

"Additional Project" means the purposes for which any Series of Additional Bonds may be issued.

"Additional Project Facility" means any Additional Land, Additional Facility or Additional Equipment acquired by the Issuer in connection with the issuance of any Series of Additional Bonds.

"Annual Debt Service" means the actual sum of the principal and sinking fund installments of and interest on outstanding Long-Term Indebtedness payable during a Fiscal Year, provided that (a) with respect to any Long-Term Indebtedness that bears a variable rate of interest, the debt service shall include any credit enhancement costs and (b) with respect to any Long-Term Indebtedness subject to an interest rate exchange agreement, the debt service shall include the net payments made to or received from the counterparty.

"Applicable Laws" means all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Issuer were the owner of the Project Facility and as if the Borrower and not the Issuer were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

"Arbitrage Certificate" means (A) with respect to the Initial Bonds, the Initial Arbitrage Certificate and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar document executed by the Issuer in connection with the issuance and sale of such Series of Additional Bonds.

"Assignment of Rents" means the assignment of rents and leases dated as of August 1, 2025 from the Borrower to the Issuer, which, among other things, assigns to the Issuer (a) the rents, issues and profits of the Initial Project Facility and (b) all leases, subleases, licenses or occupancy agreements affecting the Initial Project Facility, as said assignment of rents and leases may be amended or supplemented from time to time.

"Assignment of Rents Assignment" means the assignment of assignment of rents and leases dated as of August 1, 2025 from the Issuer to the Trustee, which, among other things, assigns to the Trustee (a) the rents, issues and profits of the Initial Project Facility and (b) all leases, subleases, licenses or occupancy agreements affecting the Initial Project Facility, as said assignment of rents and leases may be amended or supplemented from time to time.

"Authorized Denominations" means: (A) with respect to the Initial Bonds, $5,000 and any integral multiple of $5,000 in excess thereof, except that, if as a result of a redemption, partially redeemed Initial Bonds cannot be issued in such denominations, such partially redeemed Initial Bonds shall be reissued in such other denominations to the extent required to effect such redemption; and (B) with respect to any Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds as set forth in the supplemental indenture relating thereto.

"Authorized Investments" means any of the following: (A) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (B) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (1) U.S. Export-Import Bank ("Eximbank"), (2) Farmers Home Administration ("FmHA"), (3) Federal Financing Bank, (4) Federal Housing Administration Debentures ("FHA"), (5) General Services Administration, (6) Government National Mortgage Association ("GNMA" or "Ginnie Mae"), (7) U.S. Maritime Administration, and (8) U.S. Department of Housing and Urban Development ("HUD"); (C) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (1) Federal Home Loan Bank System, (2) Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), (3) Federal National Mortgage Association ("FNMA" or "Fannie Mae"), (4) Student Loan Marketing Association ("SLMA" or "Sallie Mae"), (5) Resolution Funding Corp. ("REFCORP") obligations, and (6) Farm Credit System; (D) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act, and having a rating (i) if by Standard & Poor's of "AAAm-G", "AAA-m"; or "AA-m" or (ii) if by Moody's of "Aaa", "Aa1" or "Aa2"; (E) certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral; (F) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF; (G) investment agreements, including guaranteed investment contracts, forward purchase agreements acceptable to the Borrower and entered into by the Trustee at the written direction of the Borrower and reserve fund put agreements acceptable to the Borrower and entered into by the Trustee at the written direction of the Borrower, provided, however, (i) in all cases these investments are entered into with any financial institution, the long-term debt, the claims paying ability or the financial program strength of which is rated by at least one nationally recognized rating agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), (ii) if such investment is guaranteed by a third-party, then the above rating requirements will apply to the guarantor only and (iii) in all cases, the above rating requirements will apply only at the time the investment is entered into; (H) commercial paper rated, at the time of purchase, (i) if by Moody's of "Prime - 1" and (ii) if by Standard & Poor's of "A-1" or better; (I) bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies; (J) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of (i) if by Moody's of "Prime - 1" or "A3" or better and (ii) if by Standard & Poor's of "A-1" or "A" or better; and (K) repurchase agreements that must follow the following criteria: (1) repurchase agreements must be between the Borrower and a bank (including the Trustee or its affiliates), a trust company, insurance company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation; (2) the written repo contract must include the following: (a) cash and securities which are acceptable for transfer are cash and any Authorized Investments (A) – (C), (b) the collateral must be delivered to the Borrower, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee before/simultaneous with payment and must be free and clear of third-party claims, and (c) valuation of collateral - the securities must be valued no less frequently than weekly. The fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102% (100% with respect to cash collateral).

"Authorized Representative" means the Person or Persons at the time designated to act on behalf of the Issuer or the Borrower, as the case may be, by written certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chairperson, Vice Chairperson, or Chief Executive Officer, or such other person as may be authorized by resolution of the Issuer to act on behalf of the Issuer, (B) the Borrower by its President or Chief Financial Officer, or such other person as may be authorized by the board of trustees of the Borrower to act on behalf of the Borrower and (C) the Trustee by any Vice President, Assistant Vice President or Trust Officer, or such other person as may be authorized by the board of directors of the Trustee to act on behalf of the Trustee.

"Available Moneys" means any moneys on deposit with the Trustee for the benefit of the Bondholders which are (A) proceeds of the Bonds, or of any bonds issued for the purpose of refunding the Bonds, (B) amounts on deposit for a period of 124 consecutive days during which no petition in bankruptcy under the Bankruptcy Code has been filed against the entity which paid such money, and no similar proceedings have been instituted under state insolvency or other laws affecting creditors' rights generally, or (C) any moneys with respect to which an unqualified opinion from nationally recognized counsel has been received stating that such payments to Bondholders would not constitute voidable preferences under Section 547 of the Bankruptcy Code, or similar state or federal laws with voidable preferences in the event of the filing of a petition for relief under the Bankruptcy Code, or similar state or federal laws with voidable preference provisions by or against the entity from which the money is received.

"Bankruptcy Code" means the United States Bankruptcy Code, constituting Title 11 of the United States Code, as amended from time to time, and any successor statute.

"Beneficial Owner" means, with respect to a Bond, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

"Beneficial Ownership Interest" means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a Book Entry System.

"Bond" or "Bonds" means, collectively, (A) the Initial Bonds and (B) any Additional Bonds.

"Bond Counsel" means the law firm of Hodgson Russ LLP, Albany, New York or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer.

"Bond Fund" means the fund so designated established pursuant to Section 401(A)(2) of the Indenture.

"Bondholder" or "Holder" or "Owner of the Bonds" means the registered owner of any Bond, as indicated on the bond register maintained by the Bond Registrar, except that wherever appropriate the term "Owners" shall mean the owners of the Bonds for federal income tax purposes.

"Bond Payment Date" means each Interest Payment Date and each date on which principal or interest or premium, if any, or a Sinking Fund Payment, shall be payable on the Bonds according to their terms and the terms of the Indenture, including without limitation scheduled mandatory Redemption Dates, unscheduled mandatory Redemption Dates, dates of acceleration of the Bonds pursuant to Section 602 of the Indenture, optional Redemption Dates and Stated Maturity, so long as any Bonds shall be Outstanding.

"Bond Proceeds" means (A) with respect to the Initial Bonds, the proceeds of the sale of the Initial Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the Underwriter as the purchase price of the Initial Bonds, and (B) with respect to any Series of Additional Bonds, the proceeds of the sale of such Series of Additional Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers of such Series of Additional Bonds as the purchase price of such Series of Additional Bonds.

"Bond Purchase Agreement" means (A) with respect to the Initial Bonds, the Initial Bond Purchase Agreement, and (B) with respect to any Series of Additional Bonds, any similar document executed by the Issuer and/or the Borrower in connection with the issuance and sale of such Series of Additional Bonds.

"Bond Rate" means, with respect to any Bond, the applicable rate of interest on such Bond, as set forth in such Bond.

"Bond Register" means the register maintained by the Bond Registrar in which, subject to such reasonable regulations as the Issuer, the Trustee or the Bond Registrar may prescribe, shall provide for the registration of the Bonds and for the registration of transfers of the Bonds.

"Bond Registrar" means the Trustee, acting in its capacity as bond registrar under the Indenture, and its successors and assigns as bond registrar under the Indenture.

"Bond Resolution" means (A) with respect to the Initial Bonds, the Initial Bond Resolution and (B) with respect to any Series of Additional Bonds, any resolution adopted by the members of the board of directors of the Issuer authorizing the issuance of such Series of Additional Bonds.

"Bond Year" (A) with respect to the Initial Bonds, means each one (1) year period ending on the anniversary of the Closing Date relating to the Initial Bonds, or such other bond year as the Borrower and the Issuer may select from time to time in a manner complying with the Code, and (B) with respect to any Series of Additional Bonds issued as Tax-Exempt Bonds, shall have the meaning set forth in the supplemental indenture related to such Series of Additional Bonds.

"Book Entry Bonds" means Bonds held in Book Entry Form with respect to which the provisions of Section 213 of the Indenture shall apply.

"Book Entry Form" or "Book Entry System" means, with respect to the Bonds, a form or system, as applicable, under which (A) the Beneficial Ownership Interests may be transferred only through a book entry and (B) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates "immobilized" in the custody of the Depository or a custodian on behalf of the Depository. The Book Entry System which is maintained by and the responsibility of the Depository (and which is not maintained by or the responsibility of the Issuer or the Trustee) is the record that identifies, and records the transfer of the interests of, the Owners of book entry interests in the Bonds.

"Borrower" means CIDC Albany Center, LLC, a limited liability company organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Loan Agreement.

"Business Day" means any day of the year other than (A) a Saturday or Sunday, (B) a day on which the New York Stock Exchange is closed or (C) a day on which commercial banks in New York, New York, or the city or cities in which the Office of the Trustee is located, are authorized or required by law, regulation or executive order to close.

"Certificate of Authentication" means the certificate of authentication in substantially the form attached to the form of the Initial Bonds attached as Schedule I to the Indenture.

"Closing Date" means (A) with respect to the Initial Bonds, the date on which authenticated Initial Bonds are delivered to or upon the order of the Underwriter and payment is received therefor by the Trustee on behalf of the Issuer, and (B) with respect to any Series of Additional Bonds, the date on which such Additional Bonds of such Series are authenticated and delivered to the purchaser thereof and payment therefor is received by the Trustee on behalf of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of said Code, and the applicable regulations (whether proposed, temporary or final) of the United States Treasury Department promulgated under said Code and the statutory predecessor of said Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Completion Date” means (A) with respect to the Initial Project, the date of substantial completion of the undertaking of the Initial Project, as evidenced in the manner provided in Section 3.4 of the Loan Agreement and (B) with respect to any Additional Project, the date of substantial completion of the undertaking of such Additional Project, as evidenced in the manner provided in Section 3.4 of the Loan Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Contract” means the standard design-build agreement dated as of August 8, 2025, as amended, by and between the Borrower and the Contractor.

“Construction Period” means, with respect to the Initial Project or any Additional Project, as the case may be, the period (A) beginning on the Inducement Date relating thereto and (B) ending on the Completion Date relating thereto.

“Continuing Disclosure Agreement” means (A) with respect to the Bonds, the Initial Continuing Disclosure Agreement, and (B) with respect to any Series of Additional Bonds, any similar document executed by the Borrower in connection with the issuance of such Series of Additional Bonds.

“Contractor” means BBL Construction Services, LLC.

“Cost of the Project” means (A) with respect to the Initial Project, all those costs and items of expense relating thereto enumerated in Section 3.3(A) of the Loan Agreement incurred subsequent to the Inducement Date, including costs which the Borrower incurred prior to the Inducement Date with respect to the Initial Project in anticipation of the issuance of the Initial Bonds and for which the Borrower may be reimbursed from proceeds of the Initial Bonds pursuant to the provisions of the Initial Tax Regulatory Agreement, and (B) with respect to any Additional Project, all those costs and items of expense relating thereto enumerated in Section 3.3 of the Loan Agreement, including costs which the Borrower incurred with respect to such Additional Project in anticipation of the issuance of the related Series of Additional Bonds and for which the Borrower will be reimbursed from proceeds of the related Series of Additional Bonds.

“County” means Albany County, New York.

“DAC” means Digital Assurance Certification, L.L.C. and its successors and assigns.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bonds on such Bond Payment Date, plus (B) the principal, if any, payable on the Bonds on such Bond Payment Date, plus (C) the premium, if any, payable on the Bonds on such Bond Payment Date, plus (D) the Sinking Fund Payments, if any, payable on the Bonds on such Bond Payment Date.

“Default Interest Rate” means the rate of interest equal to the National Prime Rate plus two percent (2%) per annum, or the maximum permitted by law, whichever is less.

"Defaulted Payment" shall have the meaning assigned to such term in Section 207(C) of the Indenture.

"Defeasance Obligations" means (A) cash, or (B) direct obligations of the United States of America or of any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States, including, but not limited to, United States Treasury obligations.

"Depository" means, initially, The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other securities depository designated in any supplemental resolution of the Issuer to serve as securities depository for the Bonds that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Book Entry Bonds.

"Depository Letter" means (A) with respect to the Initial Bonds, the Initial Depository Letter, and (B) with respect to any Series of Additional Bonds issued as Book Entry Bonds, any letter of representations by and among the Issuer, the Trustee and the Depository relating to such Series of Additional Bonds, and any amendments or supplements thereto entered into with respect thereto.

"Direct Participant" means a Participant as defined in the Depository Letter.

"Enabling Act" means Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended.

"Environmental Compliance Agreement" means the environmental compliance and indemnification agreement dated as of August 1, 2025 from the Borrower to the Issuer and the Trustee, pursuant to which, among other things, the Borrower indemnifies the Trustee again certain environmental liabilities related to the Initial Project Facility, as said environmental compliance agreement and indemnification agreement may be amended or supplemented from time to time.

"Equipment" means, collectively, the Initial Equipment and any Additional Equipment.

"Event of Default" means (A) with respect to the Indenture, any of those events defined as an Event of Default by the terms of Article VI of the Indenture, (B) with respect to the Loan Agreement, any of those events defined as an Event of Default by the terms of Article X of the Loan Agreement, and (C) with respect to any other Financing Document, any of those events defined as an Event of Default by the terms thereof.

"Event of Taxability" means, with respect to any Series of Tax-Exempt Bonds, (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under such Series of Tax-Exempt Bonds, (B) a "final determination by decision or ruling by a duly constituted administrative authority" to the effect that such exemption for interest payable under such Series of Tax-Exempt Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under such Series of Tax-Exempt Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holders of such Series of Tax-Exempt Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on such Series of Tax-Exempt Bonds is not excluded from gross income for federal income tax purposes. For the purposes of clause (B) above, a "final determination by decision or ruling by a duly constituted administrative authority" shall mean (1) the issuance of a ruling (including, but not limited to, a revenue ruling or a letter ruling) by the IRS or any successor thereto, or (2) the issuance of a preliminary notice of proposed deficiency ("30-Day Letter"), a statutory notice of deficiency ("90-Day Letter"), or other written order or directive of similar force and effect by the IRS, or any other United States Governmental Authority having jurisdiction therein. Notwithstanding the foregoing, nothing in this definition of "Event of Taxability" shall be construed (x) to mean or include consideration of the interest payable on a Series of the Tax-Exempt Bonds for purposes of calculating the interest expense which may be deducted by a bank or other Financial Borrower, or (y) to mean that the any Holder of such Series of the Tax-Exempt Bonds shall have any obligation to contest or appeal any assertion or decision that any interest payable under such Series of the Tax-Exempt Bonds is subject to taxation, or (z) to mean or include the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Holder of a Series of the Tax-Exempt Bonds, in the calculation of which is included the interest paid or payable under the Tax-Exempt Bonds.

"Extraordinary Services" and "Extraordinary Expenses" means all reasonable services rendered and all reasonable expenses incurred by the Trustee or any paying agent under the Indenture, other than Ordinary Services and Ordinary Expenses, including, but not limited to, reasonable attorneys' fees and any services rendered and any expenses incurred with respect to an Event of Default or with respect to the occurrence of an event which upon the giving of notice or the passage of time would ripen into an Event of Default under any of the Financing Documents.

"Facility" means the Initial Facility and any Additional Facilities.

"Final Maturity" means, with respect to any particular Bond, the final Stated Maturity of the principal due on such Bond, unless such Bond is called for redemption in whole prior to such date, in which case any such term shall mean the Redemption Date relating to such Bond.

"Financing Documents" means (A) with respect to the Initial Bonds, the Initial Financing Documents and (B) with respect to any Series of Additional Bonds, any similar documents executed by the Borrower and/or the Issuer in connection with the issuance of such Series of Additional Bonds.

"Financing Statements" means any and all financing statements (including continuation statements) or other instruments filed or recorded from time to time to perfect the security interests created in the Financing Documents.

"Fiscal Year" means a twelve-month period beginning on June 1 and ending on May 31 of each year, or such other twelve month period as the Borrower may elect as its fiscal year.

"Fund" means any Fund designated and created pursuant to Section 401 of the Indenture.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"Government Obligations" means (A) cash, (B) direct obligations of the United States of America, (C) obligations unconditionally guaranteed by the United States of America and (D) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (B) or (C).

"Governmental Authority" means the United States of America, the State, any political subdivision thereof, any other state and any agency, department, commission, board, bureau or instrumentality of any of them.

"Gross Bond Proceeds" means, with respect to a Series of Bonds, "gross proceeds" as defined in Section 148(f)(6)(B) of the Code, presently including, without limitation, the original proceeds of such Series of Bonds, investment proceeds, amounts held in a sinking fund, amounts invested in a reasonably required reserve or replacement fund, certain investment-type property pledged as security for such Series of Bonds by the Borrower or by the Issuer, amounts received with respect to the Loan Agreement, any amounts used to pay Debt Service Payments on such Series of Bonds, and any amounts received as a result of investing any of the foregoing.

"Gross Proceeds" means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

"Guaranty" means the guaranty dated as of August 1, 2025 from the Borrower to the Trustee, as said guaranty may be amended or supplemented from time to time.

"Holder" or "holder", when used with respect to a Bond, means Bondholder.

"Hotel Occupancy Tax Receipts" shall have the meaning assigned to such term in the Reserve Fund Replenishment Agreement.

"Immediate Notice" means notice transmitted through a time-sharing terminal, if operative as between any two parties, or if not operative, same-day notice by telephone, telecopy or telex, followed by prompt written confirmation sent by overnight delivery.

"Indebtedness" means (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from the Borrower or the Issuer to the Trustee pursuant to any Financing Document, (C) the performance and observance by the Issuer and the Borrower of all of the covenants, agreements, representations and warranties made for the benefit of the Trustee pursuant to any Financing Document, (D) the monetary obligations of the Borrower to the Issuer and its members, directors, officers, agents, servants and employees under the Loan Agreement and the other Financing Documents, and (E) all interest, penalties and late charges accruing on any of the foregoing.

"Indemnified Parties" shall mean the Trustee, the Issuer, the Underwriter and the payee and holder of any Initial Bond.

"Indenture" means the trust indenture dated as of August 1, 2025 by and between the Issuer and the Trustee, as said trust indenture may be amended or supplemented from time to time.

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not a full-time employee of the Borrower, the Issuer, or the Trustee.

"Indirect Participant" means a Person utilizing the Book Entry System of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"Inducement Date" means (A) with respect to the Initial Project, the date which is sixty (60) days prior to the earlier of April 16, 2025 or (2) the date on which the Borrower declared its official intent to reimburse expenditures made with respect to the Initial Project with proceeds of borrowed money, and

(B) with respect to any Additional Project, the date which is sixty (60) days prior to the earlier of (1) the date on which the Issuer adopts an inducement resolution with respect to such Additional Project or (2) the date on which the Borrower declares its official intent to reimburse expenditures made with respect to such Additional Project with proceeds of borrowed money.

"Initial Arbitrage Certificate" means the certificate dated the Closing Date for the Initial Bonds executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code applicable to the Initial Bonds and the Initial Project.

"Initial Bond Purchase Agreement" means the bond purchase agreement dated August 13, 2025 by and among the Underwriter, the Issuer and the Borrower relating to the purchase of the Initial Bonds by the Underwriter, as said bond purchase agreement may be amended or supplemented from time to time.

"Initial Bond Resolution" means the resolution of the members of the board of directors of the Issuer duly adopted on June 4, 2025 authorizing the Issuer to undertake the Initial Project, to issue and sell the Initial Bonds and to execute and deliver the Initial Financing Documents to which the Issuer is a party.

"Initial Bonds" means the Issuer's Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025 in the aggregate principal amount of $38,705,000 issued pursuant to the Initial Bond Resolution and Article II of the Indenture and sold by the Underwriter pursuant to the Initial Bond Purchase Agreement, in substantially the form attached to the Indenture as Schedule I, and any Tax-Exempt Bonds issued in exchange or substitution therefor.

"Initial Continuing Disclosure Agreement" means the continuing disclosure agreement dated as of August 1, 2025 by and among the Borrower, ACCA, the County and DAC, as dissemination agent, relating to the Initial Bonds, as said continuing disclosure agreement may be amended or supplemented from time to time.

"Initial Depository Letter" means any letter of representations by and among the Issuer and the Depository relating to the Initial Bonds, and any amendments or supplements thereto entered into with respect thereto.

"Initial Equipment" shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

"Initial Facility" shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

"Initial Financing Documents" means the Initial Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Mortgage, the Assignment of Rents, the Guaranty, the Initial Tax Documents, the Initial Underwriter Documents and any other document now or hereafter executed by the Issuer or the Borrower in favor of the Holders of the Initial Bonds or the Trustee which affects the rights of the Holders of the Initial Bonds or the Trustee in or to the Initial Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

"Initial Land" shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

"Initial Official Statement" means the official statement delivered in connection with the sale of the Initial Bonds by the Underwriter.

"Initial Preliminary Official Statement" means the preliminary official statement delivered in connection with the sale of the Initial Bonds by the Underwriter.

"Initial Prepaid Rent" shall have the meaning assigned to such term in Section 3.01 of the ACCA Lease Agreement.

"Initial Project" shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

"Initial Project Facility" shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

"Initial Tax Documents" means, collectively, the Initial Arbitrage Certificate and the Initial Tax Regulatory Agreement.

"Initial Tax Regulatory Agreement" means the tax regulatory agreement dated the Closing Date for the Initial Bonds executed by the Borrower in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on the Initial Bonds to be and remain excludable from the gross income of the Holders thereof for federal income tax purposes.

"Initial Underwriter Documents" means the Initial Bond Purchase Agreement, the Continuing Disclosure Agreement, the Initial Preliminary Official Statement, the Initial Official Statement and any other document now or hereafter executed by the Issuer or the Borrower in connection with the sale of the Initial Bonds by the Underwriter.

"Insurance and Condemnation Fund" means the fund so designated established pursuant to Section 401(A)(3) of the Indenture.

"Interest Payment Date" means (A) with respect to the Initial Bonds, March 1 and September 1 of each year, commencing March 1, 2026, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of interest on such Additional Bonds, as set forth in the supplemental Indenture authorizing the issuance of such Series of Additional Bonds. In any case, the final Interest Payment Date of any Series of the Bonds shall be the Maturity Date relating thereto.

"Issuer" means (A) Albany County Capital Resource Corporation and its successors and assigns, and (B) any public instrumentality or political subdivision resulting from or surviving any consolidation or merger to which Albany County Capital Resource Corporation or its successors or assigns may be a party.

"Land" means, collectively, the Initial Land and any Additional Land.

"Lien" means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics', materialmen's, warehousemen's and carriers' liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Loan" means the loan by the Issuer of the proceeds received from the sale of the Bonds to the Borrower pursuant to the provisions of the Loan Agreement.

"Loan Agreement" means the loan agreement dated as of August 1, 2025 by and between the Issuer and the Borrower, as said loan agreement may be amended or supplemented from time to time.

"Loan Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 5.1 of the Loan Agreement.

"Maturity Date" means, with respect to any Bond, the final Stated Maturity of the principal of such Bond.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

"Mortgage" means the mortgage and security agreement dated as of August 1, 2025 from the Borrower to the Issuer which, among other things, grants to the Issuer a first mortgage lien on, and a security interest in, the Mortgaged Property, as said mortgage and security agreement may be amended or supplemented from time to time.

"Mortgage Assignment" means the assignment of mortgage dated as of August 1, 2025 from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the Trustee, as said assignment of mortgage may be amended or supplemented from time to time.

"Mortgaged Equipment" means the personal property, appurtenances, machinery, equipment, furniture and fixtures described on Exhibit B attached to the Mortgage.

"Mortgaged Facility" means all buildings (or portions thereof), improvements, structures and other related facilities, and improvements thereto, (A) located on the Mortgaged Land, and (B) not constituting a part of the Mortgaged Equipment, all as they may exist from time to time.

"Mortgaged Land" means the real estate described on Exhibit A attached to the Mortgage.

"Mortgaged Property" means all Property which may from time to time be subject to the Lien of the Mortgage, including but not limited to the Initial Project Facility.

"National Prime Rate" means (A) a per annum rate of interest equal to the highest "prime rate" of interest quoted from time to time in the Money Rates column of the *Wall Street Journal* as the "base rate on corporate loans at large U.S. money center commercial banks"; provided, however, that in the event that the *Wall Street Journal* does not publish the National Prime Rate, the National Prime Rate shall be the per annum rate of interest quoted as the "Bank Prime Loan Rate" for "this week" in Statistical release H.15(519) published from time to time by the Board of Governors of the Federal Reserve System, (B) calculated on actual days elapsed in a year of 360 days, such rate to be adjusted based on the National Prime Rate as reported for the previous Business Day. Any provision to the contrary notwithstanding, in no event shall the National Prime Rate be established beyond the maximum rate allowed by law.

"Net Proceeds" means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys' fees) incurred in obtaining such Gross Proceeds.

"Nonexempt Entity" means any Person other than (A) a state or local governmental entity or (B) a Person described in Section 501(c)(3) of the Code which has been recognized in writing by the Internal Revenue Service as being exempt from taxation under Sections 501(a) and Section 501(c)(3) of the Code.

"Office of the Trustee" means the corporate trust office of the Trustee specified in Section 1103 of the Indenture, or such other address as the Trustee shall designate pursuant to Section 1103 of the Indenture.

"Official Statement" means (A) with respect to the Initial Bonds, the Initial Official Statement, and (B) with respect to any Series of Additional Bonds, any similar document approved by the Issuer and the Borrower in connection with the sale by the Underwriter of the related Series of Additional Bonds.

"Ordinary Services" and "Ordinary Expenses" means those reasonable services normally rendered with those reasonable expenses, including reasonable attorneys' fees, normally incurred by a trustee or a paying agent, as the case may be, under instruments similar to the Indenture.

"Outstanding" means, when used with reference to the Bonds as of any date, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(A) Bonds theretofore cancelled or deemed cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(B) Bonds for the payment or redemption of which moneys or Defeasance Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or Redemption Date of any such Bonds) in accordance with the Indenture (whether upon or prior to the maturity or Redemption Date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form and substance to the Trustee shall have been filed with the Trustee; and

(C) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered under the Indenture.

In determining whether the Owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are held by or on behalf of the Borrower (unless all of the outstanding Bonds are then owned by the Borrower) shall be disregarded for the purpose of any such determination. If the Indenture shall be discharged pursuant to Article X of the Indenture, no Bonds shall be deemed to be Outstanding within the meaning of this definition.

"Owner" or "owner", when used with respect to a Bond, means the Registered Owner of such Bond, except that wherever appropriate the term "Owner" shall mean the owner of such Bond for federal income tax purposes.

"Participant" shall have the meaning assigned to such term in Section 213(B) of the Indenture.

"Paying Agent" means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article VII of the Indenture, their respective successors and any other corporation that may at any time be substituted in their respective places pursuant to the Indenture.

"Permitted Encumbrances" means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by Section 6.2(B) of the Loan Agreement, or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Financing Document, (E) any Lien on the Project Facility in favor of the Trustee, (F) any lease of the Project Facility permitted by the Tax Documents, (G) any Lien on the Project Facility approved or granted by the Borrower, (H) a parking easement on a portion of the Mortgaged Property in favor of NYSTPBA Holdings LLC and (I) a connector easement from the City of Albany, New York over Howard Street to connect the Mortgaged Property with an existing convention center building located at 55 Eagle Street in the City of Albany, New York.

"Person" means an individual, partnership, corporation, limited liability company, trust, unincorporated organization or Governmental Authority.

"Plans and Specifications" means: (A) with respect to the Initial Project, the description of the Initial Project Facility appearing in the fourth recital clause to the Indenture and the Loan Agreement; and (B) with respect to any Additional Project, (1) as to the Issuer, the description of such Additional Project appearing in the Issuer's preliminary inducement resolution relating thereto, and (2) as to the Trustee, the plans and specifications for such Additional Project prepared by the Borrower, and all amendments and modifications thereof made by approved change orders; and, if an item for the construction of the Additional Facility is not specifically detailed in the aforementioned plans and specifications, but rather is described by way of manufacturer's or supplier's or contractor's shop drawings, catalog references or similar descriptions, the term also includes such shop drawings, catalog references and descriptions.

"Pledge and Assignment" means the pledge and assignment dated as of August 1, 2025 from the Issuer to the Trustee, and acknowledged by the Borrower, pursuant to which the Issuer has assigned to the Trustee its rights under the Loan Agreement (except the Unassigned Rights), as said pledge and assignment may be amended or supplemented from time to time.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 205 of the Indenture in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Preliminary Official Statement" means (A) with respect to the Initial Bonds, the Initial Preliminary Official Statement, and (B) with respect to any Series of Additional Bonds, any similar document approved by the Issuer and the Borrower for use in connection with the issuance of the related Series of Additional Bonds.

"Principal Payment Date" means (A) with respect to the Initial Bonds, each Interest Payment Date on which a Sinking Fund Payment is due on the Bonds, and the Maturity Date of each of the Initial Bonds, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of principal due on such Additional Bonds.

“Project” means (A) with respect to the Initial Bonds, the Initial Project, and (B) with respect to any Series of Additional Bonds, the Additional Project with respect to which such Series of Additional Bonds were issued.

“Project Costs” means Costs of the Project.

“Project Facility” means, collectively, the Initial Project Facility and all Additional Project Facilities.

“Project Fund” means the fund so designated established pursuant to Section 401(A)(1) of the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Rating Agency” means Moody’s, if the Bonds are rated by Moody’s at the time, and Standard & Poor’s, if the Bonds are rated by Standard & Poor’s at the time, and their successors and assigns.

“Rebate Amount” shall have the meaning assigned to such term in the Tax Documents.

“Rebate Fund” means the fund so designated established pursuant to Section 401(A)(4) of the Indenture.

“Rebate Fund Earnings Account” means the special account so designated within the Rebate Fund established pursuant to Section 401(A)(4)(b) of the Indenture.

“Rebate Fund Principal Account” means the account so designated within the Rebate Fund established pursuant to Section 401(A)(4)(a) of the Indenture.

“Record Date” means either a Regular Record Date or a Special Record Date.

“Redemption Date” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the provisions of the Indenture and such Bond.

“Regular Record Date” means, with respect to the interest and any Sinking Fund Payment or principal payment due on the Bonds on or prior to maturity payable on any Bond on any Interest Payment Date, the fifteenth (15th) day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date occurs.

“Replenishment Payments” shall have the meaning assigned to such term in the Reserve Fund Replenishment Agreement.

“Request for Disbursement” means a request from the Borrower, as agent of the Issuer, signed by an Authorized Representative of the Borrower, stating the amount of the disbursement sought from the proceeds of the Initial Bonds and containing the statements, representations and other items required by Article IV of the Indenture and by Section 3.3 of the Loan Agreement, which Request for Disbursement shall be in substantially the form of Exhibit A attached to the Indenture.

"Reserve Fund" means the fund so designated established pursuant to Section 401(A)(4) of the Indenture.

"Reserve Fund Replenishment Agreement" means the reserve fund replenishment agreement dated as of August 1, 2025 by and between ACCA and the County, as said reserve fund replenishment agreement may be amended or supplemented from time to time.

"Reserve Fund Requirement" means (A) $2,508,000 and (B) with respect to any series of Additional Bonds, an amount which shall not exceed the lesser of (1) ten percent (10%) of the original issue price of such series of Additional Bonds, (2) one hundred percent (100%) of the Maximum Annual Debt Service with respect to the Outstanding Bonds of such series of Additional Bonds in the then current or any future Bond Year, (3) one hundred twenty-five percent (125%) of the average Annual Debt Service with respect to the Outstanding Bonds of such series of Additional Bonds, or (4) the maximum amount that may, in the opinion of Bond Counsel, be held in the Reserve Fund with respect to such series of the Additional Bonds.

"Requirement" or "Local Requirement" means any law, ordinance, order, rule or regulation of a Governmental Authority.

"S&P" or "Standard & Poor's," means S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Laws" means the Securities Act and all other securities laws of the United States of America or the State to the extent that such laws may now or hereafter be applicable to or affect the issuance, sale and delivery of the Bonds and any transfer or resale thereof.

"Security Documents" shall have the meaning assigned to such term in Section 4.1 of the Loan Agreement.

"SEQRA" means Article 8 of the Environmental Conservation Law of the State and the statewide and local regulations thereunder.

"Series" or "Series of Bonds" means all of the Bonds of a single series authenticated and delivered pursuant to the Indenture.

"Series 2025 Capitalized Interest Account" means the account so established within the Project Fund established by Section 401(A)(1)(b) of the Indenture.

"Series 2025 Project Account" means the account so established within the Project Fund established pursuant to Section 401(A)(1)(a) of the Indenture.

"Sinking Fund Payments" means (A) with respect to the Initial Bonds, the sinking fund redemption payments due on the Initial Bonds pursuant to Section 301(B) of the Indenture and (B) with respect to any Additional Bonds, the sinking fund redemption payments (if any) required pursuant to the supplemental Indenture authorizing issuance of such Additional Bonds.

“Sole Member” means Community Initiatives Development Corporation, a not-for-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania.

“Special Record Date” means a date for the payment of any Defaulted Payment on the Bonds fixed by the Trustee pursuant to Section 207(C) of the Indenture.

“State” means the State of New York.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“Substantial User” means any Person constituting a “substantial user” within the meaning ascribed to such term in Section 147(a) of the Code.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture executed by the Issuer in accordance with Article VIII of the Indenture.

“Tax Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Tax Documents and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar documents executed by the Issuer and/or the Borrower in connection with the issuance of such Series of Additional Bonds.

“Tax-Exempt Bond” means any Bond issued as an obligation of the Issuer, the interest on which is intended to be excluded from the gross income of the Holder thereof for federal income tax purposes pursuant to Section 103 and Section 145 of the Code, including but not limited to the Initial Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Initial Bonds, the Initial Tax Regulatory Agreement and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar document executed by the Borrower in connection with the issuance and sale of such Series of Additional Bonds.

“Term Bonds” means Bonds having a single stated maturity for which Sinking Fund Installments are specified in Section 301(B) of the Indenture (or, if such Bonds are Additional Bonds, in the supplemental indenture authorizing the issuance of such Bonds).

“Termination of Loan Agreement” means a termination of Loan Agreement by and between the Borrower, as borrower, and the Issuer, as lender, intended to evidence the termination of the Loan Agreement, substantially in the form attached as Exhibit B to the Loan Agreement.

“Trust Estate” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Financing Document.

“Trust Revenues” means (A) all payments of loan payments made or to be made by or on behalf of the Borrower under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts pledged to the Trustee by the Issuer or the Borrower to secure the Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (C) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (D) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except

(1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, (3) unclaimed funds held under Section 408 of the Indenture, and (4) as specifically otherwise provided, and (E) all other moneys received or held by the Trustee for the benefit of the Bondholders pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall not be considered Trust Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

"Trustee" means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, or any successor trustee or co-trustee acting as trustee under the Indenture.

"Unassigned Rights" means (A) the rights of the Issuer granted pursuant to Sections 2.2, 3.1, 3.2, 3.3, 3.8, 4.4, 5.1(B)(2), 5.1(C), 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.11, 8.14, 8.16, 8.17, 8.18, 9.1, 9.2, 11.1, 11.4, 11.8 and 11.10 of the Loan Agreement, (B) the moneys due and to become due to the Issuer for its own account or the members, directors, officers, agents, servants and employees of the Issuer for their own account pursuant to Sections 2.2, 5.1(B)(2), 5.1(C), 6.4(B), 8.2, 10.2 and 10.4 of the Loan Agreement, and (C) the right to enforce the foregoing pursuant to Article X of the Loan Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Borrower under the Sections of the Loan Agreement listed in (A), (B) and (C) above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, directors, agents, servants and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Pledge and Assignment, shall be deemed to and shall constitute obligations of the Borrower to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Borrower's obligations under the Loan Agreement.

"Underwriter" means (A) with respect to the Initial Bonds, KeyBanc Capital Markets, as original purchaser of the Initial Bonds on the Closing Date relating thereto, and (B) with respect to any Series of Additional Bonds, the original purchaser of such Series of Additional Bonds on the Closing Date relating thereto.

"Underwriter Documents" means, collectively, (A) with respect to the Initial Bonds, the Initial Underwriter Documents and (B) with respect to any Additional Bonds, any similar documents executed by the Issuer and/or the Borrower in connection with the issuance of such Additional Bonds.

"Yield", when used with respect to the Initial Bonds, shall have the meaning assigned to such term in the Initial Tax Regulatory Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summarizes certain provisions of the Indenture to which reference is made for the detailed provisions thereof. Certain provisions of the Indenture are also described in the Initial Official Statement under the captions "INTRODUCTORY STATEMENT", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" and "THE SERIES 2025 BONDS".

The Initial Bonds will be issued under and secured by the Indenture. Reference is made to the Indenture for complete details of the terms thereof. The following is a brief summary of certain provisions of the Indenture and should not be considered a full statement thereof.

<u>Restriction on Issuance of Bonds</u> *(Section 201)*

Except for substitute Bonds and Additional Bonds issued pursuant to the Indenture, the total aggregate principal amount of Initial Bonds that may be issued under the Indenture is expressly limited to $38,705,000.

<u>Limited Obligations</u> *(Section 202)*

The Bonds, together with the premium, if any, and the interest thereon, will be limited obligations of the Issuer payable, with respect to the Issuer, solely from the Trust Revenues, which Trust Revenues are pledged and assigned, pursuant to the Indenture, to the Trustee for the equal and ratable payment of all sums due under the Bonds, and will be used for no other purpose than to pay the principal of, premium, if any, on and interest on the Bonds, except as may be otherwise expressly provided in the Indenture.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OR OF ALBANY COUNTY, NEW YORK AND NEITHER THE STATE NOR ALBANY COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OR OF ALBANY COUNTY, NEW YORK.

No recourse shall be had for the payment of the principal of, or the premium, if any, or the interest on, any Bond or for any claim based thereon or on the Indenture against any past, present or future member, director, officer, agent, servant or employee, as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

<u>Delivery of Initial Bonds</u> *(Section 210)*

Upon the execution and delivery of the Indenture, the Issuer will execute and deliver the Initial Bonds (including a reasonable number of additional Initial Bonds to be retained by the Trustee for authentication and delivery upon transfer or exchange of any Initial Bond) to the Trustee, and the Trustee will authenticate and deliver the Initial Bonds to the purchasers thereof against payment of the purchase price therefor, plus accrued interest to the day preceding the date of delivery, upon receipt by the Trustee of the following:

(1) a certified copy of the Initial Bond Resolution;

(2) executed counterparts of the Indenture, the Loan Agreement and the other Initial Financing Documents;

(3) a request and authorization to the Trustee on behalf of the Issuer signed by an Authorized Representative of the Issuer to deliver the Initial Bonds to or upon the order of the Underwriter upon payment to the Trustee for the account of the Issuer of the purchase price therefor specified in such request and authorization;

(4) signed copies of the opinions of counsel to the Issuer, the Borrower, ACCA, the County, the Trustee, and of Bond Counsel, as required by the Initial Bond Purchase Agreement;

(5) the certificates and policies, if available, of the insurance required by the Loan Agreement;

(6) evidence that a completed Internal Revenue Service Form 8038 with respect to the Initial Bonds has been signed by the Issuer; and

(7) such other documents as the Trustee or Bond Counsel may reasonably require.

Additional Bonds *(Section 214)*

So long as the Loan Agreement is in effect and no Event of Default exists thereunder or under the Indenture (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder or under the Indenture), the Issuer may, upon a request from the Borrower complying with the provisions of the Indenture, issue one or more Series of Additional Bonds to provide funds to pay any one or more of the following: (1) costs of completion of the Project Facility in excess of the amount in the Project Fund; (2) costs of any Additional Project; (3) costs of refunding or advance refunding any or all of the Bonds previously issued; (4) costs of making any modifications, additions or improvements to the Project Facility that the Borrower may deem necessary or desirable; and/or (5) costs of the issuance and sale of the Additional Bonds, capitalized interest, funding debt service reserves, and other costs reasonably related to any of the foregoing. Additional Bonds may mature at different times, bear interest at different rates and otherwise vary from the Initial Bonds authorized under the Indenture, all as may be provided in the supplemental Indenture authorizing the issuance of such Additional Bonds.

Prior to the execution of a supplemental Indenture authorizing the issuance of Additional Bonds, the Issuer must deliver certain documents set forth in the Indenture to the Trustee, including:

(1) an amendment to the Loan Agreement and the other Financing Documents (as the case may be) to reflect an amount at least equal to the sum of the total Debt Service Payments due on the Initial Bonds and all Additional Bonds and all other costs in connection with the Project Facility and all Additional Projects covered thereby;

(2) evidence that the Financing Documents, as amended or supplemented in connection with the issuance of the Additional Bonds, provide that (a) the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Initial Bonds originally issued under the Indenture and any Additional Bonds theretofore issued, and (b) the Project Facility referred to in the Financing Documents includes any Additional Facilities being financed;

(3) a copy of the resolution of the board of trustees of the Borrower, duly certified by the secretary or assistant secretary of the Borrower, which approves the issuance of the Additional Bonds and authorizes the execution and delivery by the Borrower of the amendments to the Financing Documents described in paragraphs (1) and (2) above;

(4) written opinion of counsel to the Borrower which shall state that (i) the amendments and supplements to the Financing Documents described in paragraphs (1) and (2) above have been duly authorized, executed and delivered by the Borrower, (ii) the Financing Documents, as amended and supplemented to the Closing Date for such Additional Bonds, constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, subject to the standard exceptions, including, without limitation, exceptions relating to bankruptcy laws, equitable remedies and specific performance, and (iii) all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds applicable to the Borrower have been complied with;

(5) a copy of the resolution of the members of the board of directors of the Issuer, duly certified by the secretary or assistant secretary of the Issuer, authorizing the issuance of the

Additional Bonds and the execution and delivery by the Issuer of the amendments to the Financing Documents described in paragraph (1) and paragraph (2) above to be executed by the Issuer in connection therewith;

(6) an opinion of counsel to the Issuer stating that the amendments and supplements to the Financing Documents described above have been duly authorized and lawfully executed and delivered on behalf of the Issuer; and that such amendments and supplements to the Financing Documents are in full force and effect and are valid and binding upon the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance;

(7) an opinion of Bond Counsel stating that, in the opinion of such Bond Counsel, the Issuer is duly authorized and entitled to issue such Additional Bonds and that, upon the execution, authentication and delivery thereof, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Issuer, enforceable in accordance with their terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; that the issuance of the Additional Bonds will not, in and of itself, adversely affect the validity of the Initial Bonds originally issued under the Indenture or any Additional Bonds theretofore issued or the exclusion of the interest payable on the Initial Bonds and any Additional Bonds theretofore issued as Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(8) a written order to the Trustee executed by an Authorized Representative of the Issuer requesting that the Trustee authenticate and deliver the Additional Bonds to the purchasers therein identified; and

(9) such other documents as the Trustee may reasonably request.

Each Series of Additional Bonds shall be equally and ratably secured under the Indenture with the Initial Bonds issued on the Closing Date and with all other Series of Additional Bonds, if any, previously issued under the Indenture, without preference, priority or distinction of any Bond over any other Bond.

The consent of the Holders of the Bonds shall not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Financing Documents required in connection therewith. The Borrower shall, however, mail notice in writing (in the form provided to the Trustee by the Issuer) to the Holders of the Bonds and each Rating Agency, if any, by which the Bonds are then rated of the proposed issuance of the Additional Bonds, detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Financing Documents proposed to be executed in connection therewith.

<u>Establishment of Funds</u> *(Section 401)*

The Indenture creates special separate trust funds (and various accounts therein) to be held by the Trustee: (1) the Project Fund and, within the Project Fund, the following special accounts: (a) the Series 2025 Project Account; (b) the Series 2025 Capitalized Interest Account, and (C) an additional, separate account for each Series of Additional Bonds, each such additional account to be known as the "Series _____ Project Account", with the blank to be filled in with the same Series designation as borne by the related Series of Additional Bonds and the applicable Account designation; (2) the Bond Fund and, within the Bond Fund, the following special accounts: (a) the Series 2025 Bond Account, and (b) an additional, separate account for each series of Additional Bonds, each such additional account to be known as the "Series _____ Bond Account", with the blank to be filled in with the same series designation as borne by the related series of Additional Bonds; (3) the Insurance and Condemnation Fund; (4) the Reserve Fund; and (5) the Rebate Fund, and, within the Rebate Fund, the following special accounts: (a) the Rebate Fund Principal Account; and (b) the Rebate Fund Earnings Account.

All moneys required to be deposited with or paid to the Trustee under any provision of the Indenture (1) shall be held by the Trustee in trust, and (2) (except for moneys held by the Trustee (a) for the redemption of Bonds, notice of redemption of which has been duly given, (b) as unclaimed monies under Section 409 of the Indenture or (c) in the Rebate Fund) shall, while held by the Trustee, constitute part of the Trust Revenues and be subject to the Lien of the Indenture. Moneys which have been deposited with, paid to or received by the Trustee for the redemption of a portion of the Bonds or for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and be subject to a Lien in favor of only the Holders of such Bonds so redeemed or so due and payable.

Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee or any other Person.

<u>Application of Proceeds of Initial Bonds</u> *(Section 402)*

The Issuer shall deposit with the Trustee all of the proceeds from the sale of the Initial Bonds, including accrued interest payable on the Initial Bonds. The Trustee shall deposit the proceeds from the sale of the Initial Bonds as follows:

(1) the Trustee shall deposit the portion of the proceeds of the Initial Bonds representing accrued interest, if any, on the Initial Bonds into the Series 2025 Bond Account within the Bond Fund;

(2) the Trustee shall deposit the sum of $2,521,500.00 representing the Reserve Fund Requirement with respect to the Initial Bonds into the Reserve Fund;

(3) the Trustee shall deposit the sum of $2,864,498.44 into the Series 2025 Capitalized Interest Account within the Project Fund, being equal to a portion of the interest on the Initial Bonds from the Closing Date through and including March 1, 2027; and

(4) The Trustee shall deposit the remainder of the proceeds of the Initial Bonds into the Series 2025 Project Account within the Project Fund.

On the Closing Date the Borrower shall transfer $36,629,277.38 (representing a portion of the Initial Prepaid Rent) to the Trustee for deposit into the Series 2025 Project Account.

The proceeds of any Additional Bonds shall be deposited as provided in the supplement to the Indenture authorizing the issuance of such Additional Bonds.

<u>Transfers of Trust Revenues to Funds</u> *(Section 403)*

Commencing on the first date on which Loan Payments are received from the Borrower pursuant to Section 5.1(A) of the Loan Agreement, and thereafter, the Trustee shall deposit such payments, upon the receipt thereof, into the Bond Fund, as provided in Section 405(A) of the Indenture. The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee shall, upon receipt thereof, be deposited into the Insurance and Condemnation Fund. Any amount received by the Trustee from the County pursuant to the Reserve Replenishment Agreement shall be deposited into the Reserve Fund.

Project Fund *(Section 404)*

In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds pursuant to Section 402 of the Indenture, there shall be deposited into the Series 2025 Project Account within the Project Fund all other moneys received by the Trustee under or pursuant to the Indenture or the other Financing Documents which, by the terms thereof, are to be deposited in the Project Fund. Moneys on deposit in the Project Fund with respect to the Initial Bonds will be disbursed and be applied by the Trustee to pay the Costs of the Project relating to the Initial Project and certain Costs of Issuance (as defined in the Tax Regulatory Agreement), all pursuant to the provisions of the Loan Agreement, the Indenture and, with respect to the Initial Bonds and the Initial Tax Regulatory Agreement.

The Trustee is authorized and directed to disburse the balance of the moneys on deposit in the Series 2025 Project Account within the Project Fund upon receipt by the Trustee of a Request for Disbursement certified to by an Authorized Representative of the Borrower in accordance with the applicable provisions of the Indenture and the Loan Agreement and, with respect to the Initial Bonds, the Initial Tax Regulatory Agreement.

Amounts in the Series 2025 Capitalized Interest Account shall be transferred to the Series Bond Account and applied to pay interest on the Initial Bonds coming due on September 1, 2025, March 1, 2025, September 1, 2026 and March 1, 2027, to the extent that amounts on deposit in the Series 2025 Bond Account are not sufficient to pay the principal of and interest on the Initial Bonds that is then due and payable. Any amounts remaining in the Series 2025 Capitalized Interest Account after the March 1, 2027 interest payment on the Initial Bonds has been paid shall be transferred on the immediately succeeding Business Day to the Series 2025 Project Account.

Moneys on deposit in the Project Fund may be invested in Authorized Investments in accordance with the provisions of the Indenture. All interest and other income accrued and earned on amounts held in the Project Fund shall be deposited by the Trustee into the appropriate account of the Project Fund related to such monies and may be used to pay the Costs of the Project related to such account.

Except for any amount retained for the payment of incurred and unpaid items of the Cost of the Project, after the Completion Date related to a particular Project, all moneys in the related account in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to the Indenture and, with respect to the Initial Bonds, the Initial Tax Documents) will be transferred from the Project Fund to the Bond Fund.

In the event that the unpaid principal amount of the Bonds is accelerated upon the occurrence of an Event of Default, the balance in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to the Indenture and the Initial Tax Documents) will be transferred from the Project Fund to the Bond Fund as soon as possible and will be used to pay the principal of, premium, if any, on and interest on the Bonds.

The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom and, upon request of the Issuer or the Borrower shall file an accounting thereof with the Issuer and the Borrower.

Bond Fund *(Section 405)*

In addition to the moneys deposited into the Bond Fund (1) from the proceeds of the sale of the Bonds pursuant to Section 402 of the Indenture and (2) pursuant to Sections 403, 404 and 410 of the Indenture, there shall be deposited into the Bond Fund (a) all Loan Payments received from the Borrower under the Loan Agreement (except payments made with respect to the Unassigned Rights, which shall be paid to the Issuer), (b) any amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund under Section 406 of the Indenture, (c) any amounts received from the Borrower pursuant to Section 3.6 of the Loan Agreement, (d) all prepayments by the Borrower in accordance with Section 5.3 of the Loan Agreement in connection with which notice has been given to the Trustee pursuant to Section 302 of the Indenture, (e) all moneys held in the Reserve Fund which are in excess of the amount required to be held in the Reserve Fund as of such date, and (f) all other moneys received by the Trustee under and pursuant to the Indenture or the other Financing Documents which by the terms thereof are to be deposited into the Bond Fund, or are accompanied by directions from the Borrower or the Issuer that such moneys are to be paid into the Bond Fund.

Moneys on deposit in the Bond Fund may be invested in Authorized Investments in accordance with the provisions of the Indenture. All interest and other income accrued and earned on moneys on deposit in the Bond Fund will be deposited by the Trustee into the Bond Fund.

Insurance and Condemnation Fund *(Section 406)*

The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project Facility shall be deposited into the Insurance and Condemnation Fund. If, following damage to or Condemnation of all or a portion of the Project Facility, (1) the Borrower exercises its option not to repair, rebuild or restore the Project Facility and to provide for the defeasance or redemption of the Bonds, or (2) if a taking in Condemnation as described in Section 7.2(C) of the Loan Agreement occurs, the Trustee shall, after any transfer to the Rebate Fund required by the Tax Documents and Section 407 of the Indenture is made, transfer all moneys held in the Insurance and Condemnation Fund to an escrow fund to be created by the Trustee at the written direction of the Borrower, to be applied to the defeasance of the Bonds then Outstanding pursuant to the provisions of the Tax Documents, except as provided in Section 410 of the Indenture.

If, following damage to or Condemnation of all or a portion of the Project Facility, the Borrower elects to repair, rebuild or restore the Project Facility, and provided no Event of Default under the Indenture or under any other Financing Document has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or the taking of the Project Facility (after any transfer to the Rebate Fund required by the Indenture and the Tax Documents is made) will be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the Indenture.

If the cost of the repairs, rebuilding or restoration of the Project Facility effected by the Borrower shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee shall transfer such difference to the Bond Fund and use such amounts so transferred to provide for the defeasance of the Bonds in accordance with the Tax Documents; provided that such amounts may be transferred to the Borrower for its purposes if (1) the Borrower so requests and (2) the Borrower furnishes to the Trustee an opinion of Bond Counsel to the effect that payment of such moneys to the Borrower will not, in and of itself, adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes.

Rebate Fund *(Section 407)*

The Trustee shall make information regarding any Tax-Exempt Bonds and investments under the Indenture available to the Borrower. If a deposit to the Rebate Fund is required as a result of the computations made or caused to be made by the Borrower, the Trustee shall upon receipt of written direction from the Borrower accept such payment for the benefit of the Borrower. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall upon written direction from the Authorized Representative of the Borrower transfer such amount to the Borrower. Records of the determinations required by Section 407 of the Indenture and the instructions must be retained by the Trustee until six years after the Tax-Exempt Bonds are no longer outstanding. Any provision of the Indenture to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien under the Indenture.

In the event that on the first day of any Bond Year, after the calculation of the Rebate Amount, the amount on deposit in the Rebate Fund Principal Account exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Issuer or the Borrower, shall withdraw such excess amount and (1) prior to the Completion Date, shall transfer such excess to the Project Fund to be applied to the payment of Costs of the Project or (2) after the Completion Date, shall transfer such excess to the Bond Fund to be applied to the payment of the principal and interest and Sinking Fund Payments coming due on the Tax-Exempt Bonds on the next following Bond Payment Date.

The Trustee, upon the receipt of written instructions satisfactory to the Trustee from an Authorized Representative of the Borrower, shall pay to the United States, from amounts on deposit in the Rebate Fund or from other moneys supplied by the Borrower, (1) not less frequently than once every five (5) years after the date of original issuance of a Series of Tax-Exempt Bonds (or such other date as the Borrower may choose, provided the Borrower and the Trustee receive an opinion of Bond Counsel that such change will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes) and every five (5) years thereafter until final retirement of the Tax-Exempt Bonds, an amount such that, together with prior amounts paid to the United States, the total amount paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Tax-Exempt Bonds as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Account, and (2) not later than thirty (30) days after the date on which all Bonds of any particular Series of Tax-Exempt Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount with respect to such Tax-Exempt Bonds as of the date of such payment plus all amounts relating thereto then held in the Rebate Fund Earnings Account.

The foregoing described provisions of the Indenture may be amended, without notice to or consent of the Bondholders, at the request of the Issuer or the Borrower, to comply with the applicable regulations of the Treasury Department, upon the delivery by the Issuer or the Borrower to the Trustee of an opinion of Bond Counsel that such amendment will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds which exists on the Closing Date.

<u>Reserve Fund</u> (*Section 408*)

On the Closing Date for the Initial Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to the Initial Bonds into the Reserve Fund. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund.

If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay the Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make the Debt Service Payments coming due on the Bonds on such Bond Payment Date, to enable the Trustee to make all such Debt Service Payments coming due on the Bonds on such Bond Payment Date.

All earnings on amounts held in the Reserve Fund which, pursuant to Section 410(D) of the Indenture, are deposited by the Trustee into the Bond Fund, may be used to pay Debt Service Payments due on the Bonds. On the Business Day prior to each Bond Payment Date during the term of the Bonds, the Trustee shall ensure that any such investment earnings on moneys on deposit in the Reserve Fund have been transferred to the Bond Fund, as provided in Section 408(B) of the Indenture.

The Trustee shall notify the Borrower and the County in writing of (a) any withdrawal from the Reserve Fund and (b) any deficiency in the amounts required to be on deposit to the credit of the Reserve Fund determined to meet the Reserve Fund Requirement upon the periodic valuation thereof pursuant to Section 408(F) and Section 408(H) of the Indenture in order to meet the Reserve Fund Requirement. Pursuant to the Reserve Fund Replenishment Agreement, upon receipt of such notice of a deficiency in the Reserve Fund Requirement from the Trustee, the County shall deposit, or cause to be deposited, with the Trustee the amount necessary to cure such deficiency in the Reserve Fund Requirement on or before January 31 of the County's first fiscal year following receipt of such notice from the Trustee. Pursuant to the Reserve Fund Replenishment Agreement, the County shall prepare and deliver an invoice to the ACCA for reimbursement of any amounts so paid by the County to the Trustee in order to meet the Reserve Fund Requirement. Upon receipt of any such invoice from the County, the ACCA shall deposit, or cause to be deposited, with the County the amount requested under such invoice. Notwithstanding anything in the Reserve Fund Replenishment Agreement to the contrary, the ACCA shall make such payment to the County upon receipt by the ACCA of the next succeeding quarterly distribution of Hotel Occupancy Tax Receipts, and in any event on or before the last day of the County's fiscal year in which the County made such payment to the Trustee.

If the principal of all the Bonds shall become due and payable, whether by maturity, by redemption or otherwise, the Trustee shall deposit to the credit of the Bond Fund any balance remaining in the Reserve Fund.

Semiannually, at least fifteen (15) Business Days prior to each Interest Payment Date, the amounts in the Reserve Fund shall be valued by the Trustee as provided in Section 408(H) of the Indenture. If the amounts held in the Reserve Fund together with any interest and other income received by the investment of moneys therein shall exceed the Reserve Fund Requirement, the Trustee shall withdraw from the Reserve Fund the amount of any excess therein over the applicable Reserve Fund Requirement as of such date of withdrawal and such excess shall be first used by the Trustee to pay its fees and expenses for Ordinary and Extraordinary Services and any other amounts owed to the Trustee hereunder and under the other Financing Documents and the balance shall be transferred by the Trustee to the Bond Fund and used to pay Debt Service Payments due on the Bonds on the next succeeding Bond Payment Date and credited to the Borrower's obligation to make Loan Payments relating to such Bond Payment Date.

In the event the amount held in the Reserve Fund on the fifteenth (15^{th}) Business Day prior to any Bond Payment Date exceeds the principal amount of Bonds which will be Outstanding after such Bond Payment Date, the Trustee shall, after being reasonably satisfied that its fees and expenses for the performance of its services hereunder and any other amounts owed to the Trustee hereunder and under the other Financing Documents will be paid, transfer such excess amounts from the Reserve Fund to the Bond Fund to be applied to the Debt Service Payments on the Bonds on such Bond Payment Date.

In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the cost of such obligations or the market value thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made not less often than semiannually. The Trustee shall notify the Borrower in writing of any deficiency in the amounts required to be on deposit in the Reserve Fund.

<u>Non-Presentment of Bonds</u> *(Section 409)*

Subject to certain provisions of the Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, or in the event any interest payment on a Bond shall be unclaimed, if moneys sufficient to pay such Bond or interest shall have been deposited with the Trustee for the benefit of the Holder thereof, such Bond shall be deemed cancelled, redeemed or retired on such date even if not presented on such date or such interest shall be deemed paid, as the case may be, and all liability of the Issuer to the Holder thereof for the payment of such Bond or interest shall forthwith cease, terminate and be completely discharged; and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond or interest thereon who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or with respect to such Bond or interest.

Subject to any law to the contrary, if any Bond shall not be presented for payment or any interest payment shall not be claimed prior to the earlier of (1) two years following the date when such Bond or interest becomes due, either at maturity or at the date fixed for redemption or otherwise, or (2) the Business Day prior to the date on which such moneys would escheat to the State, the Trustee shall, upon written request of the Borrower, return to the Borrower all funds held by the Trustee for the payment of such Bond or interest. Thereafter, (a) the Owner of such Bond shall be entitled to look only to the Borrower for payment of such Bond or interest, and then only to the extent of the amount so repaid to the Borrower, who shall not be liable for any interest thereon and shall not be regarded as a trustee of such money, (b) all liability of the Trustee with respect to such moneys shall terminate, and (c) such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Borrower. The Trustee shall, at least sixty (60) days prior to the expiration of the above described period, give notice to the Borrower and any Owner who has not presented any Bond for payment or claimed any interest that any moneys held for the payment of any such Bond or interest will be returned as provided in Section 408 of the Indenture the expiration of such period. The failure of the Trustee to give any such notice shall not affect the validity of any transfer of funds pursuant to Section 408 of the Indenture.

<u>Investment of Funds</u> *(Section 410)*

Any moneys held as part of any fund created herein shall be continuously invested and reinvested, from time to time, by the Trustee in Authorized Investments at the written direction of an Authorized Representative of the Borrower.

The Borrower shall direct, and be solely responsible for assuring, that any moneys held in any fund shall be invested so that (1) all investments shall mature or be subject to mandatory redemption by the holder of such investments (at not less than the principal amount thereof, or the cost of acquisition, whichever is lower), and all deposits in time accounts shall be subject to withdrawal, without penalty, not later than the date when the amounts will foreseeably be needed for purposes of the Indenture, (2) investments of moneys on deposit in the Bond Fund shall mature or be subject to mandatory redemption by the holder (at not less than the principal amount thereof) not more than ninety (90) days from the date of acquisition, and further shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay Debt Service Payments as they become due on the Bonds, whether at Stated Maturity or by redemption, (3) investments of moneys on deposit in the Reserve Fund shall be limited to instruments described in clauses (A) through (D) of the definition of Authorized Investments which mature not more than five years from the date of acquisition, (4) no portion of the proceeds derived from the sale of the Tax-Exempt Bonds or any other moneys held in any fund established under Article IV of the Indenture shall be invested, directly or indirectly, in such manner as to cause any

Tax-Exempt Bond to be an "arbitrage bond" within the meaning of that quoted term in Section 148 of the Code, (5) in no event shall any moneys transferred from the Project Fund to the Bond Fund pursuant to Section 404(G) of the Indenture be invested at a "yield" (as defined in Section 148 of the Code) greater than the "yield" on the Tax-Exempt Bonds, and (6) investments of moneys on deposit in the Rebate Fund shall mature or be redeemable at such time as may be necessary to make payments from the Rebate Fund required pursuant to Section 148 of the Code or Section 513 of the Indenture. At no time shall any funds constituting gross proceeds of any Tax-Exempt Bonds be used in any manner to cause or result in a prohibited payment under applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code, or otherwise violate Section 513 of the Indenture. The investments so purchased shall be held by the Trustee and shall be deemed at all times to be a part of the fund in which such moneys were held.

The Borrower shall direct the Trustee to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in said fund shall be insufficient to cover a proper disbursement from said fund.

Net income or gain received and collected from such investments shall be credited and losses charged to (1) the Rebate Fund Earnings Account, with respect to the investment of amounts held in the Rebate Fund, and (2) the Project Fund, the Bond Fund, the Reserve Fund or the Insurance and Condemnation Fund, as the case may be, with respect to the investment of amounts held in such funds, provided that, subject to Section 408(F) of the Indenture, earnings on the Reserve Fund which, if deposited or held in the Reserve Fund, would cause the amount on deposit in the Reserve Fund to exceed the Reserve Fund Requirement shall instead be deposited or transferred into the Bond Fund.

The Trustee may make any investment permitted by Section 410 of the Indenture through its own investment department or its affiliates. Subject to any directions from an Authorized Representative of the Borrower with respect thereto, from time to time, the Trustee may sell any investments authorized hereunder and reinvest the proceeds therefrom in Authorized Investments maturing or redeemable as aforesaid. Any such investments may be purchased from or sold to the Trustee, the Bond Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. At the written direction of an Authorized Representative of the Borrower, the Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service Payments on the Bonds when due as aforesaid, provided that for any such investment in money market funds the Trustee shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. For purposes of the Indenture, those investments shall be valued at face amount or market value, whichever is less. The Trustee shall not be liable (except for gross negligence or willful misconduct) for any depreciation in the value of any investment made pursuant to this subsection or for any loss, fee, tax or other charge arising from such investment, reinvestment or liquidation of an investment.

No brokerage confirmations will be provided by the Trustee for so long as the Trustee provides periodic statements to the Issuer and the Borrower that include investment activity.

<u>Final Disposition of Moneys</u> *(Section 411)*

In the event there are no Bonds Outstanding, and subject to any applicable law to the contrary, after payment of all fees, charges and expenses, including, but not limited to reasonable attorney's fees and expenses, of the Issuer and the Trustee and all other amounts required to be paid under the Indenture and under the other Financing Documents and after payment of any amounts required to be rebated to the United States under the Indenture and under the Tax Documents or any provision of the Code, all amounts remaining in any fund established under the Indenture shall be transferred to the Borrower (except amounts held with respect to the Unassigned Rights, which amounts shall be paid to the Issuer, and except for moneys held for the payment or redemption of Bonds which have matured or been defeased or notice of the redemption of which has been duly given and any other monies held under Section 409 of the Indenture, which shall be held for the benefit of the Owners of such Bonds).

No Modification of Security; Limitation on Liens *(Section 508)*

The Issuer covenants that it will not alter, modify or cancel, or agree to alter, modify or cancel, the Loan Agreement or any other Financing Document to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the security for the Bonds, except as contemplated by the Indenture or pursuant to the terms of such document. The Issuer further covenants that, except for the Financing Documents and other Permitted Encumbrances, the Issuer will not incur, or suffer to be incurred, any mortgage, Lien, charge or encumbrance on or pledge of any of the Trust Estate prior to or on a parity with the Lien of the Indenture.

Covenant Against Arbitrage Bonds *(Section 513)*

So long as any Tax-Exempt Bonds shall be Outstanding, the Issuer covenants that it will not use or direct or permit the use of the proceeds of the Tax-Exempt Bonds or any other moneys in its control (including, without limitation, the proceeds of any insurance settlement or Condemnation award with respect to the Project Facility) in such manner as would cause any of the Tax-Exempt Bonds to be an "arbitrage bond" within the meaning of such quoted term in Section 148 of the Code. The Issuer shall not be responsible for the calculation or payment of any rebate amount required by Section 148 of the Code. The Trustee shall not be responsible for the calculation, or the payment from its own funds, of any amount required to be rebated to the United States under Section 148 of the Code. The Trustee shall, however, make such transfers to the Rebate Fund and pay such amounts from the funds and accounts created hereunder and from the Borrower's funds to the United States as the Borrower, in accordance with the Indenture and the Tax Documents, shall direct.

Events of Default and Remedies on Default *(Section 601)*

The Indenture provides that each of the following events will constitute an Event of Default under the Indenture:

(1) failure by the Issuer to make due and punctual payment of the interest or premium on any Bond, or failure by the Issuer to make due and punctual payment of the principal of any Bond, whether at the Stated Maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;

(2) subject to any right to waive the same as set forth in the Financing Documents, receipt by the Trustee of notice, or actual notice on the part of the Trustee, of the occurrence of an Event of Default under any of the other Financing Documents; or

(3) subject to the provisions of the Indenture, default in the performance or observance of any other covenant, agreement or condition on the part of the Issuer in the Indenture or in any Bond to be performed or observed and the continuance thereof for a period of thirty (30) days after written notice thereof is given to the Issuer and the Borrower by the Trustee or by the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Acceleration *(Section 602)*

Upon (A) the occurrence of an Event of Default under paragraph (1) of the first paragraph under the caption "Events of Default" herein, the Trustee shall, and (B) the occurrence and continuance of an Event of Default under paragraphs (2) or (3) of the first paragraph under the caption "Events of Default" herein, and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, the Trustee shall, by notice in writing delivered to the Borrower, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Loan Agreement.

Enforcement of Remedies *(Section 603)*

Upon the occurrence and during the continuance of any Event of Default, the Trustee shall exercise such of the rights and powers vested in the Trustee by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. In considering what actions are or are not prudent in the circumstances, the Trustee shall consider whether or not to take such action as may be permitted to be taken by the Trustee under any of the Financing Documents.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may proceed forthwith to protect and enforce its rights under the Enabling Act, the Loan Agreement and the other Financing Documents by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce payment of and receive any amounts due or becoming due from the Issuer or the Borrower under any of the provisions of the Indenture, the Loan Agreement and the other Financing Documents, without prejudice to any other right or remedy of the Trustee or the Bondholders. The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Borrower for principal, premium, interest or otherwise under any of the provisions of the Indenture or the other Financing Documents, without prejudice to any other right or remedy of the Trustee.

Regardless of the happening of an Event of Default, the Trustee may, and upon (1) the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding and (2) upon receipt by the Trustee of such security or indemnity as the Trustee may require to hold the Trustee harmless from such action, the Trustee shall, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture and the other Financing Documents by any acts which may be unlawful or in violation of the Indenture or of any other Financing Document or of any resolution authorizing the Bonds, or to preserve or protect the interest of the Trustee and/or the Bondholders.

Rights of Bondholders to Direct Proceedings *(Section 607)*

The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right at any time, by an instrument in writing executed and delivered to the Trustee and upon offering the Trustee the security and indemnity provided for in the Indenture, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, the Loan Agreement or the other Financing Documents, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction, in the opinion of Independent Counsel, is in accordance with the provisions of law and is not unduly prejudicial to the interests of the Bondholders not joining such direction.

Application of Moneys *(Section 609)*

All moneys received by the Trustee pursuant to any right given or action taken under the default and remedy provisions of the Indenture shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including reasonable attorneys' fees and expenses) incurred or made by the Trustee, be deposited into the Bond Fund; and all moneys in the Bond Fund shall be applied, together with the other moneys held by the Trustee under the Indenture (other than amounts on deposit in the Rebate Fund pursuant to Section 409 of the Indenture), as follows:

(1) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST - to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND - to the payment to the Persons entitled thereto of the unpaid principal of and any premium on the Bonds (other than Bonds called for redemption for the payment of which moneys shall be held pursuant to the provisions of the Indenture) which shall have become due, in order of their maturities, with interest from the date upon which they became due and, if the amount available shall not be sufficient to pay in full the principal of and premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to amounts due respectively for principal, interest and premium, if any, to the Persons entitled thereto, without any discrimination or privilege; and

THIRD - to the payment to the Persons entitled thereto of the principal of, premium, if any, on, or interest on the Bonds which may thereafter become due and payable, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of interest, principal and premium, if any, due on such date to the Persons entitled thereto, without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of item (1) of the preceding paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional moneys becoming available in the future. Whenever moneys are to be applied pursuant to the provisions of item (2) of the preceding paragraph, such moneys shall be applied as soon as practicable upon receipt thereof. In either case, the Trustee shall give such notice as the Trustee may deem appropriate of the deposit with the Trustee of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee and a new Bond is issued or the Bond is cancelled if fully paid.

Notice of Defaults; Opportunity to Cure *(Section 614)*

Anything in the Indenture to the contrary notwithstanding, no Event of Default described in paragraph (2) or paragraph (3) under the caption "SUMMARY OF THE CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Remedies on Default" will constitute an Event of Default until the Trustee shall have received written notice thereof or shall have actual notice thereof and until actual notice of such default by registered or certified mail is given by the Trustee or by the Holders of not less than fifty-one (51%) percent of the aggregate principal amount of Bonds then Outstanding to the Issuer and the Borrower (with a copy to the Trustee if given by the Holders), and the Issuer and the Borrower have had thirty (30) days after receipt of such notice to correct said default or cause such default to be corrected, and have not done so within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Borrower within the applicable period and diligently pursued until the default is corrected.

Acceptance of the Trusts *(Section 701)*

The Trustee accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts upon certain terms and conditions, including but not limited to the following:

The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties under the Indenture by or through attorneys, agents, receivers or employees, and shall not be answerable for the conduct of the same, and shall be entitled to advice of counsel concerning all matters of the trusts of the Indenture and the duties under the Indenture, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts of the Indenture. The Trustee may act with gross negligence upon the opinion or advice of any attorney appointed, who may be the attorney or attorneys for the Issuer, and shall not be responsible for any loss or damage resulting from any action or nonaction in reliance upon any such opinion or advice.

The Trustee may become the Owner of Bonds secured by the Indenture with the same rights which it would have if not the Trustee.

Before taking any action under the Indenture (except declaring an Event of Default, a mandatory redemption or an acceleration of the Bonds pursuant to the Indenture), the Trustee may require that a security and indemnity reasonably satisfactory to it be deposited with it for the reimbursement of all fees, costs and expenses including, but not limited to, reasonable attorney's fees and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.

The Trustee shall not be required to take notice or be deemed to have notice of the occurrence of any Event of Default or an Event of Taxability other than an Event of Default under paragraph (1) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Remedies on Default" above, unless the Trustee shall have actual knowledge of such Event of Default or Event of Taxability or unless the Trustee shall be specifically notified in writing of such Event of Default or Event of Taxability by the Issuer or the Borrower or the Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding under the Indenture, and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default or Event of Taxability, except as aforesaid.

Appointment of Successor Trustee by the Bondholders; Temporary Trustee *(Section 708)*

In case the Trustee under the Indenture shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy, the Issuer (at the written direction of the Borrower) by an instrument executed and signed by the Chairperson or Vice Chairperson and attested by the Secretary or Assistant Secretary of the Issuer under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer (at the written direction of the Borrower) shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders.

Every such successor or temporary Trustee appointed pursuant to the provisions of the paragraph above shall (1) be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, (2) be located within or outside the State, (3) be duly authorized to exercise trust powers in the State, (4) be subject to examination by a federal or state authority, and (5) maintain a reported capital and surplus of not less than $5,000,000, or be a subsidiary of a bank holding institution with such capital and surplus.

Supplemental Indentures not Requiring Consent of Bondholders *(Section 801)*

The Issuer and the Trustee, without the consent of, or notice to, any of the Bondholders, may enter into an indenture or indentures supplemental to the Indenture and not inconsistent with the terms and provisions of the Indenture or, in the sole judgment of the Trustee, materially adverse to the interests of the Trustee or the Holders of the Bonds, for any one or more of the following purposes:

(1) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;

(2) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;

(3) to subject additional rights and revenues to the Lien of the Indenture, or to identify more precisely the Trust Estate;

(4) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's;

(5) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;

(6) to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state blue sky law;

(7) to enable the issuance of Additional Bonds;

(8) to permit the Bonds to be converted to certificated securities to be held by the registered Owners thereof; or

(9) for any other purpose not materially adverse to the interests of the Holders of the Bonds.

Supplemental Indentures Requiring Consent of Bondholders *(Section 802)*

Other supplemental indentures modifying the Indenture may be approved by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding; provided that no supplemental indenture is permitted which would permit (1) without the consent of the Holder of such Bond, (a) a reduction in the rate, or extension of the time of payment, of interest on any Bond, (b) a reduction of any premium payable on the redemption of any Bond, or an extension of time for such payment, or (c) a reduction in the principal amount payable on any Bond, or an extension of time in which the principal amount of any Bond is payable, whether at the stated or declared maturity or redemption thereof, (2) the creation of any Lien prior to or on a parity with the Lien of the Indenture (other than that parity Lien created to secure the Additional Bonds), (3) a reduction in the aforesaid aggregate principal amount of Bonds, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (4) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (5) a privilege or priority of any Bond or Bonds over any other Bond or Bonds.

Supplemental Indentures; Consent of the Borrower *(Section 803)*

Supplemental indentures which affect the rights or liabilities of the Borrower under the Indenture require the consent of the Borrower.

Amendment to the Loan Agreement or other Financing Documents Not Requiring Consent of Bondholders *(Section 901)*

The Issuer, the Borrower and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement or any other Financing Document (other than the Indenture) as may be required (1) by the provisions of any Financing Document, (2) for the purpose of curing any ambiguity, inconsistency or formal defect therein or omission therefrom, (3) so as to identify more precisely the Trust Estate or the Project Facility, (4) in connection with any supplemental indenture entered into pursuant to Section 801 of the Indenture, or to effect any purpose for which there could be a supplemental indenture pursuant to Section 801 of the Indenture, (5) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's, (6) to permit the issuance of Additional Bonds, (7) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (8) in connection with any other supplemental indenture, but only if any such amendment, change or modification, in the sole judgment of the Trustee, is not materially adverse to the interests of the Trustee or the Bondholders.

Amendments to Loan Agreement or other Financing Documents Requiring Consent of Bondholders *(Section 902)*

Except for the amendments, changes or modifications as provided under the above caption, neither the Issuer, the Borrower nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement or any other Financing Document (other than the Indenture) without mailing notice thereof to, and obtaining the written approval or consent thereto of, the Holders of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given as provided in the Indenture.

Satisfaction and Discharge of Lien *(Section 1001)*

If the Issuer (1) shall pay or cause to be paid, to the Holders and Owners of the Bonds, the principal of the Bonds and premium, if any, due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (2) shall pay or cause to be paid from any source, to the Holders and Owners of the Bonds, the interest to become due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (3) shall have paid all fees, costs and expenses including, but not limited to, reasonable attorney's fees of the Trustee and each paying agent, (4) shall pay or cause to be paid the entire Rebate Amount to the United States in accordance with the Tax Documents and the Indenture, and (5) shall cause to be delivered an opinion of Independent Counsel stating that all conditions precedent with respect to the satisfaction and discharge of the Indenture have been met, then the Indenture and the trust and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will (a) cancel and discharge the Lien of the Indenture upon the Trust Estate and the Trustee's rights under the other Financing Documents and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy same, (b) terminate the Loan Agreement, (c) reconvey to the Issuer the Loan Agreement and the trust conveyed by the Indenture, and (d) assign and deliver to the Borrower any interest in Property at the time subject to the Lien of the Indenture and the other Financing Documents which may then be in its possession, except amounts held by the Trustee for the payment of principal of, and the interest and premium, if any, on, the Bonds.

All Outstanding Bonds will, prior to the maturity or Redemption Date thereof, be deemed to have been paid if, under circumstances which, in the opinion of Bond Counsel, do not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, the following conditions have been fulfilled: (1) in case any of the Bonds are to be redeemed prior to their maturity, the Borrower shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided in the Indenture; and (2) there is on deposit with the Trustee moneys, which shall be either cash or Defeasance Obligations, in an amount sufficient, without the need for further investment or reinvestment, but including any scheduled interest on or increment to such obligations, to pay when due the principal, premium, if any, and interest due and to become due on the Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and to pay the Trustee for its Ordinary Services and Ordinary Expenses and for its Extraordinary Services and Extraordinary Expenses under the Indenture.

The Trustee may rely upon an opinion of an Accountant as to the sufficiency of the cash or such Defeasance Obligations on deposit.

No Recourse; Special Obligation *(Section 1109)*

The obligations and agreements of the Issuer contained in the Indenture or in any other document executed by the Issuer in connection therewith shall (A) be deemed obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his or her individual capacity, (B) not be an obligation of the State of New York or of Albany County, New York, and (C) be limited obligations of the Issuer, payable solely from the revenues of the Issuer derived from the sale or other disposition of the Project Facility.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

Pursuant to the Loan Agreement, the Issuer will make the Loan to the Borrower of the proceeds of the Initial Bonds for the purpose of assisting in financing the Initial Project. The following summarizes certain provisions of the Loan Agreement to which reference is made for the detailed provisions thereof and should not be considered a full statement thereof. Reference is made to the Indenture for complete details of the terms thereof. Certain provisions of the Loan Agreement are also described in the Initial Limited Official Statement under the captions "INTRODUCTORY STATEMENT" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS".

Representations, Warranties and Covenants of the Issuer *(Section 2.1)*

The Issuer will make the following representations, warranties and covenants, among others:

(1) The Issuer is duly established under the provisions of the Enabling Act and has the power to enter into the Loan Agreement and to carry out its obligations thereunder. By proper official action, the Issuer has been duly authorized to execute, deliver and perform the Loan Agreement and the other Financing Documents to which the Issuer is a party.

(2) Subject to the limitations contained in the Loan Agreement, so long as the Initial Bonds shall be Outstanding, the Issuer will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Borrower, together with Bond Counsel, advise the Issuer in writing should be taken) or allow any action to be taken, which action (or omission) would in any way cause (a) the proceeds from the sale of the Initial Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (b) adversely affect the exclusion of the interest paid or payable on any Tax-Exempt Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Borrower is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Borrower, such information concerning the investment of such administrative fee as shall be requested by the Borrower and as shall be reasonably available to the Issuer.

Representations and Covenants of the Borrower *(Section 2.2)*

The Borrower will make the following representations and covenants, among others:

(1) The Borrower is a limited liability company duly organized and validly existing under the laws of the State, is duly authorized to do business in the State, has the power to enter into the Loan Agreement and the other Financing Documents to which the Borrower is a party and to carry out its obligations thereunder, has been duly authorized to execute the Loan Agreement and the other Financing Documents to which the Borrower is a party, and is qualified to do business in all jurisdictions in which its operations or ownership of Property so requires. The Loan Agreement and the other Financing Documents to which the Borrower is a party, and the transactions contemplated thereby, have been duly authorized by all necessary action on the part of the Sole Member.

(2) The Borrower will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Borrower in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (a) adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (b) cause the proceeds of the Initial Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(3) The Initial Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Borrower will defend and save the Issuer and its members, directors, officers, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. The Borrower shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance in all material respects with all Applicable Laws, and the Borrower will defend and save the Issuer and its members, directors, officers, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith.

(4) All of the proceeds of the Initial Bonds shall be used to pay the costs of the Initial Project, and the total cost of the Initial Project is expected to at least equal to $38,705,000.

(5) The Borrower will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectation and covenants made by the Borrower in the Tax Regulatory Agreement are declared to be for the benefit of, among others, the Issuer and are incorporated in the Loan Agreement by this reference as though set forth in full therein.

(6) The Borrower represents that (a) the Borrower is a limited liability company authorized to transact business in the State, (b) the Sole Member is the sole member of the Borrower, (c) the Borrower has elected to be disregarded for federal income tax purposes, (d) the Sole Member is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law; (e) the Sole Member has received a letter or other notification from the Internal Revenue Service to that effect; (f) such letter or other notification has not been modified, limited or revoked; (g) the Sole Member is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (h) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (i) the Borrower is exempt from federal income taxes under Section 501(a) of the Code. The Borrower agrees that it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in a manner which will conform to the standards necessary to qualify the Borrower or the Sole Member as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law.

Covenant with Trustee and the Bondholders *(Section 2.3)*

The Issuer and the Borrower agree that the Loan Agreement is executed in part to induce the purchase of the Initial Bonds by the Holders and Beneficial Owners from time to time of the Initial Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Borrower set forth in the Loan Agreement (other than the Unassigned Rights) are declared to be for the benefit of the Issuer, the Trustee and the Holders and Beneficial Owners from time to time of the Initial Bonds.

Acquisition, Construction and Installation of the Initial Project Facility *(Section 3.1)*

The Borrower shall promptly acquire, construct and install the Initial Project Facility, or cause the acquisition, construction and installation of the Initial Project Facility, all in accordance with the Plans and Specifications.

No material change in the Plans and Specifications shall be made unless the Issuer shall have consented thereto in writing (which consent of the Issuer shall not be unreasonably withheld or delayed).

The Borrower has given or will give or cause to be given all notices and has complied or will comply or cause compliance in all material respects with all Applicable Laws, and the Borrower will defend, indemnify and save the Issuer and the Trustee and their respective members, directors, officers, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Initial Project Facility shall be procured promptly by the Borrower.

In compliance with Section 13 of the New York Lien Law to the extent to which that Section may be found to apply by its terms, the Borrower covenants that it (1) will hold the right to receive the Bond Proceeds, which have been deposited by the Issuer in a trust fund for the purpose of paying the Cost of the Initial Project relating to the Initial Project Facility, as a trust fund to be applied first for the purpose of paying the "cost of improvement" (as said term is defined in Section 2(5) of the New York Lien Law), and (2) will apply the same first to the payment of the "cost of improvement" before using any part of the total of the same for any other purpose. The covenant in this paragraph is not intended as a representation that the Loan Agreement or the Indenture is a "building loan contract", as defined in Section 2(13) of the New York Lien Law.

Issuance of the Initial Bonds; Loan of the Proceeds Thereof *(Section 3.2)*

In order to make the Loan for the purposes of financing a portion of the Cost of the Initial Project, together with other costs and incidental expenses in connection therewith, the Issuer agrees that it will use its best efforts to (a) issue and deliver the Initial Bonds in the aggregate principal amount of $38,705,000 and (b) cause the Initial Bonds to be delivered to the Underwriter as original purchaser of the Initial Bonds, all as provided in the Initial Bond Resolution, the Certificate of Determination, the Initial Bond Purchase Agreement and the Indenture.

As provided in the Indenture, the proceeds from the sale of the Initial Bonds shall be loaned by the Issuer to the Borrower and paid as follows: (1) a sum equal to any accrued interest, if any, paid by the Underwriter as original purchaser shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Bond Fund, (2) a sum equal to the Reserve Fund Requirement with respect to the Initial Bonds shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Reserve Fund; (3) a sum in the amount of $2,864,498.44, being equal to a portion of the interest on the Initial Bonds from the Closing Date through and including March 1, 2027 shall be deposited in the Series 2025 Project Capitalized Interest Subaccount of the Series 2025 Project Account of the Project Fund, and (4) the balance of the proceeds from the sale of the Bonds shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Project Fund. As provided in the Initial Bond Purchase Agreement, the Underwriter will advance the proceeds of the sale of the Initial Bonds to the Trustee in a single advance for deposit in accordance with the provisions of the Indenture. Pending disbursement pursuant to the provisions of the Loan Agreement and the Indenture, the proceeds of the Initial Bonds deposited in accordance with the provisions of the Indenture, together with any investment earnings thereon, shall constitute a part of the Trust Estate assigned by the Issuer to the payment of Debt Service Payments as provided in the Indenture.

Application of Proceeds of the Initial Bonds *(Section 3.3)*

Pursuant to Section 404 of the Indenture, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Borrower and complying with the requirements of Section 404 of the Indenture, the balance of the moneys on deposit in the Series 2025 Project Account relating to the Initial Bonds shall be applied to pay the following items of cost and expenses incurred on or subsequent to the Inducement Date (except to the extent that the Borrower obtains a letter from Bond Counsel to the effect that payments of amounts incurred prior to such date will not adversely affect the tax-exempt status of the interest paid or payable on the Tax-Exempt Bonds) in connection with the Initial Project, and for no other purpose:

(a) the cost of preparing the Plans and Specifications as they relate to the Initial Project Facility (including any preliminary study or planning for the Initial Project Facility or any aspect thereof);

(b) all costs incurred in connection with the acquisition, construction and installation of the Initial Project Facility (including architectural, engineering and supervisory services with respect thereto);

(c) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Financing Documents, any other agreement contemplated hereby, any financing statements and any title curative documents in order to perfect or protect the Issuer's, the Trustee's or the Borrower's respective interests in the Initial Project Facility, and any security interests contemplated by the Financing Documents;

(d) all fees and expenses in connection with any actions or proceedings in order to perfect or protect the Issuer's, the Trustee's or the Borrower's respective interests in the Initial Project Facility, except for removing Permitted Encumbrances;

(e) any expenses of the Borrower in enforcing any remedy against any contractor, subcontractor or materialman in accordance with Section 3.6 of the Loan Agreement;

(f) the cost of all insurance maintained with respect to the Initial Project Facility pursuant to Section 6.3 of the Loan Agreement during the Construction Period and the cost of maintaining any payment or performance bond (or letter of credit in substitution therefor), if any, relating to the Initial Project Facility;

(g) all interest payable on any interim financing the Borrower may have secured with respect to the Initial Project Facility in anticipation of the issuance of the Initial Bonds;

(h) all legal, accounting, financial advisory, investment banking, underwriting, blue sky, rating agency, legal investment and any other fees, discounts, costs and expenses incurred by the Issuer, the Borrower or the Trustee in connection with the preparation, reproduction, authorization, issuance, execution, delivery and sale of the Initial Bonds and the other Financing Documents and all other documents in connection therewith, with the acquisition, construction and/or installation of the Initial Project Facility, and with any other transaction contemplated by the Initial Bonds, the Indenture and the Loan Agreement;

(i) the administration, acceptance and/or commitment fees, costs and expenses (including, but not limited to, reasonable attorneys' fees) of the Issuer and the Trustee;

(j) payment of the taxes and assessments for the Initial Project Facility payable during or allocable to the Construction Period;

(k) all appraisal and surveying costs; and

(l) reimbursement to the Borrower for any of the above enumerated costs and expenses paid and incurred by the Borrower subsequent to the Inducement Date.

Any disbursements from the Project Fund for the payment of the Project Costs relating to the Initial Project shall be made by the Trustee only upon the written order of the Authorized Representative of the Borrower. Each such written order shall be in substantially the form of the Request for Disbursement attached to the Indenture as Exhibit A thereto and shall be consecutively numbered and accompanied by invoices or other appropriate documentation supporting the payments or reimbursements requested. Any disbursement for any item not described in, or the cost for which item is other than as described in, the information return filed by the Issuer in connection with the issuance of any Series of Tax-Exempt Bonds as required by Section 149(e) of the Code shall be accompanied by evidence satisfactory to the Trustee that the average reasonably expected economic life of the facilities being financed by such Series of Tax-Exempt Bonds is not less than 5/6ths of the average maturity of such Series of Tax-Exempt Bonds or, if such evidence is not presented with the disbursement or at the request of the Trustee, by an opinion of Bond Counsel to the effect that such disbursement will not result in the interest on such Series of Tax-Exempt Bonds becoming included in the gross income of the Holders thereof for federal income tax purposes. At or prior to submitting a Request for Disbursement, the Authorized Representative shall provide the Trustee with either appropriate mechanics' lien affidavits or waivers from each payee under each such prior disbursement request or with evidence or documentation satisfactory to the Trustee that provision against the filing of any mechanics' or similar liens with respect to the payment being made has been taken by the Borrower by deposit or bonding. In case any contract provides for the retention by the Borrower of a portion of the contract price, there shall be paid from the Project Fund only the net amount remaining after deduction of any such portion, and only when that retained amount is due and payable, may it be paid from the Project Fund.

Any moneys relating to the Initial Bonds remaining in the Series 2025 Project Account after the date of completion of the Initial Project Facility and the payment, or provision for payment, in full of the Project Costs relating to the Initial Project Facility, at the direction of the Authorized Representative of the Borrower, promptly shall be:

(1) used to construct, install, equip and improve such additional real or personal property in connection with the Initial Project Facility as is designated by the Authorized Representative and the construction, installation, equipment and improvement of which will be permitted under the Enabling Act, provided that any such use shall be accompanied by evidence satisfactory to the Trustee that the average reasonably expected economic life of such additional property, together with the other property theretofore acquired with the proceeds of the Initial Bonds, will not be less than 5/6ths of the average maturity of the Initial Bonds or, if such evidence is not presented with the direction, an opinion of Bond Counsel to the effect that the acquisition of such additional property will not result in the interest on the Initial Bonds becoming included in the gross income of the Holders of the Initial Bonds for federal income tax purposes;

(2) used for the purchase of Initial Bonds in the open market for the purpose of cancellation at prices not exceeding the full market value thereof plus accrued interest thereon to the date of payment therefor; or

(3) used for a combination of the foregoing as is provided in that direction.

In all such cases, any payments made pursuant to subsection (C) of Section 3.3 of the Loan Agreement shall be made only to the extent that such use or application will not, in the opinion of Bond Counsel or under ruling of the Internal Revenue Service, result in the interest on the Initial Bonds becoming included in the gross income of the Holders thereof for federal income tax purposes.

Completion of the Initial Project Facility *(Section 3.4)*

The Borrower will proceed with due diligence to commence and complete the acquisition, construction and installation of the Initial Project Facility. Completion of the same shall be evidenced by a certificate signed by an Authorized Representative of the Borrower delivered to the Issuer and the Trustee stating (A) the date of such completion, (B) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid, (C) that the acquisition, construction and installation of the Initial Project Facility have been completed with the exception of ordinary punchlist items and work awaiting seasonal opportunity, (D) that the Borrower or the Issuer has good and valid title to all Property constituting a portion of the Initial Project Facility, and that the Initial Project Facility is subject to the Loan Agreement, (E) the amount that the Trustee shall retain in the Project Fund for the payment of Project Costs not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained in the Project Fund and the reasons why such amounts should be retained, (F) the applicable Rebate Amount with respect to the Net Proceeds of the Project Fund and the earnings thereon (with a statement as to the determination of the Rebate Amount and a written direction to the Trustee of any required transfer to the Rebate Fund), and (G) that the Initial Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (1) that it is given without prejudice to any rights of the Borrower against third parties which exist at the date of such certificate or which may subsequently come into being, (2) that it is given only for the purposes of Section 3.4 of the Loan Agreement, and (3) that no Person other than the Issuer and the Trustee may benefit therefrom. Such certificate shall be accompanied by (a) a permanent unconditional certificate of occupancy, or a letter from the local Governmental Authority stating no certificate of occupancy is required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Initial Project Facility for its intended purposes and (b) a certificate of the Borrower to the effect that the Initial Project Facility will serve the purposes contemplated by the Loan Agreement and the Indenture.

Completion by the Borrower *(Section 3.5)*

In the event that the proceeds of the Initial Bonds are not sufficient to pay in full all costs of acquiring, constructing and installing the Initial Project Facility, the Borrower agrees to complete such acquisition, construction and installation and to pay all such sums as may be in excess of the moneys available therefor in the Project Fund.

Remedies to be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties *(Section 3.6)*

In the event of a breach, default or event of default by any contractor, subcontractor or materialman under any contract made by it in connection with the acquisition, construction and installation of the Initial Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Borrower may proceed, either separately or in conjunction with others, to exhaust the remedies of the Borrower and the Issuer against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Borrower may, in its own name or, with the prior written consent of the Issuer, in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety which the Borrower deems reasonably necessary, and in such event the Issuer hereby agrees, at the Borrower's sole expense, to cooperate fully with the Borrower and to take all action necessary to effect the substitution of the Borrower for the Issuer in any such action or proceeding. The Borrower shall advise the Issuer and the Trustee of any actions or proceedings taken hereunder. The Net Proceeds of any recovery secured by the Borrower as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to Section 3.6 of the Loan Agreement shall be deposited in the Series 2025 Project Account and used to the extent necessary to complete the Initial Project Facility and then deposited in the Bond Fund.

Investment of Fund Moneys *(Section 3.7)*

At the oral (promptly confirmed in writing) or written request of the Authorized Representative of the Borrower, any moneys held as part of any Fund created under the Indenture shall be invested or reinvested by the Trustee in Authorized Investments. The Borrower covenants that the Borrower will restrict that investment and reinvestment and the use of the proceeds of the Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Tax-Exempt Bonds, so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code.

Rebate Fund *(Section 3.8)*

The Borrower agrees to make such payments to the Trustee as are required of it under Section 407 of the Indenture (Rebate Fund) and to pay the costs and expenses of the independent certified public accounting firm or firm of attorneys engaged in accordance with said Section 407 of the Indenture. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture.

Loan Payments and other Amounts Payable *(Section 5.1)*

Upon the terms and conditions of the Loan Agreement, the Issuer will make the Loan to the Borrower. In consideration of and in repayment of the Loan, the Borrower shall make, as Loan Payments, payments sufficient in amount to pay when due the Debt Service Payments due and payable on the Initial Bonds. The Borrower shall pay Loan Payments as follows:

(1) on or before the fifth (5th) Business Day immediately preceding each Interest Payment Date, the Borrower shall cause immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as interest on the Initial Bonds on the next succeeding Interest Payment Date, so that the amount on deposit in the Bond Fund and available for the payment of interest on the fifth (5th) Business Day next preceding such Interest Payment Date, when added to the amount in the Bond Fund and available to the Trustee for such purpose, shall equal the interest payable on the Initial Bonds on such Interest Payment Date;

(2) on or before the fifth (5th) Business Day immediately preceding each Bond Payment Date upon which a Sinking Fund Payment is due on the Initial Bonds, the Borrower shall cause immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as a Sinking Fund Payment on the Initial Bonds on such Bond Payment Date; and

(3) on or before the fifth (5th) Business Day immediately preceding each Bond Payment Date upon which a principal payment is due on the Initial Bonds, the Borrower shall cause

immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as principal on the Initial Bonds on such Bond Payment Date.

The Borrower shall pay as additional Loan Payments under the Loan Agreement any premium when due on the Initial Bonds and the following:

(1) Within thirty (30) days after receipt of a demand therefor from the Trustee, the Bond Registrar or any Paying Agent, the Borrower shall pay to the Trustee, the Bond Registrar or any Paying Agent, as the case may be, the following amounts: (a) the reasonable fees, costs and expenses of the Trustee, the Bond Registrar or Paying Agent for performing the obligations of the Trustee under the Indenture and the other Financing Documents; (b) the sum of the expenses of the Trustee, the Bond Registrar or Paying Agent reasonably incurred in performing the obligations of (i) the Borrower under the Loan Agreement, or (ii) the Issuer under the Initial Bonds, the Indenture or the Loan Agreement; and (c) the reasonable attorneys' fees of the Trustee, the Bond Registrar or Paying Agent incurred in connection with the foregoing and other moneys due the Trustee, the Bond Registrar or Paying Agent pursuant to the provisions of any of the Financing Documents.

(2) (a) On the Closing Date, the Borrower shall pay to the Issuer, (i) a lump sum payment in an amount equal to $387,050.00, representing the Issuer's administrative fee for the issuance of the Initial Bonds; plus (ii) an additional lump sum in an amount equal to the fees and expenses of general counsel and Bond Counsel to the Issuer relating to the Initial Project.

(b) Within thirty (30) days after receipt of a demand therefor from the Issuer, the Borrower shall pay to the Issuer the sum of the reasonable expenses (including, without limitation, reasonable attorney's fees and expenses) of the Issuer and the members, directors, officers, agents, servants and employees thereof incurred by reason of the Issuer's making of the Loan, the financing and/or refinancing of the Initial Project Facility, the issuance and delivery of any Bonds, the marketing or remarketing of any Bonds or in connection with the carrying out of the Issuer's duties and obligations under the Loan Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Initial Project Facility, the Initial Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under the Loan Agreement.

(3) Upon receipt of notice from the Trustee pursuant to Section 408(D) of the Indenture that a withdrawal has been made from the Reserve Fund, the County shall make available to the Trustee for deposit in the Reserve Fund moneys to replenish such withdrawal up to the Reserve Fund Requirement pursuant to the Reserve Fund Replenishment Agreement; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(4) Upon receipt of notice from the Trustee pursuant to Section 408(D) of the Indenture that the periodic valuation of the Reserve Fund has determined that a deficiency exists in the amounts required to be on deposit to the credit of the Reserve Fund to meet the Reserve Fund Requirement, the County shall make available to the Trustee for deposit in the Reserve Fund moneys to replenish such withdrawal up to the Reserve Fund Requirement pursuant to the Reserve Fund Replenishment Agreement; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

In the event the Borrower shall fail to make any of the above payments for a period of more than ten (10) days from the date such payment is due, the Borrower shall pay the same, together with interest thereon, at the Default Interest Rate, from the date on which such payment was due until the date on which such payment is made.

The Borrower shall be entitled to a credit against the Loan Payments next required to be made under the Loan Agreement to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (3) for deposit in the Bond Fund for use other than for the payment of Debt Service Payments on the Interest Payment Date next following the applicable date such Loan Payments are due pursuant to the Loan Agreement. In any event, however, if on any Interest Payment Date, the balance in the Bond Fund is insufficient to make required payments of Debt Service Payments on the Initial Bonds, the Borrower forthwith will pay to the Trustee, for the account of the Issuer and for deposit into the Bond Fund, any deficiency.

Nature of Obligations of the Borrower under the Loan Agreement *(Section 5.2)*

The obligations of the Borrower under the Loan Agreement will be general obligations of the Borrower and will be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, counterclaim or abatement that the Borrower may otherwise have against the Issuer or the Trustee. The Borrower agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants contained in, the Loan Agreement, or terminate the Loan Agreement for any cause whatsoever.

Prepayment of Loan Payments *(Section 5.3)*

At any time that the Initial Bonds are subject to redemption under the optional redemption provisions of the Indenture, the Borrower may, at its option, prepay, in whole or in part, the Loan Payments payable under the Loan Agreement by causing there to be moneys in an amount equal to the Redemption Price of the Initial Bonds being redeemed on deposit with the Trustee or the Purchase Price of the Bonds being purchased in lieu of redemption no more than sixty (60) and no less than thirty (30) days prior to the date such moneys are to be applied to the redemption or purchase of such Bonds under the Indenture.

Maintenance and Modification of the Initial Project Facility *(Section 6.1)*

So long as any of the Initial Bonds are Outstanding, and during the term of the Loan Agreement, the Borrower will keep the Initial Project Facility in good condition and make all necessary repairs.

Taxes, Assessments And Utility Charges *(Section 6.2)*

The Borrower will pay or cause to be paid all taxes, assessments, and utility charges associated with the Initial Project Facility.

Insurance Required *(Section 6.3)*

The Borrower is required to maintain insurance to protect the interests of the Borrower, the Issuer and the Trustee.

Damage, Destruction and Condemnation *(Section 7.1 and Section 7.2)*

In the case of damage to or the destruction or Condemnation of the Project Facility, the Borrower, but not the Issuer, will have an obligation to replace, repair, rebuild or restore the Project Facility, using insurance or Condemnation proceeds for this purpose to the extent available, unless the Borrower elects not to replace, repair, rebuild or restore the Project Facility and to cause a defeasance of the Initial Bonds in accordance with the Indenture and the Tax Documents. If the Borrower opts to provide for the defeasance of the Initial Bonds and if the Net Proceeds collected under any and all policies of insurance or of any Condemnation award are less than the amount necessary to defease the Initial Bonds in full and pay any and all amounts payable under the Financing Documents to the Issuer and the Trustee, the Borrower will be required to pay to the Trustee the difference between such amounts and the Net Proceeds of all insurance settlements and Condemnation awards so that all of the Initial Bonds then Outstanding will be defeased and any and all amounts payable under the Financing Documents to the Issuer and the Trustee will be paid in full.

Termination *(Section 8.17)*

Upon (1) payment in full of the Loan evidenced by the Initial Bonds, (2) termination of the Pledge and Assignment, (3) payment in full of all other Indebtedness evidenced by the Loan Agreement, and (4) performance by the Borrower of all other obligations of the Borrower to the Issuer pursuant to the provisions of the Loan Agreement (collectively, the "Termination Preconditions"), the Loan Agreement shall terminate, except as provided in Section 11.8 thereof. Upon satisfaction of the Termination Preconditions, the Issuer agrees to execute and deliver to the Borrower the Termination of Loan Agreement.

Use of the Initial Project Facility *(Section 8.18)*

Subsequent to the Closing Date, (A) the Borrower shall not use the Initial Project Facility, or permit the Initial Project Facility to be used, by any Nonexempt Person or in any "unrelated trade or business", within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Tax-Exempt Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes or loss of the Borrower's status as an exempt organization under Section 501(c)(3) of the Code, and (B) the Borrower shall be entitled to use the Initial Project Facility as convention center facilities and ancillary facilities relating thereto, but not (1) as facilities used or to be used primarily for sectarian instruction or as a place of religious worship or (2) primarily as in connection with any part of a program of a school or department of divinity for any religious denomination.

Assignments *(Section 9.1)*

The Loan Agreement may not be assigned by the Borrower, in whole or in part, without the prior written consent of the Issuer, which consent will not be unreasonably withheld or delayed.

Merger of the Issuer *(Section 9.2)*

Nothing contained in the Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or assignment by the Issuer of its rights and interests hereunder to, any other public instrumentality or a political subdivision of the State or Albany County, New York which has the legal authority to perform the obligations of the Issuer under the Loan Agreement, provided that (1) the exclusion of the interest payable on the Tax-Exempt Bonds from gross income for federal income tax purposes shall not be adversely affected thereby; and (2) upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of the Loan Agreement, the Initial Bonds and the Indenture to be kept and performed by the Issuer shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Issuer's rights and interests hereunder or under the Loan Agreement shall be assigned.

Sale or Lease of the Initial Project Facility *(Section 9.3)*

Except for leases or subleases of portions of the Initial Project Facility entered into in the ordinary course of business and in compliance with the provisions of the Tax Documents, the Borrower may not sell, lease, transfer, convey or otherwise dispose of the Initial Project Facility or any part thereof without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed.

In no event, however, shall the Issuer consent to any sale, lease, transfer, sublease, conveyance or other disposition of the Initial Project Facility, or any part thereof, prior to receipt of an opinion of Bond Counsel that such disposition will not adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income of the holders thereof for federal income tax purposes.

Notwithstanding anything to the contrary contained in the Loan Agreement, in any instance where the Borrower reasonably determines that any portion of the Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Borrower may remove such portion of the Equipment and may sell, trade in, exchange or otherwise dispose of the same, as a whole or in part, without the prior written consent of the Issuer, provided that such removed Equipment is forthwith replaced with similar items of Equipment having a similar value, free from all Liens other than any Liens created by the Financing Documents.

In the Initial Tax Regulatory Agreement, the Borrower has covenanted that the Borrower will not do anything that would cause the change in use provisions contained in Section 150(b)(3) of the Code to become applicable to the Initial Bonds (any such event being hereinafter referred to as a "Change in Use"), unless the Borrower first receives an opinion of Bond Counsel that such change in use will not adversely affect the exclusion from gross income from federal income tax purposes of interest paid or payable on the Initial Bonds. Notwithstanding anything to the contrary contained in the Loan Agreement, the Borrower agrees that, before any Change in Use shall occur, the Borrower shall first file with the Issuer and the Trustee an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Initial Bonds (a "Change in Use Opinion"). If, in connection with obtaining any such Change in Use Opinion, Bond Counsel indicates that an amount of money is required to be applied to the redemption of the Initial Bonds, the Borrower shall transfer such amount to the Trustee for deposit in the Bond Fund and use to redeem Bonds as provided in Section 301(A) of the Indenture.

Events of Default Defined *(Section 10.1)*

Under the Loan Agreement, one or more of the following events will constitute an "Event of Default":

(1) A default by the Borrower in the due and punctual payment of the basic Loan Payments due pursuant to the Loan Agreement.

(2) The Borrower shall fail to deliver to the Trustee, or cause to be delivered on its behalf, the moneys needed to redeem any outstanding Bonds in the manner and upon the date requested in writing by the Trustee as provided in Article III of the Indenture.

(3) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Borrower in the Loan Agreement and the continuance thereof for a period of thirty (30) days after written notice is given by the Issuer or the Trustee to the Borrower (with a copy to the Trustee, if given by the Issuer), or, if such covenant, condition or agreement is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Borrower to commence to cure within such thirty (30) day period and to thereafter prosecute the same with due diligence and, in any event, to cure such default within ninety (90) days after such written notice is given.

(4) The occurrence of an "Event of Default" under any of the other Financing Documents.

(5) Any representation or warranty made by the Borrower in the Loan Agreement or in any other Financing Document proves to have been materially false at the time it was made.

(6) The Borrower shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due.

(7) Any sale, conveyance, lease agreement or any other change of ownership of the Project Facility, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Issuer or the Borrower (except pursuant to the Loan Agreement or a Permitted Encumbrance) of their respective interests in the Initial Project Facility or any part thereof, or the granting of any easements or restrictions or the permitting of any encroachments on the Initial Project Facility, except as permitted in the Loan Agreement or a Permitted Encumbrance.

(8) (a) The filing by the Borrower (as debtor) of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Borrower within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Borrower's ability to carry out its obligations under the Loan Agreement; (c) the commencement of a case under the Bankruptcy Code against the Borrower as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Borrower and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days; (d) the entry of an order for relief by a court of competent jurisdiction under the Bankruptcy Code or any other federal or state bankruptcy statute with respect to the debts of the Borrower; or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Borrower, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(9) The removal of the Equipment or any portion thereof outside Albany County, New York, without the prior written consent of the Issuer, other than in connection with a removal permitted under Section 9.3 of the Loan Agreement (permitting removal of obsolete or unnecessary portions of the Equipment).

(10) Any material provision of the Loan Agreement or any of the other Financing Documents shall at any time for any reason cease to be valid and binding on the related obligor thereunder or shall be declared to be null and void by any court or governmental authority or agency having jurisdiction over the Borrower, or the validity or the enforceability thereof shall be contested by the Borrower, the Issuer or the Trustee, in a judicial or administrative proceeding or the Borrower shall revoke or attempt to revoke the Guaranty.

(11) Any Financing Document shall cease to be in full force and effect, or any Lien created or purported to be created in any collateral pursuant to any Financing Document shall fail to be valid, enforceable and perfected Lien in favor of the secured party or parties named in such Financing Document, having the priority purported to be given such Lien under such Financing Documents, or the Borrower, the Trustee or any Governmental Authority shall assert any of the foregoing, unless such failure of validity, enforceability or perfection is caused by the negligence or intentional act of the Trustee or the Issuer.

Notwithstanding the foregoing, if by reason of force majeure (as hereinafter defined) either party to the Loan Agreement shall be unable, in whole or in part, to carry out its obligations under the Loan Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee within a reasonable time after the occurrence of the event or cause relied upon, the obligations under the Loan Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this provision shall not be deemed an Event of Default under the Loan Agreement. Notwithstanding this provision, an event of force majeure shall not excuse, delay or in any way diminish certain obligations of the Borrower to make certain payments, to obtain and continue in full force and effect certain insurance, to provide certain indemnity required by the Loan Agreement and to comply with certain other provisions of the Loan Agreement. The term "force majeure" as used herein shall include acts outside of the control of the Issuer and the Borrower, including but not limited to acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of any Governmental Authority or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, and partial or entire failure of utilities. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

Enforcement of Remedies *(Section 10.2)*

Whenever any Event of Default shall have occurred, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) declare, by written notice to the Borrower, to be immediately due and payable (a) all unpaid Loan Payments payable pursuant to the Loan Agreement, and (b) all other payments due under the Loan Agreement or any of the other Financing Documents;

(2) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due under the Loan Agreement and to enforce the obligations, agreements or covenants of the Borrower under the Loan Agreement

(3) terminate disbursement of the Bond Proceeds; or

(4) exercise any remedies available pursuant to any of the other Financing Documents.

No Recourse; Special Obligation *(Section 11.10)*

The obligations and agreements of the Issuer contained in the Loan Agreement and in the other Financing Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, will be deemed the obligations and agreements of the Issuer, and not of any member, officer, director, agent, servant or employee of the Issuer in his individual capacity, and the members, officers, directors, agents, servants and employees of the Issuer will not be liable personally on the Loan Agreement or such other documents or be subject to any personal liability or accountability based upon or in respect of the Loan Agreement or such other documents or of any transaction contemplated by the Loan Agreement or such other documents.

The obligations and agreements of the Issuer contained in the Loan Agreement or such other documents will not constitute or give rise to an obligation of the State or Albany County, New York, and neither the State nor Albany County, New York will be liable hereon or thereon, and, further, such obligations and agreements will not constitute or give rise to a general obligation of the Issuer, but rather will constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement and the other Financing Documents (except for revenues derived by the Issuer with respect to the Unassigned Rights).

No order or decree of specific performance with respect to any of the obligations of the Issuer under the Loan Agreement will be sought or enforced against the Issuer unless (1) the party seeking such order or decree will first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer will have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, will have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree will have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents, servants or employees will be subject to potential liability, the party seeking such order or decree will (a) agree to indemnify, defend and hold harmless the Issuer and its members, directors, officers, agents, servants and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, to furnish to the Issuer satisfactory security to protect the Issuer and its members, directors, officers, agents, servants and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this paragraph shall not affect the full force and effect of an Event of Default under the Loan Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT

Pursuant to the Pledge and Assignment, to further secure the payment of the Initial Bonds, the Issuer will pledge, assign, transfer and set over to the Trustee, and grant the Trustee a lien on and security interest in, all of the Issuer's right, title and interest in the Loan Agreement and any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Loan Agreement, except for the Unassigned Rights.

The foregoing is a brief summary of the Pledge and Assignment and should not be considered a complete statement thereof. Reference is made to the Pledge and Assignment for complete details of the terms thereof.

SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY

The Borrower's obligation to make all Loan Payments due under the Loan Agreement, and to perform all obligations related thereto, will be further secured by the Guaranty from the Borrower to the Trustee. The following summarizes certain provisions of the Guaranty to which reference is made for the detailed provisions thereof and should not be considered a full statement thereof. Reference is made to the Guaranty for complete details of the terms thereof. Certain provisions of the Guaranty are also described in the Initial Official Statement under the captions "INTRODUCTORY STATEMENT" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS".

Guaranty of Payment *(Section 3.1)*

The Borrower will irrevocably and unconditionally guarantee to the Trustee (1) the full and prompt payment of moneys sufficient to pay, or to provide for the payment of, (a) the outstanding principal on the Initial Bonds when and as the same becomes due, (b) any and all interest on the Initial Bonds when and as the same becomes due, (c) any premium or redemption payment payable on the Initial Bonds when and as the same becomes due, (d) the Redemption Price of the Initial Bonds, when and as the same becomes due, and (e) any other sum payable by the Issuer or the Borrower under the Financing Documents, when and as the same shall become due, whether at the stated maturity thereof, by acceleration or upon prepayment or otherwise, and (2) the performance by the Borrower of its obligations under the Financing Documents. The Borrower irrevocably and unconditionally agrees that, upon the occurrence of an Event of Default and the acceleration of the principal balance of the Initial Bonds then Outstanding and all accrued but unpaid interest and any premium on the Initial Bonds by the Trustee, the Borrower will promptly pay the same.

Obligations Unconditional *(Section 3.2)*

The obligations of the Borrower under the Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire Debt shall have been irrevocably paid in full, and, to the extent permitted by law, such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event.

Discharge Of Borrower's Obligations And Termination Of The Guaranty *(Section 3.4)*

The Guaranty shall terminate and the obligations of the Borrower created thereunder shall be discharged upon the irrevocable payment in full of the Initial Bonds. On the date of such discharge, the Borrower shall be released from any and all conditions, terms, covenants or restrictions created or placed upon it by the Guaranty and the Borrower shall not have any further obligation or liability thereunder.

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

Pursuant to the Mortgage, the Borrower will grant to the Issuer a lien on and security interest in the Project Facility as additional security for the Bonds. Reference is made to the Mortgage for complete details of the terms thereof. The following is a brief summary of certain provisions of the Mortgage and should not be considered a full statement thereof.

Granting Clauses *(Section 2.01)*

Pursuant to the Mortgage, to secure the payment of principal of, premium, if any, and interest on the Bonds, all amounts required to be paid under the Loan Agreement and the performance of the obligations of the Issuer and the Borrower under the other Financing Documents, the Borrower grants to the Issuer a mortgage on and a security interest in all right, title and interest of the Issuer and the Borrower in the following (collectively, the "Mortgaged Property"): (A) the Initial Project Facility, (B) all moneys and securities held from time to time by the Issuer under the Mortgage or the Trustee under the Indenture (other than moneys, securities and other investment property held in the Rebate Fund), (C) all rights and interests of the Issuer under the Loan Agreement (except the Unassigned Rights), (D) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Initial Project Facility (except the Unassigned Rights), (E) the proceeds of and any unearned premiums on any insurance policies covering the Initial Project Facility, (F) any other proceeds of the conversion of the Initial Project Facility, and (G) all extensions, additions, substitutions and accessions with respect to any of the foregoing; excepting therefrom, the Unassigned Rights.

Covenants *(Section 2.04)*

The Mortgage sets forth various covenants of the Borrower regarding, among other things, (A) maintenance and modification of the Initial Project Facility, (B) maintenance of insurance on the Initial Project Facility, (C) payment of taxes, assessments and utility charges, (D) access to the Initial Project Facility, and (E) access to books, records and other information relating to the Initial Project Facility.

Events of Default *(Section 6.01)*

The following events constitute Events of Default under the Mortgage:

(1) default by the Borrower in the due and punctual payment of any sum due under Section 5.1(A) of the Loan Agreement;

(2) default by the Borrower in the due and punctual payment of any sum due under the Loan Agreement relating to the principal of, premium, if any, and interest on the Initial Bonds;

(3) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Borrower in the Mortgage or any other Financing Document to be performed or observed and the continuance thereof for a period of thirty (30) days after written notice is given by the Issuer to the Borrower, or, if such covenant, condition or agreement is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Borrower to commence to cure within such thirty (30) day period and to thereafter prosecute the same with due diligence and, in any event, to cure such default within sixty (60) days after such written notice is given;

(4) the occurrence of an "Event of Default" under any of the Financing Documents;

(5) any representation or warranty made by the Borrower in the Mortgage or in any other Financing Document shall have been materially false at the time that it was made;

(6) the Borrower shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due;

(7) the Borrower shall conceal, remove or permit to be concealed or removed any part of its Property, with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law; or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;

(8) the Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, except as is expressly provided in the Loan Agreement, or the Borrower threatens to encumber, assign, lease, sublease, sell, transfer or convey, the Mortgaged Property, or any part thereof, to any person without the prior written consent of the Issuer, except as is expressly provided in the Loan Agreement;

(9) (a) the filing by the Borrower (as debtor) of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Borrower within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Borrower's ability to carry out its obligations hereunder; (c) the commencement of a case under the Bankruptcy Code against the Borrower as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Borrower and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days; (d) the entry of an order for relief by a court of competent jurisdiction under the Bankruptcy Code or any other federal or state bankruptcy statute with respect to the debts of the Borrower; or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Borrower unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment;

(10) final judgment for the payment of money in excess of $500,000 shall be rendered against the Borrower and the Borrower shall not discharge the same or cause it to be bonded or discharged within sixty (60) days from the entry thereof, or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered and secure a stay of execution pending such appeal; and

(11) the imposition of a Lien on the Mortgaged Property other than a Lien being contested as provided in Section 8.8(C) of the Loan Agreement or a Permitted Encumbrance.

<u>Enforcement of Remedies</u> *(Section 6.03)*

Upon the happening of any Event of Default, the Issuer may, acting at the direction of the Bondholders, (A) accelerate the Indebtedness, and/or (B) commence an action to foreclose the Lien of the Mortgage on the Mortgaged Property, and/or (C) exercise various other remedies.

Upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Issuer under the Mortgage, the Issuer is entitled to the appointment of a receiver of the Mortgaged Property.

The Net Proceeds received by the Issuer pursuant to any right given or action taken pursuant to the enforcement provisions of the Mortgage shall be applied in the following order of priority (A) first, to the payment of the fees, costs and expenses of the Issuer, including reasonable attorney's fees; (B) second, in accordance with the provisions contained in the Indenture respecting the application of moneys received under the enforcement provisions of the Indenture; (C) third, to the payment of any sum or charge (other than principal, premium, if any, or interest) evidenced or secured by the Mortgage and all interest payable thereon; (D) fourth, to the payment of interest on principal amounts then due and payable under the Loan Agreement or any other Financing Document; and (E) fifth, the balance thereof to be applied in reduction of any other amounts then due and payable under the Loan Agreement or any other Financing Document.

The Issuer may, acting at the direction of the Bondholders, agree to waive any Event of Default and its consequences and annul any acceleration.

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT OF MORTGAGE

Pursuant to the Assignment of Mortgage, the Issuer will assign its rights, title and interest in and to the Mortgage to the Trustee. Reference is made to the Assignment of Mortgage for complete details of the terms thereof and the foregoing should not be considered a full statement thereof.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

August 20, 2025

Albany County Capital Resource Corporation
111 Washington Avenue – Suite 100
Albany, New York 12210

Re: Albany County Capital Resource Corporation
Tax-Exempt Lease Revenue Bonds
(Albany Convention Center Authority Project), Series 2025
in the aggregate principal amount of $38,705,000

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof of the Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025 in the aggregate principal amount of $38,705,000 (the "Initial Bonds") by Albany County Capital Resource Corporation (the "Issuer"), a New York not-for-profit corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act").

The Initial Bonds are being issued under and pursuant to a bond resolution adopted by the members of the board of directors of the Issuer on June 4, 2025, a certificate of determination dated August 20, 2025 (the "Certificate of Determination") executed by the Chairperson, Vice Chairperson or Executive Director of the Issuer and a trust indenture dated as of August 1, 2025 (the "Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), in connection with a project (the "Initial Project") to be undertaken by the Issuer for the benefit of CIDC Albany Center, LLC, a New York limited liability company (the "Borrower"), said Initial Project consisting of the following: (A) (1) the reconstruction and renovation of an existing building containing approximately 40,840 square feet (the "Existing Facility") comprised of six stories in the front portion of the Existing Facility and two stories in the rear portion of the Existing Facility, respectively, located on two parcels of land containing approximately .84 acres at 120 and 126 State Street (Tax Map Nos.: 76.33-1-23 and 76.33-1-22) in the City of Albany, Albany County, New York (the "Land"), (2) the construction of an additional two stories to the rear portion of the Existing Building containing approximately 59,810 square feet (the "Addition" and collectively with the Existing Facility, the "Facility") and (3) the acquisition and installation thereon and therein of machinery and equipment (the "Equipment") (the Land, the Facility, and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Borrower and leased to the Albany Convention Center Authority (the "ACCA") for use as a convention facility and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) the paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds, any reserve funds as may be necessary to secure the Initial Bonds and capitalized interest during the construction period; and (D) the granting of certain other financial assistance with respect to the foregoing, including exemption from certain mortgage recording taxes. The Issuer will make a loan to the Borrower of the proceeds of the Initial Bonds (the "Loan") for the purpose of assisting in financing the Initial Project, and document the Loan by entering into a loan agreement dated as of August 1, 2025 (the "Loan Agreement") between the Issuer, as lender, and the Borrower, as borrower.

The Initial Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest at the rates set forth therein. The Initial Bonds are subject to (A) optional, mandatory and extraordinary redemption prior to maturity and (B) acceleration prior to maturity.

The principal of, redemption premium, if any, and interest on the Initial Bonds are payable from loan payments to be made by the Borrower under the Loan Agreement. As security for the Initial Bonds, the Issuer has executed and delivered to the Trustee a pledge and assignment dated as of August 1, 2025 (the "Pledge and Assignment") which assigns to the Trustee certain of the Issuer's rights under the Loan Agreement.

The Borrower's obligation to make all Loan Payments under the Loan Agreement and to perform all obligations related thereto, and the Issuer's obligation to repay the Initial Bonds, will be further secured by a guaranty dated as of August 1, 2025 (the "Guaranty") from the Borrower to the Trustee.

As additional security for the Initial Bonds, the Borrower will (A) execute and deliver to the Issuer a mortgage dated as of August 1, 2025 (the "Mortgage") from the Borrower to the Issuer, pursuant to which the Borrower will grant to the Issuer a mortgage lien on and security interest in the Mortgaged Property (as defined therein), which Mortgage shall be assigned by the Issuer to the Trustee pursuant to an assignment of mortgage dated as of August 1, 2025 (the "Assignment of Mortgage") and (B) execute and deliver to the Issuer an assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents"), pursuant to which the Borrower will grant to the Issuer (i) the rents, issues and profits of the Initial Project Facility and (ii) all leases, subleases, licenses or occupancy agreements affecting the Initial Project Facility, which Assignment of Rents shall be assigned by the Issuer to the Trustee pursuant to an assignment of assignment of leases and rents dated as of August 1, 2025 (the "Assignment of Rents Assignment").

You have received an opinion of even date herewith of Reed Smith LLP, counsel to the Borrower, upon which you are relying as to the authorization, execution and delivery by the Borrower of the Indenture and the security documents securing the Initial Bonds. No opinion as to such matters is expressed herein.

We have examined specimen Initial Bonds and executed counterparts of the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Assignment of Rents Assignment (collectively, the "Issuer Documents") and a certain tax regulatory agreement dated the date hereof from the Borrower and Community Initiatives Development Corporation, as sole member of the Borrower, to the Issuer and the Trustee (the "Tax Regulatory Agreement") relating to the Initial Bonds and such certified proceedings and such other documents as we deemed necessary to render this opinion.

With respect to the due authorization, execution and delivery by the Borrower of the agreements to which it is a party, we have relied on the opinion of Reed Smith LLP, counsel to the Borrower. With respect to the due authorization, execution and delivery by the Trustee (both in its corporate capacity as signatory of the Indenture and in its capacity as Trustee) of the agreements to which it is a party, we have relied on the opinion of Bond, Schoeneck & King, PLLC, counsel to the Trustee.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Issuer were duly executed and delivered by said other person or persons and that said documents constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

In rendering the opinions expressed in paragraphs (D) and (E) below, we note that the exclusion of the interest on the Initial Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145, 147, 148 and 149 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (collectively, the "Tax Requirements"). In our opinion, the Tax Regulatory Agreement and the other Financing Documents (as defined in the Indenture) establish requirements and procedures, compliance with which will satisfy the Tax Requirements. It should be noted, however, that we will not independently verify the accuracy of the certifications and representations of the Issuer and the Borrower or the continuing compliance with the covenants by the Issuer and the Borrower. Included among these continuing requirements are certain restrictions and prohibitions on the use of proceeds of the Initial Bonds, restrictions on the investment of proceeds of the Initial Bonds and other moneys or properties, and the rebate to the United States of certain earnings in respect of investments. Noncompliance with such continuing requirements may cause the interest on the Initial Bonds to be included in gross income for federal income tax purposes retroactive to the date of the issuance of the Initial Bonds, irrespective of the date on which such noncompliance occurs.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained herein, we are of the opinion, as of the date hereof and under existing law, as follows:

(A) The Issuer was duly created and is validly existing as a not-for-profit corporation under the laws of the State of New York with the corporate power to enter into and perform its obligations under the Issuer Documents and to issue the Initial Bonds.

(B) The Issuer Documents have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as specified below.

(C) The Initial Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authentication thereof by the Trustee, are valid and binding special obligations of the Issuer payable with respect to the Issuer solely from the revenues derived by the Issuer from the revenues derived from the Loan Agreement.

(D) The interest on the Initial Bonds is excludable from gross income for federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, calculating the corporate alternative minimum taxable income imposed by the Code only for taxable years; provided, however, that (a) the Borrower or another Person, by failing to comply with the Tax Requirements, may cause interest on the Initial Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Initial Bonds is included in determining (i) the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code, (ii) passive investment income for purposes of computing the tax on net passive income imposed on certain subchapter S corporations under Section 1375 of the Code, and (iii) the modified adjusted gross income of a taxpayer for purposes of computing the portion of Social Security or Railroad Retirement benefits included in gross income under Section 86 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of the Initial Bonds, or the amount, accrual or receipt of interest on the Initial Bonds, and recommend that owners of the Initial Bonds consult their tax advisors regarding such matters.

(E) The Initial Bonds do not constitute "arbitrage bonds", within the meaning of Section 148 of the Code, except as specified below.

(F) So long as interest on the Initial Bonds is excluded from gross income for federal income tax purposes, the interest on the Initial Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

(G) The Initial Bonds do not constitute a debt of the State of New York or Albany County, New York, and neither the State of New York nor Albany County, New York is liable thereon.

We call your attention to the fact that the Borrower or another person, by failing to comply with the Tax Requirements as set forth in the Code and the Tax Regulatory Agreement, may cause interest on the Initial Bonds to become subject to federal income taxation from the date hereof. We express no opinion regarding other federal tax consequences arising with respect to the Initial Bonds.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Initial Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Initial Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Initial Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Initial Project Facility or with respect to the requirements of filing or recording of any of the Financing Documents, (D) the laws of any jurisdiction other than the State of New York and other than the securities and the tax laws of the United States of America or (E) the accuracy, adequacy or completeness of the Initial Preliminary Official Statement or the Initial Official Statement, respectively (as such terms are defined in the Indenture).

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Regulatory Agreement and the other Financing Documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion with respect to the exclusion of interest on the Initial Bonds from gross income for federal income tax purposes is expressed herein as to the Initial Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Hodgson Russ LLP.

The scope of our engagement has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Borrower or the Initial Project Facility other than specifically hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Initial Bonds.

Our opinions set forth herein are based upon the facts in existence and the laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof.

We have rendered this opinion solely for your benefit and this opinion may not be relied upon by, nor copies hereof delivered to, any other person without our prior written approval.

Very truly yours,

HODGSON RUSS LLP

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APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "**Disclosure Agreement**"), dated as of August 1, 2025, by and among CIDC ALBANY CENTER, LLC (the "**Borrower**"), the ALBANY CONVENTION CENTER AUTHORITY ("**ACCA**"), the COUNTY OF ALBANY (the "**County**", and together with the Borrower and ACCA, each an "**Obligated Person**") and DIGITAL ASSURANCE CERTIFICATION, L.L.C. (the "**Dissemination Agent**"), in connection with the issuance and delivery by the Albany County Capital Resource Corporation (the "**Issuer**") of its Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025 in the aggregate principal amount of $38,705,000 (the "**Series 2025 Bonds**"), issued pursuant to a Trust Indenture dated as of August 1, 2025 (the "**Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"), evidencing (i) the proceeds of the Series 2025 Bonds are being loaned by the Issuer to the Borrower pursuant to a Loan Agreement, dated as of August 1, 2025, between the Issuer and the Borrower (the "**Loan Agreement**"), (ii) evidencing deposit of and use of Base Rent, Additional Rent, Initial Prepaid Rent and Additional Prepaid Rent (as those terms are defined in the ACCA Lease Agreement (defined below) and collectively, the "**Rental Payments**") to be paid by ACCA to the Borrower under the Lease dated as of July 7, 2025, as amended by that certain first amendment to lease agreement dated as of July 30, 2025, between ACCA, as lessee and the Borrower, and any permitted amendments, supplements or change orders thereto (the "**ACCA Lease Agreement**"); and (iii) security for the Rental Payments in the form of a source of replenishment for the Reserve Fund (as that term is defined in the Indenture) in the event the assets and revenues of ACCA are insufficient to make the Rental Payments in amounts sufficient to pay debt service when due on the Bonds under a Reserve Fund Replenishment Agreement dated as of August 1, 2025 (the "Reserve Fund Replenishment Agreement"), between ACCA and the County.

The Obligated Person and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Obligated Person and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriter (defined below) in complying with the Rule (defined below). The Obligated Person and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean the respective Annual Report provided by ACCA and the County pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

"Bondholder" shall mean the registered owner of a Series 2025 Bond and any beneficial owner thereof, as established to the reasonable satisfaction of the Trustee or the Borrower.

"Counsel" means Hodgson Russ LLP or other nationally recognized bond counsel expert in federal securities laws.

"County Annual Financial Information" shall mean a copy of the annual audited financial information prepared by BST & Co. CPAs, LLP and posted and confirmed to EMMA.

"County Annual Operating Data" shall mean a copy of the annual financial information and operating data prepared by the County and posted and confirmed to EMMA.

"County Event" shall mean any of the following events for which the County has posted and confirmed notice on EMMA and linked to bonds of the County bearing the base CUSIP of 01212P, which event has been identified as a type of event described in Section 3(a)(xiii)-(xvi) of this Disclosure Agreement.

"Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Person .

"EMMA" means the Electronic Municipal Market Access system established and operated by the MSRB.

"Financial Obligation" means a (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Material Event" means any of the events listed in Section 3(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"Official Statement" means the final official statement, as defined in paragraph (f)(3) of the Rule, relating to the Series 2025 Bonds.

"Rule" means Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"State" means the State of New York.

"Underwriter" shall mean KeyBanc Capital Markets Inc., the underwriter of the Series 2025 Bonds required to comply with the Rule in connection with the offering of the Series 2025 Bonds.

SECTION 3. Reporting of a Material Event. (a) This Section 3 shall govern the giving of notices of the occurrence of any of the following events:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Series 2025 Bonds, unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;

(vii) modifications to rights of Bondholders, if material;

(viii) bond calls, if material and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2025 Bonds; if material

(xi) rating changes;

(xii) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xiii) bankruptcy, insolvency, receivership or similar event of the Obligated Person;

(xiv) the consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xv) incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) Upon the occurrence of a Material Event, the Borrower shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file or cause to be filed a notice of such occurrence with the MSRB. Upon the occurrence of a Material Event as set forth in Section 3 clauses (i), (ii), (iii), (v), (x), (xiii), (xiv), (xv) and (xvi), the ACCA shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file or cause to be filed a notice of such occurrence with the MSRB. The Borrower and ACCA shall provide a copy of each such notice to the Issuer and the Trustee. The Dissemination Agent, if other than the Obligated Person, shall have no duty to file a notice of an event described hereunder unless it is directed in writing to do so by an Obligated Person, and shall have no responsibility for verifying any of the information in any such notice or determining the materiality of the event described in such notice.

SECTION 4. Annual Reports. (A) (1) ACCA shall provide to the Dissemination Agent its Annual Report, commencing with the fiscal years ending on or after December 31, 2025, within one hundred fifty (150) days after the end of such fiscal year, unless otherwise indicated below. The ACCA Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The current fiscal year for ACCA is January 1st to December 31st. ACCA shall promptly notify the Dissemination Agent in writing of each change in its fiscal year. The Dissemination Agent shall provide notice in writing to ACCA that such Annual Report is required to be provided by such date, at least forty-five (45) days but not more than sixty (60) days in advance of such date. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Sections 3 or 5 of this Disclosure Agreement; provided that the audited financial statements of ACCA may be submitted separately from, and at a later date than, the balance of the Annual Report if such audited financial statements are not available as of the date set forth above. If the Dissemination Agent submits the audited financial statements of ACCA at a later date, it shall provide unaudited financial statements by the above-specified deadline and shall provide the audited financial statements as soon as practicable after the audited financial statements become available. ACCA shall submit the audited financial statements to the Dissemination Agent as soon as practicable after they become available and the Dissemination Agent shall submit the audited financial statements to the MSRB as soon as practicable thereafter. The Dissemination Agent shall provide such Annual Report to (i) EMMA and (ii) the Issuer, in each case within ten (10) days after receipt by the Dissemination Agent.

(2) The Dissemination Agent shall provide in a timely manner, a notice of any failure of ACCA or the Dissemination Agent to provide the Annual Report by the date specified in subsection (a) above, in each case to (i) EMMA, (ii) the Issuer, (iii) the Borrower and (iv) ACCA.

(B) Except to the extent this Disclosure Agreement is modified or otherwise altered in accordance with the provisions hereof, for its Annual Report, the County shall cause the Dissemination Agent to "make public" the information set forth in subsections (1), (2) and (3) below by the means described in Section 4(C)below, as applicable:

(1) The County Annual Financial Information and the County Operating Data, not later than forty-five (45) days after the County has caused such County Annual Report to be posted and confirmed on EMMA and linked to bonds of the County bearing the base CUSIP of 01212P.

(2) Notice of the occurrence of a County Event, not later than forty-five (45) days after the County has caused such notices to have been posted and confirmed on EMMA and linked to bonds of the County bearing the base CUSIP of 01212P.

(3) The Dissemination Agent will monitor the EMMA filings which have been made by the County and linked to bonds of the County bearing the base CUSIP of 01212P on an annual basis. The Obligated Person and the Dissemination Agent will be deemed to have complied with their duties under Section 4(B)(1) and (2) to the extent that (i) the Dissemination Agent monitors the EMMA filings which have been made by the County and linked to bonds of the County bearing the base CUSIP of 01212P, on an annual basis, and, (ii) to the extent that postings of County Annual Financial Information, County Annual Operating Data, and County Events have been made by the County or its agents and linked to bonds of the County bearing the base CUSIP of 01212P, the

Dissemination Agent makes such information available to holders of Series 2025 Bonds as set forth in Section 4(C) below within forty five (45) days after the posting of the County Annual Financial Information, County Annual Operating Data or County Events have been made by the County or its agents and linked to bonds of the County bearing the base CUSIP of 01212P.

(C) County Annual Financial Information, County Annual Operating Data and County Events shall be deemed to have been "made public" by the County and the Dissemination Agent if transmitted by the following means: (i) to EMMA, in the same format as posted by the County, and linked to the Series 2025 Bonds (which bear the base CUSIP of 012124); and (ii) to the Dissemination Agent, in the same format as posted on EMMA by the County, and linked to the Series 2025 Bonds (which bear the base CUSIP of 012124).

SECTION 5. Contents of Annual Reports. The Annual Reports, with respect to the ACCA and the County shall contain or incorporate by reference the following:

(a) audited annual financial statements of the ACCA and the County, respectively, subject to the terms of Section 4(A);

(b) operating data and financial information for the most recent fiscal year of the type presented in the Official Statement, dated August 13, 2025, under "**APPENDIX A-1 - CERTAIN INFORMATION CONCERNING THE ALBANY CONVENTION CENTER AUTHORITY**," which shall be included in ACCA's Annual Report, AND "**APPENDIX A-2 - CERTAIN INFORMATION CONCERNING THE COUNTY OF ALBANY"** which shall be included in the County Annual Operating Data, unless such information is included in the Audited Financial Statements of the ACCA or the County, respectively; and

(c) (i) with respect to the ACCA, notice of a Material Event reported since the previous Annual Report, if any, as listed in Section 3(a) herein and (ii) with respect to the County, notice of a Material Event reported in accordance with 4(B).

In the event the ACCA or the County's audited financial statements provided pursuant to Sections 4 and 5 of this Disclosure Agreement contain any of the information described in clause (b) above, the requirement of this Section 4 shall be deemed to be satisfied with respect to including such information in ACCA Annual Report or the County Annual Report.

The financial statements provided pursuant to Sections 4 and 5 of this Disclosure Agreement shall be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "obligated person" (as defined by the Rule), which (i) are available to the public on the MSRB internet website, or (ii) have been filed with the SEC.

The description contained in clause (b) above of financial information and operating data to be included in the Annual Report is of general categories of financial information and operating data. When such description includes information that is no longer regularly maintained or available or that can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Report containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Obligated Persons obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2025 Bonds or upon delivery to the Dissemination Agent of an opinion of counsel expert in federal securities laws selected by the Borrower to the effect that compliance with this Disclosure Agreement no longer is required by the Rule. If the Borrower's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower and the original Borrower shall have no further responsibility hereunder.

SECTION 8. Resignation of Dissemination Agent. (a) The Dissemination Agent may resign upon 30 days' written notice to the Obligated Person specifying the date when such resignation shall take effect. In such case, the Borrower may forthwith appoint a replacement dissemination agent to act or, alternatively, shall assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Series 2025 Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Dissemination Agent until payment in full for any and all sums owed and payable to the Dissemination Agent. The Obligated Person shall give or cause to be given written notice of any such appointment to the registered Holders of the Series 2025 Bonds, the Trustee (if the Trustee is not the Dissemination Agent), and the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person and the Dissemination Agent may amend this Disclosure Agreement (and, subject to the last sentence of this Section 9, the Dissemination Agent shall agree to any amendment so requested by the Obligated Person) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Obligated Person to the effect that such amendment or waiver would not, in and of itself, violate the Rule. Without limiting the foregoing, the Obligated Person and the Dissemination Agent may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Obligated Person or of the type of business conducted by the Obligated Person, (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Series 2025 Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (c)(i) the Dissemination Agent receives an opinion of counsel expert in federal securities laws to the effect that, the amendment does not materially impair the interests of the Bondholders or (ii) the amendment is consented to by the Bondholders as though it were an amendment to the Indenture pursuant to Section 902 of the Indenture. The Dissemination Agent shall not be required to accept or acknowledge any amendment of this Disclosure Agreement if the amendment adversely affects its respective rights or immunities or increases its respective duties hereunder.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any notice of occurrence of a Material Event or any Annual Report, in addition to that which is required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any notice of occurrence of a Material Event or any Annual Report in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Material Event or Annual Report.

SECTION 11. Default. In the event of a failure of the Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of Bondholders representing at least 25% in aggregate principal amount of Outstanding Bonds, shall), take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Obligated Person or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Without regard to the foregoing, any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Series 2025 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Obligated Person or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Obligated Person agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Obligated Person under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds. The Dissemination Agent shall not have a duty to review the Annual Report or any other information, disclosures or notices provided hereunder, nor shall it be deemed to have notice of the contents of such Annual Report or any other information, disclosures or notices or a default based on such content, nor shall they have a duty to verify the accuracy of such Annual Report or any other information, disclosures or notices provided hereunder. The Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Obligated Person has complied with this Disclosure Agreement. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Bondholders of the Series 2025 Bonds or any other party.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Dissemination Agent, the Underwriter and the Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Disclaimer. No notice of a Material Event, County Event or Annual Report filed by or on behalf of the Obligated Person under this Disclosure Agreement shall obligate the Obligated Person to file any information regarding matters other than those specifically described in Section 3 and 4(B)(2) hereof, nor shall any such filing constitute a representation by the Obligated Person or raise any inference that no other material events have occurred with respect to the Obligated Person or the Series 2025 Bonds or that all material information regarding the Obligated Person or the Series 2025 Bonds has been disclosed. The Obligated Person shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

SECTION 15. Notices. (a) Unless otherwise expressly provided, all notices to the Issuer, the Obligated Person and the Dissemination Agent shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered or sent by facsimile during business hours to such parties.

(b) Any notices or communications to the Obligated Person or the Dissemination Agent may be given as follows:

To the Borrower:	CIDC Albany Center, LLC 15375 Blue Fish Circle Lakewood Ranch, Florida 34202 Telephone: (484) 955-1761
To ACCA:	Albany Convention Center Authority 55 Eagle Street Albany, New York 12207 Telephone: (518) 487-2225
To the County:	County of Albany Commissioner of Management and Budget 112 State Street, Room 1210 Albany, New York 12207 Telephone: (518) 447-5525
To the Dissemination Agent:	Digital Assurance Certification, L.L.C. 315 East Robinson Street, Suite 300 Orlando, Florida 32801 Telephone: (407) 515-1100

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Governing Law. This instrument shall be governed by the laws of the State of New York.

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IN WITNESS WHEREOF, the parties have each caused this Disclosure Agreement to be executed by their duly authorized representatives all as of the date first above written.

CIDC ALBANY CENTER, LLC

By: ____

Name: Frances Brandt
Title: Authorized Representative

ALBANY CONVENTION CENTER AUTHORITY

By: ____

Name: Monica Kurzejeski
Title: Executive Director

ALBANY COUNTY, NEW YORK

By: ____

Name: Hon. Daniel P. McCoy
Title: County Executive

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: ____

Name: Brianna Steger
Title: Senior Vice President

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ALBANY COUNTY CAPITAL RESOURCE CORPORATION • TAX-EXEMPT LEASE REVENUE BONDS (ALBANY CONVENTION CENTER AUTHORITY PROJECT), SERIES 2025

ALB NY®

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CENTER AUTHORITY

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