

City of Albany Capital Resource Corporation

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
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Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better
John Maxwell
Christopher Betts

Ashley Mohl, Interim Chief Executive Officer
Andrew Corcione, Chief Operating Officer
Marisa Franchini, Agency Counsel
A. Joseph Scott, Special Counsel

To: Elizabeth Staubach
Lee Eck
Darius Shahinfar
Anthony Gaddy

Joseph Better
Christopher Betts
John Maxwell

CC: Ashley Mohl
Marisa Franchini
Joe Scott

Andy Corcione
Emma Fullem
Cassidy Roberts
Andrew Biggane

Date: April 12, 2024

CRC REGULAR BOARD MEETING

A Regular Meeting of the City of Albany Capital Resource Corporation Board of Directors will be held on **Thursday, April 18th, 2024 at 12:15 pm (or immediately following the Board Meeting of the City of Albany IDA)** at 21 Lodge St., Albany, NY 12207

AGENDA

Roll Call, Reading & Approval of the Minutes of the Board Meeting of March 21, 2024

Report of Chief Financial Officer

A. Financial Report

Unfinished Business

A. KIPP Capital Region Public Charter Schools
i. Preliminary Inducement Resolution

New Business

A. Capitalize Albany Corporation
i. 2024 Annual Grants Update

Other Business

A. Corporation Update

B. Compliance Update

Adjournment

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Lee Eck, *Vice Chair*
Darius Shahinfar, *Treasurer*
Anthony Gaddy, *Secretary*
John Maxwell
Chris Betts
Joseph Better

Ashley Mohl, *Interim Chief Executive Officer*
Andy Corcione, *Chief Operating Officer*
Marisa Franchini, *Agency Counsel*
A. Joseph Scott, *Special Counsel*

CRC MINUTES OF THE REGULAR BOARD MEETING

March 21, 2024

Attending: Elizabeth Staubach, Lee Eck, Joseph Better, Darius Shahinfar, and John Maxwell

Absent: Christopher Betts, and Anthony Gaddy

Also Present: Ashley Mohl, Tom Libertucci, Renee McFarlin, Cassidy Roberts, Andrew Corcione, Joe Scott, Chris Canada, and Marisa Franchini

Public Present: Stephanie Valle

Chair Elizabeth Staubach called the Regular Meeting of the CRC to order at 12:54 p.m.

Roll Call, Reading and Approval of Minutes of the December 14, 2023, Board Meeting

A roll call of the Board members present was held. Chair Elizabeth Staubach reported that all members were present with the exception of Christopher Betts and Anthony Gaddy. Since the minutes of the previous meeting had been distributed to Board members in advance for review, Ms. Staubach made a proposal to dispense with reading and approve the minutes of the Regular Board meeting of February 22, 2024. A motion was made by Darius Shahinfar and seconded by Joseph Better to accept the minutes as presented. The motion to accept the minutes as presented was passed with all other members voting aye.

Report of Chief Financial Officer

Staff asked BST to provide the Board with a report on the Agency's cash flow for February 2024, which had been distributed to the board prior to the meeting.

Unfinished Business

None

New Business

KIPP

Staff introduced the KIPP Capital Region Public Charter Schools project to the Board. The project entails the construction of a new charter high school to be known as KIPP Capital High School at 400 Northern Blvd. The development of the 98,185 SF structure will include 3 Floors with an 800 Student Capacity. Construction is scheduled to begin in April 2024 with occupancy by August 2025. The Applicant is requesting up to \$61,750,000 in conduit tax-exempt bond financing for Series 2024 Bonds. A project applicant was present to answer questions from the Board. No action was taken at this time.

Annual Reporting

Review and acceptance of the draft 2023 Financial Statements & Audit Report

Staff reported that the Audit Committee met with Teal, Becker and Chiaramonte to review the Draft 2023 Audited Financial Statements in detail, which received a clean, unmodified opinion, and the final audit was moved to the full Board for approval with a positive recommendation. Staff reviewed the 2023 Audited Financial Statements in detail and answered any questions from the Board. Staff informed the Board that new auditing standards have changed the way auditors must define and note potential areas of significant risk. Auditors must now identify the risk of management overriding controls directly in their letter even if they do not believe the occurrence of those activities has taken place. Staff reported that the auditors have looked at the Agency's internal controls, which do not have any deficiencies, and noted that nothing has come to the auditor's attention that has led them to believe there are any issues.

Annual Report

Staff reviewed the *Draft 2023 Annual Report* with Board Members noting that the full report had been distributed to the Board and public prior to the meeting for their review. Staff reported that they continue to follow-up with project beneficiaries as necessary and expect to submit the annual reports through PARIS by the March 31st deadline.

Review and acceptance of the draft 2023 Procurement Report

Staff reviewed the Draft 2023 Procurement Report with the Board.

Review and acceptance of the draft 2023 Investment Report

Staff reviewed the Draft 2023 Investment Report with the Board.

Review and acceptance of the draft 2023 Mission Statement and Performance Measurement Report

Staff reviewed the Draft Mission Statement and Performance Measurement Report with the Board.

Review and acceptance of the Management Assessment of Internal Controls

Staff reviewed the Management Assessment of Internal Controls with the Board.

Chair Staubach requested a motion to accept all the 2023 Annual reporting documents pending any final revisions. A motion was made by Darius Shahinfar and seconded by Lee Eck. A vote being taken, the motion passed unanimously.

Other Business

Corporation Update

Staff informed the Board that there would be an update on the CRC funded grants which are funded in part by the CRC at the next Board meeting.

Compliance

None.

There being no further business, a motion to adjourn the meeting was made by Darius Shahinfar and seconded by Joseph Better. A vote being taken, the meeting was adjourned at 1:04 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

**PRELIMINARY INDUCEMENT RESOLUTION
KIPP CAPITAL REGION PUBLIC CHARTER SCHOOLS PROJECT**

A regular meeting of the board of directors (the “Board of Directors”) of City of Albany Capital Resource Corporation (the “Issuer”) was convened in public session at the offices of the Issuer located at 21 Lodge Street in the City of Albany, Albany County, New York on April 18, 2024 at 12:15 o’clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the Board of Directors and, upon roll being called, the following members of the Board of Directors were:

PRESENT:

Elizabeth Staubach	Chairperson
Lee E. Eck, Jr.	Vice Chairperson
Darius Shahinfar	Treasurer
Anthony Gaddy	Secretary
Joseph Better	Director
Christopher Betts	Director
John F. Maxwell, Esq.	Director

ABSENT:

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

Ashley Mohl	Interim Chief Executive Officer
Andrew Corcione	Chief Operating Officer
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Economic Development Specialist, Capitalize Albany Corporation
Cassidy Roberts	Program Assistant, Capitalize Albany Corporation
Marisa Franchini, Esq.	Issuer Counsel
A. Joseph Scott, III, Esq.	Bond Counsel
Christopher C. Canada, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0424-____

RESOLUTION TAKING PRELIMINARY OFFICIAL ACTION TOWARD THE ISSUANCE OF REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE A CERTAIN PROJECT FOR KIPP CAPITAL REGION PUBLIC CHARTER SCHOOLS (THE “INSTITUTION”) AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT WITH THE INSTITUTION WITH RESPECT TO SUCH FINANCING.

WHEREAS, pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”) and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Common Council of the City of Albany, New York (the “City”) adopted a resolution on March 15, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of the City of Albany 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 Common Council of the City; and

WHEREAS, pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Common Council of City of Albany, New York (the “City”) adopted a resolution on March 15, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of City of Albany Capital Resource Corporation (the “Issuer”) under the Enabling Act and (B) appointing the initial members of the Board of Directors, who serve at the pleasure of the Common Council of the City; and

WHEREAS, in April, 2010, 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 City; and

WHEREAS, KIPP Capital Region Public Charter Schools, a New York State not-for-profit corporation (the “Institution”), submitted an application (the “Application”) to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Institution, said Project consisting of the following: (A) the construction of an approximately 98,185 square foot high school building (the “Initial Facility”) on an approximately 10.38 acre parcel of land located at 400 Northern Boulevard and 10 Dudley Heights in the City of Albany, New York (the “Initial Land”) and (2) the acquisition and installation thereon and therein of certain related furniture, fixtures, machinery and equipment (the “Initial Equipment”) (the Initial Facility, the Initial Land and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to be operated by the Institution as an educational facility and any other directly or indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be approximately \$20,000,000 and in any event not to exceed \$21,000,000 (the “Obligations”); (C) the paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to the Certificate of Incorporation, prior to the Issuer providing the financial assistance, the Issuer, among other things, must hold a public hearing in accordance with the guidelines set forth in Section 859-a of the General Municipal Law with respect to the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended, and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act”), the Issuer has not yet made a determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and

WHEREAS, with respect to any portion of the Obligations intended to be issued as federally tax-exempt obligations, interest on such portion of the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Internal Revenue Code of 1986,

as amended (the “Code”) and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of such portion of the Obligations is approved by the Mayor of the City of Albany, New York (the “Mayor”) after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations as required by Section 147(f) of the Code; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of such portion of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations; and

WHEREAS, the Issuer desires to assist the Institution and provide for compliance with the provisions of Section 147(f) of the Code with respect to the Project; and

WHEREAS, although the resolution authorizing the issuance of the Obligations and the undertaking of the Project has not yet been drafted for approval by the Issuer, a preliminary agreement (the “Preliminary Agreement”) relative to the proposed issuance of the Obligations and the undertaking of the Project by the Issuer (which Preliminary Agreement is attached hereto as Exhibit A) has been presented for approval by the Issuer;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CITY OF ALBANY CAPITAL RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Issuer has reviewed the Application and, based upon the representations made by the Institution to the Issuer in the Application and at this meeting, the Issuer hereby makes the following findings and determinations with respect to the Project:

(A) The issuance of the Obligations by the Issuer with respect to the Project will relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities for the inhabitants of the City of Albany, New York and thereby serve the public purposes of the Enabling Act; and

(B) It is desirable and in the public interest to issue the Obligations in a principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental expenses in connection therewith (collectively, the “Project Costs”), which Project Costs are presently estimated to be an amount not to exceed \$21,000,000;

provided, however, that the foregoing determinations shall not entitle or permit the Institution to commence the undertaking of the Project, nor commit the Issuer to issue any Obligations with respect to the Project, unless and until the Issuer shall decide to proceed with the Project following a determination by the Issuer that all requirements of the SEQRA Act that relate to the Project and to the issuance of the Obligations have been fulfilled.

Section 2. If, following full compliance with the SEQRA Act and the requirements of the Enabling Act, including the public hearing requirements set forth in Section 859-a of the General Municipal Law, the Issuer adopts a future resolution (the “Future Resolution”) determining to proceed with the Project and the Institution complies with all conditions set forth in this resolution, the Preliminary Agreement and the Future Resolution, the Issuer will (A) authorize the issuance of the Obligations in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions as shall be determined in accordance with the provisions of a further resolution of the Issuer; (B) make a loan to the Institution of the proceeds of the Obligations (the “Loan”) for the purpose of assisting in financing the

Project; (C) enter into a loan agreement (hereinafter, the “Loan Agreement”) between the Issuer and the Institution whereby the Institution will be obligated, among other things, (i) to make payments to the Issuer in amounts and at times so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Obligations and (ii) to pay all costs incurred by the Issuer with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes, if applicable, and all reasonable fees and expenses incurred by the Issuer with respect to or in connection with the Project and/or the Project Facility; and (D) secure the Obligations in such manner as the Issuer, the Institution and the purchasers of the Obligations shall mutually deem appropriate, all as contemplated by the Preliminary Agreement. If the proceeds from the sale of the Obligations are insufficient to finance the entire cost of the undertaking of the Project, the Issuer will, upon request of the Institution and subject to the provisions of the Preliminary Agreement and Section 3 hereof, use its best efforts to effect the issuance from time to time in the future of additional bonds, whether on a parity with the Obligations or otherwise, for the purpose of paying the cost of completing the undertaking of the Project.

Section 3. The issuance of the Obligations and any additional bonds by the Issuer, as contemplated by Section 2 of this resolution, shall be subject to: (A) the determination by the Issuer to proceed with the Project following a determination by the Issuer that all requirements of the SEQRA Act that relate to the Project have been fulfilled; (B) execution and delivery by the Institution of the Preliminary Agreement, which sets forth certain conditions for the issuance of the Obligations by the Issuer, and satisfaction by the Institution of all the terms and conditions of the Preliminary Agreement applicable to the Institution; (C) agreement by the Issuer, the Institution and the purchasers of the Obligations on mutually acceptable terms for the Obligations and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; (D) agreement between the Institution and the Issuer as to payment by the Institution of the administrative fee of the Issuer with respect to the Project; (E) if interest on any portion of the Obligations is to be treated as excludable from gross income for federal income tax purposes, (i) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of such portion of the Obligations must be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of such portion of the Obligations must be used with respect to (a) governmental units and/or (b) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code), and (ii) the Mayor must have approved the issuance of such portion of the Obligations after a public hearing on the issuance of the Obligations and the nature and location of the Project Facility has been held by the Issuer, as required by Section 147(f) of the Code; and (F) the following additional condition(s): _____.

Section 4. The form, terms and substance of the Preliminary Agreement (in substantially the form approved by Issuer Counsel and Bond Counsel) are in all respects approved, and the Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer is hereby authorized, empowered and directed to execute and deliver said Preliminary Agreement in the name and on behalf of the Issuer, with such changes therein as shall be approved by the officer executing same on behalf of the Issuer, the execution thereof by such officer to constitute conclusive evidence of such officer’s approval of any and all changes or revisions therein.

Section 5. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Issuer are hereby authorized, empowered and directed to proceed with the undertakings provided for therein on the part of the Issuer and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

Section 6. The officers, agents and employees of the Issuer are hereby directed to proceed to comply with the provisions of the SEQR Act and to do such things or perform such acts as may allow the Issuer to proceed to its final consideration of the Project.

Section 7. It is intended that this resolution shall constitute an affirmative official action toward the issuance of the Obligations within the meaning of Section 1.103-8(a)(5) and Section 1.150-2(e)(1) of the United States Treasury Regulations.

Section 8. The Institution is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Issuer to make its final determination whether to approve the Project, and the Institution is further authorized to advance such funds as may be necessary for such purpose, subject, to the extent permitted by law, to reimbursement from the proceeds of the sale of the Obligations, if the Obligations are issued; provided, however, that such authorization shall not entitle or permit the Institution to commence the undertaking of the Project unless and until the Issuer shall determine to proceed with the Project following a determination by the Issuer that all requirements of the SEQR Act that relate to the Project and to the issuance of the Obligations have been fulfilled. This resolution constitutes a determination of compliance with technical requirements within the meaning of Section 617.3(c) of the Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Issuer of the Project for the purposes of the SEQR Act or a commitment by the Issuer to issue the Obligations except upon satisfaction of the requirements of the SEQR Act, the requirements set forth in Section 3 hereof and the requirements set forth in the Preliminary Agreement.

Section 9. The law firm of Hodgson Russ LLP is hereby appointed Bond Counsel to the Issuer with respect to all matters in connection with the Project and the issuance of the Obligations. Bond Counsel for the Issuer is hereby authorized, at the expense of the Institution, to work with the Institution, counsel to the Institution, counsel to the Issuer, the purchasers of the Obligations and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance, sale and delivery of the Obligations and the other transactions contemplated by this resolution.

Section 10. The Issuer hereby authorizes the Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer, prior to the issuance of any portion of the Obligations with respect to the Project, after consultation with the directors of the Issuer, (A) (i) to establish the time, date and place for a public hearing of the Issuer to hear all persons interested in the Project and the proposed financial assistance being contemplated by the Issuer with respect to the Project; (ii) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to residents of the City of Albany, New York, such notice to comply with the requirements of Section 859-a of the General Municipal Law and to be published no fewer than fourteen (14) days prior to the date established for such public hearing; (iii) to cause notice of said public hearing to be given to the chief executive officer of the county and each town, village and school district in which the Project is to be located no fewer than fourteen (14) days prior to the date established for said public hearing; (iv) to conduct such public hearing; and (v) to cause a report of said public hearing fairly summarizing the views presented at said public hearing (the "Public Hearing Report") to be promptly prepared and cause copies of said report to be made available to the directors of the Issuer and (B) to satisfy the public approval requirements contained in Section 147(f) of the Code. Any action taken by the Issuer and its staff and bond counsel with respect to said public hearing is hereby ratified and confirmed.

Section 11. The Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer is hereby authorized and directed to distribute copies of this resolution to the Institution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 12. All action taken by the Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer in connection with the Public Hearing with respect to the Project prior to the date of this resolution is hereby ratified or confirmed.

Section 13. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Elizabeth Staubach	VOTING	_____
Lee E. Eck, Jr.	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____
Anthony Gaddy	VOTING	_____
Joseph Better	VOTING	_____
Christopher Betts	VOTING	_____
John F. Maxwell, Esq.	VOTING	_____

The foregoing resolution was thereupon declared duly adopted.

[Remainder of page left blank intentionally]

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned Secretary of City of Albany Capital Resource Corporation (the “Issuer”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the board of directors of the Issuer (the “Board of Directors”), including the resolution contained therein, held on April 18, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Board of Directors had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this _____ day of April, 2023.

BY: _____
Secretary

(SEAL)

EXHIBIT A

PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT made as of April 18, 2024 between CITY OF ALBANY CAPITAL RESOURCE CORPORATION (the “Issuer”), a not-for-profit corporation organized and existing under the laws of the State of New York, and KIPP CAPITAL REGION PUBLIC CHARTER SCHOOLS (the “Institution”), a not-for-profit corporation organized and existing under the laws of the State of New York;

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the provisions of the Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”) to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; 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 to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted; and

WHEREAS, in March, 2024, the Institution presented an application (the “Application”) to the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Institution, said Project to consist of the following: (A) the construction of an approximately 98,185 square foot high school building (the “Initial Facility”) on a an approximately 10.38 acre parcel of land located at 400 Northern Boulevard and 10 Dudley Heights in the City of Albany, New York (the “Initial Land”) and (2) the acquisition and installation thereon and therein of certain related furniture, fixtures, machinery and equipment (the “Initial Equipment”) (the Initial Facility, the Initial Land and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to be operated by the Institution as an educational facility and any other directly or indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be approximately \$20,000,000 and in any event not to exceed \$21,000,000 (the “Obligations”); (C) the paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended, and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act”), the Issuer has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and

WHEREAS, by resolution adopted by the members of the board of directors of the Issuer on April 18, 2024 (the “Preliminary Inducement Resolution”), the members of the board of directors of the Issuer determined to proceed with the Project and to enter into this Preliminary Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Issuer and the Institution agree as follows:

ARTICLE I – REPRESENTATIONS

Among the representations which have resulted in the execution of this Preliminary Agreement are the following:

Section 1.01. The Institution hereby represents to the Issuer that:

(A) The issuance of the Obligations with respect to the Project will be an inducement to the Institution to locate and/or retain the Project in the City of Albany, New York.

(B) The Project Facility is and/or will be located entirely within the boundaries of the City of Albany, New York.

(C) The issuance of the Obligations by the Issuer with respect to the Project will relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities for the inhabitants of the City of Albany, New York, and thereby serve the public purposes of the Enabling Act.

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction and installation of the Project Facility, including the costs incurred in connection with the issuance of the Obligations (collectively, the “Project Costs”) are presently estimated to be an amount not to exceed \$21,000,000.

Section 1.02. By the Preliminary Inducement Resolution, the Issuer has approved the execution of this Preliminary Agreement. The Issuer intends this Preliminary Agreement to constitute its official binding commitment, subject to the terms hereof and of the Preliminary Inducement Resolution: (A) to issue its Obligations in one or more series or issues pursuant to the Enabling Act in an aggregate principal amount sufficient to pay the Project Costs, the actual principal amount of such Obligations to be agreed upon by the Issuer and the Institution when the Project Costs are more definitely established; and (B) to use the proceeds of the Obligations to make a loan to the Institution to be used to finance a portion of the Project Costs.

Section 1.03. The Issuer intends this Preliminary Agreement to be an affirmative official action of the Issuer toward the issuance of the Obligations within the meaning of Section 1.103-8(a)(5) of the United States Treasury Regulations.

ARTICLE II – UNDERTAKINGS ON THE PART OF THE ISSUER

Based upon the statements, representations and undertakings of the Institution and subject to the conditions set forth herein, the Issuer agrees as follows:

Section 2.01. If the Institution complies with all conditions set forth in this Preliminary Agreement and the Preliminary Inducement Resolution, then the Issuer will authorize, sell and deliver its Obligations, in one or more series or issues from time to time, pursuant to the terms of the Enabling Act as then in force, for the purpose of financing the Project Costs, in an aggregate principal amount necessary and sufficient to finance the Project Costs. The precise amount of the Obligations shall be fixed by a resolution and certificate of determination of the Issuer at a later date and to be agreed to by the Institution. Upon the sale of the Obligations, the Issuer will expend the proceeds of the Obligations to make a loan to the Institution to be used to finance the Project Costs (including reimbursing the Institution for its funds expended on the Project Costs subsequent to the earlier of (1) the date of adoption of the Preliminary Inducement Resolution or (2) such earlier date as shall be acceptable to Bond Counsel); PROVIDED, HOWEVER, that the Obligations are to be secured by and payable from the revenues to be derived by the Issuer either in accordance with the terms of a loan agreement, or other similar financing agreement, or any combination thereof, to be entered into by and between the Issuer and the Institution (all said agreements being hereinafter collectively referred to as the “Financing Agreement”); PROVIDED FURTHER, HOWEVER, that the foregoing obligation of the Issuer to undertake the Project and to issue the Obligations is subject to the conditions hereinafter contained in this Preliminary Agreement, including but not limited to the following conditions:

(A) The Financing Agreement shall be executed between the Issuer, as lender, and the Institution, as borrower. Pursuant to the Financing Agreement, the Institution will be obligated, among other things, to make payments to the Issuer in such amounts and at such times so that such payments will be adequate to enable the Issuer to timely pay all amounts due under the Obligations. The Financing Agreement and any other documents to be executed by the Issuer in connection with the Project and the Obligations (collectively, the “Project Documents”), including the Obligations, shall in all respects comply with the requirements of, and limitations contained in, the Enabling Act and shall further specifically provide that the obligations of the Issuer thereunder are payable solely from the revenues derived by the Issuer from the Project Documents (except to the extent payable out of proceeds of the Obligations); that the obligations of the Issuer thereunder shall not be a general obligation of the Issuer and shall not constitute an indebtedness or pledge of the general credit of the Issuer; that no beneficiary of the obligations of the Issuer thereunder, including any holder of any of the Obligations, shall have the right to compel any exercise of the taxing power of the Issuer (if any) or of the State of New York or any political subdivision thereof, including the City of Albany, New York; and that the obligations of the Issuer thereunder shall not create a debt or loan of credit of the City of Albany, New York or the State of New York, but such obligations shall be a special obligation of the Issuer secured and payable solely as provided in the Project Documents or the Obligations, as the case may be, and such facts shall be plainly stated in each of such documents and on the face of each of the Obligations;

(B) The Institution shall have executed the Financing Agreement between the Issuer and the Institution, the terms of which shall be acceptable in form and content to the Institution, the Issuer and the purchasers of the Obligations, and pursuant to which, among other things, the Institution shall be obligated to make aggregate basic payments (i.e. payments used to pay the principal and, premium, if any, and interest on the Obligations) to, or on behalf of, the Issuer in accordance with the terms of such Financing Agreement, which basic payments shall be in an amount at least sufficient to pay the principal of, premium, if any, and interest on the Obligations, as and when the same become due and payable, and to pay all costs incurred by the Issuer with respect to the Project and/or the Project Facility together with all costs of operation and maintenance of the Project Facility, including all taxes and other governmental charges, any required payments in lieu of taxes, and the reasonable fees and expenses incurred by the Issuer in connection with the Project, it being understood that the Institution will, prior to or contemporaneously with the issuance of the Obligations, enter into such Financing Agreement;

(C) No event shall have occurred which constitutes (or which after notice or lapse of time or both would constitute) an event of default under the Financing Agreement;

(D) One or more purchasers shall agree to purchase the Obligations, it being understood that the Institution will use all reasonable efforts to find one or more purchasers for the Obligations;

(E) The Institution shall provide the Issuer and the purchasers of the Obligations with all information required to facilitate compliance with all applicable securities laws and all other information reasonably necessary in connection with the issue, sale, delivery and any resale of the Obligations;

(F) The Institution shall provide the Issuer and the other “involved agencies” (as such quoted term is defined in the Regulations) with all information and statements which may be required by said respective entities in order to facilitate compliance by said entities with the SEQR Act;

(G) If the costs of the Project exceed the amount of the proceeds of the Obligations, or if the Obligations shall not be issued, the Institution will pay all such Project Costs or such excess Project Costs and shall not be entitled to any reimbursement for any such payment from the Issuer;

(H) The Obligations shall bear such dates, mature at such time or times, bear interest at such rate or rates, and contain such other terms and provisions as shall be determined by subsequent action of the Issuer and approved by the Institution;

(I) The Issuer shall receive, in form and substance satisfactory to the Issuer, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings as shall be specified by the Issuer in connection with the Obligations and (if applicable) the tax exemption of the interest thereon, the Project, the Financing Agreement, and the various other documents to be executed in connection with the Project, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings to be obtained from Bond Counsel, counsel to the Issuer and such other governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertaining thereto, and the same shall be in full force and effect at the time of the issuance of the Obligations;

(J) Agreements shall be made as to (1) indemnity by the Institution of the Issuer and the members and officers of the Issuer and (2) payment by the Institution of the expenses incurred by the Issuer in connection with the Project (including counsel fees and out-of-pocket expenses) and the administrative fee of the Issuer, and such agreements shall be satisfactory in form and substance to the Issuer;

(K) If interest on any portion of the Obligations is to be treated as excludable from gross income for federal income tax purposes, (1) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of such portion of the Obligations must be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of such portion of the Obligations must be used with respect to (a) governmental units and/or (b) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code), with respect to such Section 501(c)(3) organizations and (2) the Mayor of the City of Albany, New York must

have approved the issuance of such portion of the Obligations after a public hearing on the issuance of such portion of the Obligations and the nature and location of the Project Facility has been held by the Issuer, as required by Section 147(f) of the Code;

(L) The following additional conditions: None.

Section 2.02. The obligations of the Issuer pursuant to this Preliminary Agreement are subject to the conditions elsewhere contained in this Preliminary Agreement and to the additional condition that the Issuer shall not issue its Obligations to finance the Project Costs unless and until the Issuer shall have complied with the provisions of the SEQR Act.

Section 2.03. Subject to the conditions stated in this Preliminary Agreement, the Issuer from time to time will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for: (A) the authorization, issuance and sale of the Obligations; and (B) the use of the proceeds of the Obligations to make a loan to the Institution to be used to finance the Project Costs; all as shall be authorized by law and be mutually satisfactory to the Issuer, the Institution and the purchasers of the Obligations. If acceptable to the Institution and the purchasers of the Obligations, such actions and documents may permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with the Obligations or otherwise, for the purpose of defraying the cost of completion of the Project.

Section 2.04. The Issuer will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

ARTICLE III – UNDERTAKINGS ON THE PART OF THE INSTITUTION

Based upon the statements, representations and undertakings of the Issuer and subject to the conditions set forth herein, the Institution agrees as follows:

Section 3.01. The Institution will use all reasonable efforts to find or cause to be found one or more purchasers for the Obligations and will use reasonable efforts to insure that the Obligations are sold; provided, however, that the terms of such Obligations and of the sale and delivery thereof shall be mutually satisfactory to the Issuer and the Institution.

Section 3.02. Contemporaneously with the sale and delivery of the Obligations, the Institution will enter into the Financing Agreement with the Issuer containing the terms and conditions described in Section 2.01 hereof. The Institution agrees that, if the Obligations shall not be issued or if the Project Costs exceed the amount of the proceeds of the Obligations, the Institution will pay all such Project Costs or such excess Project Costs and shall not be entitled to any reimbursement for any such payment either from the Issuer or from the purchasers or holders of the Obligations. **THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE PROCEEDS OF THE OBLIGATIONS WILL BE SUFFICIENT TO PAY ALL PROJECT COSTS, OR THAT THE INITIAL PROJECT FACILITY WILL BE SUITABLE FOR THE INSTITUTION'S PURPOSES OR NEEDS.**

Section 3.03. The Institution hereby agrees to indemnify and hold the Issuer (and its members, officers, agents and employees) harmless from all losses, expenses, claims and liabilities arising out of or based on (A) labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction and installation of the Project Facility, including any expenses incurred by the Issuer (and its members, officers, agents and employees) in defending any claims, suits or actions

which may arise as a result of any of the foregoing and/or (B) any untrue statement or alleged untrue statement of a material fact included in any written materials relating to the offering or sale of the Obligations or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Institution shall not permit to stand, and will, at its own expense, take steps reasonably necessary to remove, any mechanic's or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction and installation of the Project Facility.

Section 3.04. The Institution hereby agrees to indemnify, defend and hold the Issuer (and its members, officers, agents and employees) harmless from any and all (A) claims and liabilities for the loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project and/or the Project Facility, including any expenses incurred by the Issuer (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of the foregoing; and (B) claims and liability arising from or expenses incurred in connection with the Project or by the Issuer's financing of the Project Facility, including all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The Institution shall include the Issuer (and its members, officers, agents and employees) as a named insured under all public liability insurance policies obtained by the Institution with respect to the Project.

Section 3.05. The Institution will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

ARTICLE IV – GENERAL PROVISIONS

Section 4.01. All commitments of the Issuer under Article II hereof and of the Institution under Article III hereof (excepting the obligations of the Institution set forth in Sections 3.03 and 3.04 hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the following events shall have occurred not later than two (2) years from the date hereof (or such other date as shall be mutually satisfactory to the Issuer and the Institution):

- (A) The Issuer, the Institution and the purchasers of the Obligations shall have agreed on mutually acceptable terms and conditions of the Obligations, the Financing Agreement and any agreements securing the Obligations and any other agreements referred to in Articles 2 or 3 hereof;
- (B) All necessary governmental approvals shall be obtained; and
- (C) All other conditions expressed in this Preliminary Agreement shall have been satisfied.

Section 4.02. Subject to the terms and conditions of Section 4.03 hereof, the Institution shall have the right to unilaterally cancel this Preliminary Agreement at any time prior to the time that the Obligations are issued by the Issuer upon thirty (30) days prior written notice of cancellation delivered to the Issuer at the address set forth in Section 4.04 hereof.

Section 4.03. If the events set forth in Section 4.01 hereof do not take place within the time set forth in said Section 4.01, or any extension thereof, or if the Institution exercises its right of cancellation as set forth in Section 4.02 hereof, the Institution agrees that (A) it will promptly reimburse the Issuer (and its officers, members, agents or employees) for all reasonable and necessary direct out-of-pocket expenses (including legal fees and expenses) which the Issuer (and its officers, members, agents or employees) may

incur with respect to the execution of this Preliminary Agreement and the performance of its obligations hereunder; and (B) the obligations of the Institution set forth in Section 3.03 and 3.04 hereof shall survive the termination of this Preliminary Agreement and shall remain in full force and effect until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters described therein may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer (and its officers, members, agents or employees) relating to the enforcement of the provisions therein stated.

Section 4.04. (A) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(1) To the Issuer:

City of Albany Capital Resource Corporation
21 Lodge Street
Albany, New York 12207
Attention: Chairperson

With a copy to:

Hodgson Russ LLP
677 Broadway – Suite 401
Albany, New York 12207
Attention: Christopher C. Canada, Esq.

(2) To the Institution:

KIPP Capital Region Public Charter Schools
321 Northern Boulevard
Albany, New York 12210
Attention: Chief Executive Officer

With a copy to:

Whiteman Osterman & Hanna, LLP
One Commerce Plaza
Albany, New York 12260
Attention: Robert M. Gach, Esq.

(B) The Issuer and the Institution may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 4.05. All covenants and agreements herein contained by or on behalf of the Issuer and the Institution shall bind and inure to the benefit of the respective successors and assigns of the Issuer and the Institution, whether so expressed or not.

Section 4.06. The obligations and agreements of the Issuer contained herein shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his individual capacity, and the members, officers, agents and employees of the Issuer shall not be liable

personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York or of the City of Albany, New York and neither the State of New York nor the City of Albany, New York shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the revenues of the Issuer derived and to be derived from the Financing Agreement and the other related financing documents (except for revenues derived by the Issuer with respect to the Unassigned Rights, as defined in the Financing Agreement).

Section 4.07. Notwithstanding any provision of this Preliminary Agreement to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (A) the Issuer shall have been requested to do so in writing by the Institution; and (B) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, officer, agent or employee of the Issuer) of any liability, fees, expenses or other costs, the Issuer shall have received from the Institution security or indemnity satisfactory to the Issuer for protection against all such liability and for the reimbursement of all such fees, expenses and other costs.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the day and date first written above.

CITY OF ALBANY CAPITAL
RESOURCE CORPORATION

BY: _____
Authorized Officer

KIPP CAPITAL REGION PUBLIC
CHARTER SCHOOLS

BY: _____
Authorized Officer