
Albany Convention Center Authority, Albany New York

Draw Down Non-Revolving Note Financing

Summary of Terms and Conditions

July 25, 2025

This financing term sheet is provided for discussion purposes only and does not represent a commitment from KeyBank National Association or Key Government Finance, Inc. (“Key”). This proposal is intended to serve as an outline of certain material terms of the credit facility and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documentation for the Loan contemplated hereby.

This term sheet is submitted on a confidential basis and shall not be disclosed to third parties (other than the Authority’s officers, directors, employees and advisors charged with reviewing and/or implementing the transactions contemplated hereby without Key’s consent.

In conjunction with KeyBank National Association, Key’s Public Sector Group, Key Government Finance, Inc. is pleased to provide the following financing term sheet to the Albany Convention Center Authority, Albany, New York.

Lender:	Key Government Finance, Inc. (“ <u>Lender</u> ”)
Issuer:	Albany Convention Center Authority, Albany, New York (“ <u>ACCA</u> ” or “Authority”).
Issue:	Grant Anticipation Non-Revolving Draw Down Note (“ <u>Note</u> ”).
Facility:	Taxable Variable Rate Non-Revolving Draw Down Loan (the “Facility” or “Loan”)
Amount:	Up to \$4,000,000.
Use of Proceeds:	To provide bridge financing ahead of the Authority’s receipt of a New York Empire State Development Grant related to the Authority’s expansion project (the “ <u>Project</u> ”).
Closing Date:	To Be Determined.
Facility Term:	Twenty-Four (24) Months from Closing Date (“ <u>Maturity</u> ”).
Repayment:	Interest payments will due monthly on all principal outstanding. All outstanding principal will be due at Maturity.
Draws:	Subject to the Construction Advance requirements detailed in <u>Attachment A</u> attached hereto, the proceeds of Facility will be available to draw down (“ <u>Draw</u> ”) for up to twenty-four (24) months after the Facility Closing Date (“ <u>Draw Period</u> ”). Each Draw will be subject to satisfying KeyBank’s Construction Advance requirements detailed in Attachment A. Interest will begin to accrue on each Draw as of the date drawn. The Lender’s Real Estate due diligence and Construction related requirements are detailed in <u>Attachment A</u> attached hereto. The initial Draw on the Facility Closing Date must be for an amount at least equal to cover all Lender expenses (legal).
Unused Commitment Fee:	Beginning on the Closing Date, an unused commitment fee will be incurred in the amount of 10 basis points calculated on the average unused principal component of the Note during each month with payment of such fee being made to the Lender quarterly. For the avoidance of any doubt, the unused commitment fee is an annual cost.

Variable Interest Rate Option: The Variable Interest Rate Options provided below is based on credit market conditions as of July 16, 2025. Any changes in the credit market conditions prior to the closing of Facility may result in repricing by Lender.

The Taxable Variable Interest Rate will be based on 30 Day Term SOFR, reset monthly, and determined two (2) Business Days prior to the first (1st) day of the applicable interest period. The Taxable Variable Interest Rate will be the sum of 30 Day Term SOFR Rate plus a Margin (the “Margin”).

Variable Rate Pricing as of **July 16, 2025**, is as follows:

30 Day			
<u>Mode</u>	<u>Term SOFR</u>	<u>Margin</u>	<u>Rate</u>
Taxable	4.34979%	.65%	5.00%

Variable Rate Prepayment: With thirty (30) days advance written notice, the Facility may be prepaid, in whole or in part, prior to the Facility Maturity Date, on any scheduled payment date as long as no default or event of default exists as of the date of such prepayment. Such amount so prepaid may not be drawn again.

Day Count: 30/360

Term SOFR Detail: Term SOFR is the forward-looking SOFR based term rate (rounded upwards to the next highest whole multiple of 1/16th if such rate is not a multiple (unless there is a related swap, in which case the index is not rounded) for a period of 30 days based on SOFR that is published by CME Group Benchmark Administration Ltd (“CBA”) and displayed on CME’s Market Data Platform (“MDP”) (or, at KGF’s election, CME DataMine, Bloomberg, Refinitiv, or another other commercially available source providing such quotations as selected by KGF in its discretion), at approximately 6:00 a.m. New York Borrower time, two business days prior to the commencement of such interest period (“Term SOFR”).

<https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>

The One Month Term SOFR option will include an interest rate floor of 0.00, tied to the underlying One Month Term SOFR index. Where the One Month SOFR index is greater than or equal to the floor, there is no change to calculation of the interest rate indicated above. Where the One Month SOFR index is less than the indicated floor, the floor will be used in place of the One Month SOFR index and then the Margin will be added to the floor to produce the applicable interest rate on the Facility.

In the event One Month SOFR is discontinued or no longer deemed an appropriate reference rate, One Month SOFR will be replaced with an alternative thereto, including any necessary adjustment to normalize the new reference rate to the discontinued One Month SOFR reference rate, in accordance with customary One Month SOFR discontinuation language to be included in the loan documentation. KGF does not warrant or accept any responsibility for and shall not have any liability with respect to the (1) One Month SOFR determination, (2) the occurrence of a trigger to cause

transition away from One Month SOFR, or (3) the adequacy of any replacement of One Month SOFR.

The documentation shall reflect KeyCorp's current SOFR and Benchmark Replacement at the time of the Funding Date.

Security:

Collateral assignment of, or other first priority security interests in, the New York State Grants awarded where the Lender has agreed to extend financing for the Project. The Grant proceeds will be used to fund the Project if no Draw on the Facility has been taken. If there has been Draws taken on the Facility, then the Grant received will be applied to any outstanding principal and interest balance upon receipt.

Pledge of net revenues of the Authority (the "Net Revenues"), which will be on parity with any other outstanding pledges of the Net Revenues, if any. Lender will need to review the documentation related to other pledges of such Net Revenues.

Financial Reporting:

Borrower shall provide directly to the Lender or post on the Authority's website:

Periodic financial reporting, including, but not limited to, annual budgets within 120 days of fiscal year end; draft full-year financial statements within 180 days of the fiscal year end; certified annual audited financial statements within 270 days of fiscal year end; compliance certificates, signed by the Director of Finance, or its designee, within 270 days of year-end; and other information that may from time to time be requested by the Bank.

Events of Default:

Usual and customary for facility of this type.

Default Interest Rate:

The Default Interest Rate will be the then current lending rate plus seven hundred (7.00%) basis points.

Documents:

All documents shall be attorney prepared and in form and substance acceptable to the Lender and its legal counsel, including legal opinions customary for transactions of this nature. Borrower's counsel will provide a Validity Opinion regarding the legality, validity, and enforceability of the Facility. An opinion of Borrower's Counsel in form acceptable to Lender and Lender's Counsel shall also be provided and addressed to Lender. It is anticipated that a customary continuing covenant and note purchase agreement will be entered into between Lender and Borrower. Other documents customary for this type of Facility may be required.

Costs of Issuance:

The Borrower will be responsible for all reasonable costs related to this financing including but not limited to Lender's Counsel fees, Borrower's Counsel fees, and any out of pocket related costs associated with the issuance for due diligence by the Lender for this financing. Cost and expenses related to **Attachment A - Real Estate Due Diligence and Construction Requirements** shall be addressed by the parties as provided in **Costs under Attachment A set forth in Attachment A**.

Lender's Legal Counsel:

Lender plans to use Mardikes Law, LLC as outside legal counsel.

Attorney contact information is provided below:

George M. Mardikes
503-887-3514
georgemardikes@mardikeslaw.com

Anne L. Barragar
503-819-1598
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Mardikes Law LLC
P.O. Box 14606
Portland, Oregon 97293
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Conditions Precedent to Closing:

Customary for transactions of this nature and subject to materiality provisions where appropriate and agreed by the Lender, including but not limited to:

- Execution and delivery of satisfactory Loan Documents and other closing documentation, including, without limitation, legal opinions.
- Perfection and evidence of priority of all security interests.
- All legal matters shall be satisfactory to the Lender and its legal counsel.
- No Default or Event of Default.
- Borrower's organizational documents (certified copies), together with certified resolutions authorizing the Borrower to consummate the transactions contemplated by this financing term sheet.
- Receipt of documentation set forth in Attachment A.
- Final Credit Approval. The subject proposal has been formally deal screened with the approving credit officer. If subject proposal is accepted, Key Government Finance will initiate bank underwriting and due diligence process; we anticipate approximately a 2-week credit/underwriting process from receipt of signed term sheet / full financing package.

Market Disruption:

Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this term sheet, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, the Lender may modify the indicative pricing described above.

Other:

The Lender will purchase the Note (and book the facility as a loan on its books) under the following additional conditions: (i) the Note will not be registered under the Securities Act of 1933 and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Lender will hold the Note as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Note; (iv) no final official Statement has been prepared in connection with the private placement of the Note; (v) the Note will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Note will not be listed on any stock or other securities exchange. The Lender will sign an investor letter at closing.

Governing Law:

New York

Proposal Expiration:

Should the terms set forth in this Term Sheet accurately reflect your understanding of our proposal and meet your approval, please sign this letter where provided. The terms set forth herein shall expire if either (1) this Term Sheet is not executed by Borrower and delivered to Lender before **September 1, 2025** or (2) the Facilities offered in this Term Sheet are not closed with fully executed documentation within ninety (90) calendar days of the date this Term Sheet is executed by you.

Proposal Acceptance/Expiration

This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us.

a) Key Government Finance, Inc. (“KGF”) is not recommending an action to you as the municipal entity or obligated person; (b) KGF is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) KGF is acting for its own interests; and (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

Key Government Finance, Inc. (i) is an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, and (ii) the present intent of the Key Government Finance, Inc., is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Any placement agent, broker or financial advisor may rely upon the representations and warranties contained in this paragraph.

Lender notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, as amended and supplemented) (the “Patriot Act”), that Lender is required to obtain, verify and record all information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act.

Lender acknowledges that, in connection with Borrower’s compliance with any continuing disclosure undertakings (each, a “Continuing Disclosure Agreement”) entered into by Borrower pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), Borrower may be required to file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or its successor (“EMMA”), notice of its incurrence of its obligations under this Facility and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Facility, in each case including a description of the material terms thereof (each such notice, an “EMMA Notice”). Borrower shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lender or any Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Borrower acknowledges and agrees that Lender is not responsible in connection with any EMMA Notice relating to this Facility for Borrower’s compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

Thank you for allowing us the opportunity to present this Proposal. If you have any questions, please do not hesitate to contact us direct.

[Signature page follows.]

Sincerely,

By: 

Kevin P. Scott
Vice President
Key Government Finance
O: (216) 689-0209
kevin.p.scott@key.com

Cc: Jeff Rink

ACKNOWLEDGED AND AGREED

DATE: _____, 2025

Albany Convention Center Authority, Albany New York

By: _____
Name: _____
Title: _____

Attachment A

Real Estate Due Diligence and Construction Requirements

Costs under Attachment A:

Lender and Borrower acknowledged that there are costs and expenses that will be incurred under the real estate due diligence and construction requirements set forth in this Attachment A. It is the expectation of the parties that neither the Lender nor Borrower shall be responsible for payment of any of such costs and expenses and that prior to issuance of this Facility the parties shall resolve the third party or parties responsible for such cost and expenses and such third parties shall be contractually obligated to make payment for such costs and expenses.

Construction Consultant:

Key will perform a front end/cost analysis review based on the Project's construction contract and budget prior to loan closing. An estimated cost for plan and cost review and any monthly site inspection report fees will be provided upon formal award. Key will require a Reliance Agreement with the BBL Construction Services, LLC's (the "Contractor") third-party construction consultant (the "Consultant"), which will perform periodic progress inspection of the project and provide those reports to Key. Progress reports must be in sufficient form and detail to support Key's funding of draw requests.

Construction Requirements:

The following real estate construction requirements will need to be satisfied in order to close the Facility and Draw the funds. Fees associated with construction due diligence and monitoring can be quoted upon formal award:

Initial Draw and Subsequent Draw Requirements:

The Initial Draw will be at closing and will be in the amount necessary for payment of Lender's closing cost (legal), estimated not to exceed \$20,000.

Subsequent Draws shall not be permitted until confirmation of the expenditure of all of the proceeds of the Albany County Capital Resource Corporation Tax-Exempt Lease Revenue Bonds (Albany Convention Center Authority Project), Series 2025, in the amount of [\$40,000,000.00].

The final \$1,000,000 to be drawn on the Note shall only be permitted by complying additionally with the Final Disbursement requirements set forth below.

Pre-Closing/Funding Deliveries:

Borrower shall cause to be furnished to Lender all documentation specified on the checklist. (Closer and/or Lender's Counsel to provide) Borrower to provide such documentation in advance of the loan closing sufficient to allow for the review and approval thereof by Lender and its consultants, but in no event less than ten (10) business days prior to the loan closing. All such documentation shall be in form, substance, and execution satisfactory to Lender and Consultant:

Lender's obligations hereunder to fund Draws shall be contingent upon Borrower causing the delivery to Lender of the following:

1. **Plans and Specifications** – Plans and specifications, budget and other written materials related to the construction of the project shall be subject to Lender's review and approval. Lender may retain an independent engineer, architect, or

consultant to conduct such review and to make periodic site inspections. The costs and expenses thereof is subject to **Costs under Attachment A**, above.

2. **Material Contracts** - General construction contract or construction management contract.
3. **Insurance** – Lender shall be added as loss payee additional insured under the Contractor's Builder's Risk insurance coverage in place under the General Construction Contract.

The policy shall specify that Lender is an additional insured thereunder and shall provide that it may not be cancelled, reduced, modified or terminated without at least thirty (30) days prior written notice to Lender. The initial policy shall be prepaid and delivered to Lender prior to closing.

4. **Title Search** - Lender will require a clean Title Search prior to closing. The costs and expenses thereof is subject to **Costs under Attachment A**, above.
5. **Permits and Approvals** - All permits and approvals necessary for construction of the Project, including site work.
6. **Performance Bond** – See Additional Loan Conditions.

Additional Draw Conditions:

1. The scheduled Substantial Completion Date must be fully completed within 24 months after the Closing.
2. A report from the Consultant engaged by Contractor at the cost and expense of Contractor and based upon, among other items, a complete analysis of the plans and specifications for the Project and contracts/subcontracts, (a) demonstrating the adequacy of Contractor's proposed budget to complete the Project, (b) approving the plans and specifications for the Project, and (c) confirming that the construction schedule is realistic. The costs and expenses thereof is subject to **Costs under Attachment A**, above.
3. The Completion Guaranty being provided by the Contractor shall be in form acceptable to Lender.
4. The Contractor is not required initially to provide a performance bond to assure the Project's completion; however, Lender will require that the Contractor provide a preapproval letter for one from its surety company. Lender will have the right to demand a performance bond be provided by Contractor at Lender's discretion during the life of the Facility and primarily based upon but not limited to information seen in the Project progress reports. Once requested by Lender, no additional draws shall be approved until such bond is provided. The costs and expenses thereof is subject to **Costs under Attachment A**, above.

The above list is not all inclusive and will be updated to reflect the specific project and the construction monitoring agreement therefore.

Notwithstanding the foregoing, Lender reserves the right to require items that would generally be required before loan closing to instead be required before any portion of the loan is disbursed.

Disbursement Procedures:

All funds disbursed under Facility for construction of the Project shall be subject to the terms and conditions set forth in the definitive construction loan agreement (the "Construction Loan Agreement"), which shall contain such terms, covenants, and conditions as shall be satisfactory to Lender, including without limitation, the following:

Draw Request: All requests for disbursement of funds from the Facility for the Project (each, a "Loan Disbursement" or "Draw") shall be in writing using the Lender's standard form of borrower certificate and shall be submitted on a fully executed AIA G702 and G703, including any change orders on a AIA G701. Draw requests should not be made more frequently than once per month.

Inspections: All inspections shall be completed by Lender's consultant, who may require further information, including, but not limited to, documents such as contracts and invoices, to complete the analysis of the draw request.

Disbursements: Each Loan Disbursement shall be made within approximately ten (10) business days after receipt of all information required by Lender.

Funds will be disbursed directly into an operating account specifically for the Project, maintained by Borrower at KeyBank N.A.

In Balance: The Facility shall always remain "in balance." The Facility shall be deemed to be "in balance" only at such times as Lender determines, in its reasonable discretion, that the then undisbursed portion of the Facility equals or exceeds the amount necessary to pay all work done and not theretofore paid for or to be done in connection with the completion of the Project. If Lender determines that the Facility is not "in balance," Borrower shall cause Contractor to bring the Project back "in balance" by providing sufficient evidence of liquidity to complete the Project or revisions to the Project.

Retainage: No retainage shall be required for the Facility; provided that the final \$1,000,000.00 of the Facility shall require compliance with the Final Disbursement Requirements.

Final Disbursement:

The final Draw will be made upon receipt by the Borrower (and verification of the Lender) of the following information, in form and content satisfactory to Lender and its attorneys:

1. Temporary Certificate of Occupancy.
2. Issuance of all other permits and approvals required for the use and occupancy of the Project.

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3. Architect's or Engineer's Certification by the Contractor's Architects and Lender's independent inspecting engineer to the effect that all improvements have been substantially completed in accordance with the Plans and Specifications, and that all sums due and owing the general contractor, have been paid or will be paid out of the proceeds of the final advance of Facility.
 4. G 704 Certificate of Substantial Completion, duly executed by all parties including, without limitation, Contractor, general contractor and Contractor's Architect.
 5. Final lien waivers from Contractor.
 6. Confirmation of all costs and expenses as required in **Costs under Attachment A**, above.