

This Preliminary Official Statement and information contained herein are subject to change, completion or amendment without notice. The Authority will make available the final Official Statement with respect to the Bonds. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 14, 2023

NEW ISSUE

STANDARD & POOR'S RATING: "A-" STABLE OUTLOOK

In the opinion of Hodgson Russ LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming, among other things, the accuracy of certain representations and certifications and compliance with certain covenants, (i) interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2023B Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed under the Code on individuals. Bond Counsel is of the opinion that interest on the Series 2023B Bonds is includable in gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2023A Bonds and the Series 2023B Bonds is, under existing statutes, exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. See "TAX MATTERS" herein.

\$4,245,000*

ALBANY PARKING AUTHORITY

CUSIP BASE: 012458

\$2,660,000* Parking System Revenue Bonds, Series 2023A

(referred to herein as the "Series 2023A Bonds")

Dated: Date of Delivery

Due: July 15, 2024-2026

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2024	\$ 195,000				2027	\$ 400,000				2030	\$ 465,000			
2025	360,000				2028	420,000								
2026	380,000				2029	440,000								

\$1,585,000* Parking System Revenue Bonds, Series 2023B (Taxable)

(referred to herein as the "Series 2023B Bonds" and collectively, with the Series 2023A Bonds, referred to herein as the Series 2023 Bonds)

Dated: Date of Delivery

Due: July 15, 2027-2038

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2031	\$ 165,000				2034	\$ 190,000**				2037	\$ 225,000**			
2032	170,000**				2035	200,000**				2038	240,000**			
2033	180,000**				2036	215,000**								

** The Series 2023B Bonds are subject to redemption prior to maturity in the years 2032-2038 as described herein under the heading "DESCRIPTION OF THE 2023 BONDS - Optional Redemption".

The Albany Parking Authority (the "Authority") \$2,660,000* Parking System Revenue Bonds, Series 2023A (the "Series 2023A Bonds") and the \$1,585,000* Parking System Revenue Bonds, Series 2023B (Taxable) (the "Series 2023B Bonds", and collectively with the Series 2023A Bonds, the "Series 2023 Bonds") are special obligations of the Authority payable solely out of the revenues or other receipts, funds or moneys of the Authority pledged pursuant to the Trust Indenture dated as of June 1, 2001, as supplemented by the Supplemental Indenture dated as of September 1, 2023 (collectively, the "Indenture"), between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee") for the payment thereof, including those derived from the operations of the Parking System (as herein defined).

The Series 2023 Bonds will not and shall not constitute a pledge of the faith and credit of the City of Albany, New York (the "City"), the Authority, the State of New York (the "State") or any political subdivision thereof, and neither the City, the Authority, the State nor any political subdivision thereof shall be liable thereon nor in any event shall the Series 2023 Bonds be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture. No recourse shall be had for the payment of the principal of or premium, if any, or the interest on any bond against any member, officer, affiliate, employee or agent of the Authority. The Authority has no taxing power.

The Series 2023B Bonds are subject to optional redemption as described herein under the heading "DESCRIPTION OF THE 2023 BONDS - Optional Redemption".

The Series 2023 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 2023 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2023 Bonds. Interest on the Series 2023 Bonds will be payable on January 15, 2024, July 15, 2024 and semi-annually thereafter on January 15 and July 15 in each year until maturity. The principal and interest of the Series 2023 Bonds are payable directly to DTC by Manufacturers and Traders Trust Company, as trustee (the "Trustee"). DTC will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Series 2023 Bonds, as described herein.

*Preliminary, subject to change.

The Series 2023 Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York as to the validity of the Series 2023 Bonds. Certain legal matters will be passed on for the Underwriter by its counsel, Roemer Wallens Gold & Mineaux LLP, Albany, New York. Certain legal matters will be passed on for the Authority by its counsel, Law Offices of Thomas M. Owens, Esq. Certain legal matters will be passed on for the Trustee by its counsel, Bond, Schoeneck & King, PLLC. It is anticipated that the Series 2023 Bonds will be available for delivery through the facilities of DTC on or about October 4, 2023.

ROOSEVELT & CROSS INCORPORATED

September __, 2023

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No person has been authorized by the Authority to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2023 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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 any implication that there has been no change in the affairs of the Authority.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2023 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
RELATING TO
ALBANY PARKING AUTHORITY

\$2,660,000* Parking System Revenue Bonds, Series 2023A
and
\$1,585,000* Parking System Revenue Bonds, Series 2023B (Taxable)

PART 1 – - AUTHORIZATION AND PURPOSE

This Official Statement, including the cover page and appendices, sets forth certain information in connection with the issuance by the Albany Parking Authority (the “Authority”) of its \$2,660,000* Parking System Revenue Bonds, Series 2023A (the “Series 2023A Bonds”) and the \$1,585,000* Parking System Revenue Bonds, Series 2023B (Taxable) (the “Series 2023B Bonds”, and collectively with the Series 2023A Bonds, the “Series 2023 Bonds”).

Authorization and Purpose

The Authority is authorized and empowered by the provisions of the City of Albany Parking Authority Act, Title 4-A of Article 7 of the Public Authorities Law of the State of New York, as amended (the “Act”) to construct, operate and maintain parking facilities in the City of Albany, New York (the “City”). The Series 2023 Bonds are being issued pursuant to the Act, and a resolution adopted on July 31, 2023 (the “Resolution”). The Series 2023 Bonds will be issued under and secured by a Trust Indenture dated as of June 1, 2001 by and between the Authority and Manufacturers and Traders Trust Company, as Trustee (the “Trustee”) as supplemented by the Supplemental Indenture dated as of September 1, 2023 (collectively, the “Indenture”).

The Series 2023 Bonds are being issued for the purposes of (A)(1) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, signage and other finishes (collectively, the “Equipment”) and the undertaking of various interior infrastructure, recreation and other improvements (collectively, the “Improvements”) (the Equipment and the Improvements being collectively referred to as the “Facility”) to certain existing public parking lots, garages and related real property areas owned and/or operated by the Authority and located within the City of Albany, New York (the “Existing Parking Facilities”), (2) the reconstruction and renovation of the Existing Parking Facilities (the Equipment, the Improvements and the Existing Parking Facilities being collectively referred to as the “Project Facility”), (B) the funding of a debt service reserve account and a capitalized interest account, if required, for the Series 2023 Bonds, and (C) the payment of certain costs of issuance of the Series 2023 Bonds.

The Series 2023 Bonds and any Additional Parking System Revenue Obligations issued under the Indenture on a parity basis with the Series 2023 Bonds (such Additional Parking System Revenue Obligations and the Series 2023 Bonds being referred to hereinafter as “Parking System Revenue Obligations”) are secured by a pledge of and lien on Net Revenues. Net Revenues are Revenues less Authority Expenses. Revenues include (a) revenues, receipts, income, funds and moneys received by the Authority for the use, occupancy or operating of the Dedicated Parking Facilities relating to the parking of motor vehicles or as Rental Space, including amounts received pursuant to the Comprehensive Parking Meter Licensure and Management Agreement dated April 13, 1998, as amended (the “Parking Meter Agreement”) by and between the Authority and the City “”and other Dedicated Parking Facility Agreements, and (b) investment income, if any, on moneys held in funds subject to the lien of the Indenture. See “PART 6 - SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS” and “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

The Dedicated Parking Facilities (also collectively referred to herein as the “Parking System”) include the parking garages known as the Riverfront Garage, the Green-Hudson Garage and the Quackenbush Square Garage, (B) the parking meters (the “Parking Meters”) operated by the Authority pursuant to the Parking Meter Agreement, and (C) such other Parking Facilities as shall be identified as Dedicated Parking Facilities from time to time by the Authority in an Authorized Officer's Certificate of the Authority. For additional information regarding the Dedicated Parking Facilities, see “PART 8 – THE AUTHORITY - The Parking System”.

*Preliminary, subject to change.

The Parking System Revenue Obligations, including the Series 2023 Bonds, will be special revenue obligations of the Authority payable solely out of the revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture. Parking System Revenue Obligations are not and shall not constitute a pledge of the faith and credit of the City, the Authority, the State or any political subdivision thereof and neither the City, the Authority, the State nor any political subdivision thereof shall be liable thereon nor in any event shall Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture. No recourse shall be had for the payment of the principal of or premium, if any, or the interest on any bond against any member, officer, employee or agent of the Authority. The Authority has no taxing power.

The Authority has agreed to adopt rates and charges for use of the Parking System, and for the services to be furnished therewith, which shall be sufficient to pay Authority Expenses, pay Debt Service Requirements on Outstanding Parking System Revenue Obligations, and produce a Debt Service Coverage Ratio equal to at least the Debt Service Coverage Ratio Requirement. See “PART 6 - SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS - Covenants of the Authority- Rate Covenant” and “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

Additional Parking System Revenue Obligations may be issued if the Authority is not in Default under the Indenture and the Authority satisfies the enumerated requirements of the Indenture for the issuance of Additional Parking System Revenue Obligations. The Authority may authorize by resolution the issuance of one or more series of Additional Parking System Revenue Obligations on a parity with the Parking System Revenue Obligations Outstanding for financing projects, which may include refunding in whole or in part a previously issued series of Parking System Revenue Obligations. See “PART 6 - SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS - Covenants of the Authority-Additional Parking System Revenue Obligations” and “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

This Official Statement contains brief descriptions and summaries of the Series 2023 Bonds, the Authority, the Indenture, the Security Agreement and certain other matters. Those descriptions and summaries do not purport to be comprehensive or definitive. The descriptions of the Series 2023 Bonds, the Indenture, the Security Agreement and other documents contained in this Official Statement are qualified in their entirety by reference thereto and by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights.

Unless otherwise defined in this Official Statement, all capitalized terms used herein will be the meanings assigned such terms in the Indenture, certain of which are summarized in “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

PART 2 – ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Proceeds of the Series 2023A Bonds are to be applied as follows:

Sources:	Par Amount of the Series 2023A Bonds		\$
	Original Issue Premium/(Discount)		
		Total	\$
Uses:	Deposit to Project Fund		\$
	Deposit to Debt Service Reserve Fund / Surety Bond Fee		
	Underwriter's Discount		
	Costs of Issuance and Contingency (Including Bond Insurance)		
		Total	\$

Proceeds of the Series 2023B Bonds are to be applied as follows:

Sources:	Par Amount of the Series 2023B Bonds		\$
	Original Issue Premium/(Discount)		
		Total	\$
Uses:	Deposit to Project Fund		\$
	Deposit to Debt Service Reserve Fund / Surety Bond Fee		
	Underwriter's Discount		
	Costs of Issuance and Contingency (Including Bond Insurance)		
		Total	\$

PART 3 – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities 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 Bond certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC 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 issues, 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 system 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: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2023 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 2023 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 the Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 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 2023 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 2023 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2023 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.

Principal and interest payments on the Series 2023 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 Authority, on 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 or the Authority, 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 Authority, 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 Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE AUTHORITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE AUTHORITY MAKES 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.

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PART 4 - CERTIFICATED BONDS

DTC may discontinue providing its services with respect to the Series 2023 Bonds at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law, or the Authority may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Series 2023 Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Series 2023 Bonds when due will be payable upon presentation at the principal corporate trust office of the Trustee. Interest on the Series 2023 Bonds will remain payable on January 15, 2024, July 15, 2024 and semi-annually thereafter on January 15 and July 15 in each year to maturity. Such interest will be payable by check drawn on the Trustee and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Trustee as of the Record Date. The Series 2023 Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the Trustee for Series 2023 Bonds of the same series and the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Certificate of Determination of the Chairman of the Authority authorizing the sale of the Series 2023 Bonds and fixing the details thereof and in accordance with the Act and the Indenture. The Trustee shall not be obligated to make any such transfer or exchange of Series 2023 Bonds between the Record Date and such interest payment date.

PART 5 – DESCRIPTION OF THE SERIES 2023 BONDS

The Series 2023 Bonds initially will be issued as fully registered bonds in the aggregate principal amounts as set forth on the cover page hereof, will be dated as described on the cover hereof and will bear interest from such dates to their respective maturities as set forth on the cover page hereof, subject to redemption prior to maturity as described below with respect to the Series 2023B Bonds, and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Ownership interests in the Series 2023 Bonds will be available in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2023 Bonds will be payable on January 15, 2024, July 15, 2024, and on each January 15 and July 15 thereafter.

Principal and premium, if any, and interest on the Series 2023 Bonds will be payable through the Trustee, as paying agent. Purchases of beneficial interests from DTC in the Series 2023 Bonds will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2023 Bonds, the Series 2023 Bonds will be held in the book-entry-only system described below and the principal and premium, if any, and interest on the Series 2023 Bonds will be paid through the facilities of DTC. Beneficial owners of the Series 2023 Bonds will not receive certificates representing their ownership interests in such Series 2023 Bonds, except in the event that use of the book-entry-only system is discontinued. (See “PART 3 - BOOK-ENTRY-ONLY SYSTEM” herein.)

Redemptions

Optional Redemption

The Series 2023A Bonds are not subject to optional redemption prior to maturity.

The Series 2023B Bonds maturing on or before July 15, 2031 shall not be subject to optional redemption prior to maturity. The Series 2023B Bonds maturing on or after July 15, 2032 shall be subject to optional redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Authority on July 15, 2031 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If fewer than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Authority by lot in any customary manner of selection as determined by the Executive Director. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Extraordinary Redemption

The Series 2023 Bonds are subject to mandatory redemption prior to maturity at any time and as soon as practicable at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, in whole or in part on a pro rata basis as a result of casualty insurance proceeds or condemnation awards relating to the Green-Hudson Garage, the Quackenbush Square Garage or the Columbia Street Garage of \$100,000 or more being on deposit in the Redemption Fund.

PART 6 – SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS

Special Obligations of the Authority

The Parking System Revenue Obligations, including the Series 2023 Bonds, will be special revenue obligations of the Authority payable solely out of the revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture. Parking System Revenue Obligations are not and shall not constitute a pledge of the faith and credit of the City, the Authority, the State or any political subdivision thereof, and neither the City, the Authority, the State nor any political subdivision thereof, shall be liable thereon nor in any event shall Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture. No recourse shall be had for the payment of the principal of or premium, if any, or the interest on any Series 2023 Bonds against any member, officer, employee or agent of the Authority. The Authority has no taxing power.

Net Revenue Pledge

Parking System Revenue Obligations, including the Series 2023 Bonds, are secured by a pledge of and lien on Net Revenues. Net Revenues are Revenues less Authority Expenses.

“Revenue” includes (A) revenues, receipts, income, funds and moneys received by the Authority for the use, occupancy or operation of the Dedicated Parking Facilities related to the parking of motor vehicles including, but not limited to, (1) amounts received pursuant to Dedicated Parking Facility Agreements, and (2) amounts pledged by the Authority for the use, occupancy or operation of Dedicated Parking Facilities designated by the Authority in the future (whether or not operated by the Authority or a private manager), but excluding amounts received from the use, occupancy or operation of the Dedicated Parking Facilities for purposes not related to the parking of motor vehicles (for example, the lease of air rights above any of the Dedicated Parking Facilities for the operation of a hotel, office space or other retail establishment), except for the Rental Space; (B) amounts received from the use, occupancy or operation of the Rental Space; (C) all Net Proceeds of the business interruption insurance required by Section 5.03(A)(5) of the Indenture; and (D) all earnings on amounts held in the Funds and Accounts and, additionally, all such amounts including, but not limited to, withdrawals from sub accounts of the Debt Service Reserve Fund relating to Parking System Revenue Obligations to be refunded or which have matured, which are transferred to the Revenue Fund pursuant to Section 4.06(C) of the Indenture.

“Authority Expenses” are Expenses incurred directly or indirectly by the Authority in connection with (A) the management, operation, maintenance or repair of Dedicated Parking Facilities (whether or not managed by employees of the Authority or third parties) or (B) performance by the Authority under the Dedicated Parking Facility Agreements, which in either case are included in the Authority's Annual Budget or otherwise approved pursuant to an Authorized Officer's Certificate of the Authority. Authority Expenses do not include Renewal and Replacement Expenses to be paid for from the Renewal and Replacement Reserve Fund, Interest Requirements, Principal Requirements, deposits to the Debt Service Reserve Fund to make up any deficiency therein, or deposits to the Rebate Fund and Renewal and Replacement Reserve Amounts, each of which are to be provided for by deposits to the applicable Fund, Account or Subaccount pursuant to Section 4.03 of the Indenture. Authority Expenses included in the Authority's Annual Budget shall be requested pursuant to an Authorized Officer's Certificate of the Authority which shall set forth (A) the line item in the Annual Budget to which such expense is being charged, and (B) a copy of invoice(s) or other documentation substantiating the costs requested for payment. Expenses not included in the Authority's Annual Budget or in excess of the amount included therein shall be requested pursuant to an Authorized Officer's Certificate of the Authority.

Flow of Funds

Prior to the occurrence of an Event of Default, the Authority shall have the right to administer and collect all Revenues. Notwithstanding the provisions of Section 1493-h of the Act, except as otherwise provided in the Indenture or the other Financing Documents, all Revenues and other moneys of the Authority shall be held and disbursed by the Authority, and the Authority (and not the City or the treasurer of the City) shall have custody and control of all moneys of the Authority, including the custody, collection, securing, investment and payment of all Revenues and other moneys of the Authority.

Upon the occurrence and continuance of an Event of Default, and subject to Permitted Encumbrances, the Authority agrees to turn all Revenues over to the Trustee, and, upon receipt thereof, the Trustee shall deposit any Revenues so received to the credit of the Revenue Fund. Upon receipt thereof in the Revenue Fund, the Trustee shall transfer on the twentieth (20th) day of each month (or the next succeeding Business Day if the twentieth (20th) day is not a Business Day) to the General Fund, the Operation and Maintenance Monthly Amount for Authority Expenses. After deducting the Operation and Maintenance Monthly Amount, Net Revenues remaining on deposit in the Revenue Fund shall be immediately transferred from the Revenue Fund and credited as follows and in the following order of priority:

FIRST: To the Interest Account in the Debt Service Fund, an amount (to be credited to the applicable Interest Subaccount) equal to the aggregate of the Interest Requirements on the next succeeding Interest Payment Date for all Parking System Revenue Obligations Outstanding (net of the aggregate amount, if any, remaining on deposit in the Interest Subaccounts and any Capitalized Interest Subaccounts following payment of such Interest Requirements on each Series of Parking System Revenue Obligations Outstanding on the prior Interest Payment Date), divided by six (6), provided however, if such Interest Payment Date shall be the first Interest Payment Date for any such Series of Parking System Revenue Obligations Outstanding following an Event of Default, the Interest Requirement for such Parking System Revenue Obligations shall be divided by the number of times Net Revenues are expected to be transferred from the Revenue Fund between the date of the commencement of such payments from the Revenue Fund and the date of such first Interest Payment Date, both inclusive, and provided, however, if Net Revenues are insufficient for such purpose, then pro rata to each such Interest Subaccount;

SECOND: To the Principal Account in the Debt Service Fund, an amount (to be credited to the applicable Principal Subaccount) equal to the aggregate of the Principal Requirements on the next succeeding Principal Payment Date for all Parking System Revenue Obligations Outstanding (net of the aggregate amount, if any, remaining on deposit in the Principal Subaccounts following payment of such Principal Requirements on each Series of Parking System Revenue Obligations Outstanding on the prior Principal Payment Date) divided by twelve (12), provided however, if such Principal Payment Date shall be the first Principal Payment Date for any such Series of Parking System Revenue Obligations Outstanding following an Event of Default and there shall be less than twelve (12) months from the date of the commencement of such payments from the Revenue Fund to such Principal Payment Date, the Principal Requirement for such Parking System Revenue Obligations shall be divided by the number of times Net Revenues are expected to be transferred from the Revenue Fund between the date of the commencement of such payments from the Revenue Fund and the date of such Principal Payment Date, both inclusive, and provided however, if Net Revenues are insufficient for such purpose, then pro rata to each such Principal Subaccount;

THIRD To each applicable Debt Service Reserve Account in the Debt Service Reserve Fund established for Parking System Revenue Obligations, first, the amount necessary to reimburse any amounts drawn under a Surety Bond on deposit in a Debt Service Reserve Account for a Series of Parking System Revenue Obligations, and second, the amount necessary to restore the amount on deposit in any Debt Service Reserve Account for a Series of Parking System Revenue Obligations to the Debt Service Reserve Account Requirement, all in accordance with Section 4.07(a), and provided however, if Net Revenues are insufficient for such purposes, then pro rata to each such Debt Service Reserve Account for each such purpose in the order of priority set forth in this paragraph;

FOURTH: To each applicable Rebate Account in the Rebate Fund established in the Indenture for Parking System Revenue Obligations, any amount required to be deposited thereto in accordance with Section 4.08 of the Indenture, and provided however, if Net Revenues are insufficient for such purpose, then pro rata to each such Rebate Account;

FIFTH: To the Renewal and Replacement Reserve Fund, the Renewal and Replacement Reserve Amount to the extent of the Renewal and Replacement Reserve Fund Requirement; and

SIXTH: To the General Fund, any remaining Net Revenues.

Debt Service Reserve Fund

The Debt Service Reserve Fund for the Parking System Revenue Obligations shall be funded in the amount of the Debt Service Reserve Account Requirement, which means (A) with respect to the Series 2023 Bonds, the lesser of: (1) the Maximum Annual Debt Service on the Series 2023 Bonds, (2) one hundred twenty-five percent (125%) of the average of annual Debt Service Requirements on the Series 2023 Bonds, and (3) ten percent (10%) of the aggregate Stated Principal Amount of the Series 2023 Bonds; and (B) with respect to a series of Additional Parking System Revenue Obligations, an amount to be determined pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations. The Debt Service Reserve Account Requirement may be satisfied in whole or in part by one or more Surety Bonds to make up such amount.

In the event the amount on deposit in the Interest Subaccount or the Principal Subaccount is insufficient to pay an Interest Requirement or a Principal Requirement on a Parking System Revenue Obligation when due, amounts on deposit and amounts available under any Surety Bond on deposit in the applicable Debt Service Reserve Account for such Parking System Revenue Obligation, if any, shall be applied to pay such Interest Requirement or Principal Requirement on such Parking System Revenue Obligation when due.

Any deficiency in the Debt Service Reserve Account Requirement for Parking System Revenue Obligations shall be remedied by the Authority as soon as practicable but in no event later than the second succeeding Interest Payment Date following the Interest Payment Date for which the Debt Service Reserve Account was valued or upon which the withdrawal creating such deficiency was made.

Renewal and Replacement Reserve Fund

Prior to the occurrence of an Event of Default, on or before December 1 of each calendar year, the Authority shall deliver to the Trustee (for deposit to the credit of the Renewal and Replacement Reserve Fund) the Renewal and Replacement Reserve Requirement for such calendar year. So long as the Trustee shall have no actual notice of any Event of Default or Default which has occurred and is continuing, amounts in the Renewal and Replacement Reserve Fund shall be available to the Authority as provided in the Indenture for the payment of Renewal and Replacement Expenses or for Authority Expenses.

The Renewal and Replacement Reserve Requirement equals the aggregate of Fifty Thousand Dollars (\$50,000.00) per Fiscal Year for each structured Parking Facility constituting a Dedicated Parking Facility for such year.

If at any time amounts on deposit and available therefor in the Debt Service Fund or the Debt Service Reserve Fund (in the order listed) are insufficient to pay the Principal Requirements of and Interest Requirements on Parking System Revenue Obligations when due, the Trustee shall withdraw from the Renewal and Replacement Reserve Fund the amount necessary to meet such deficiency. As of December 31, 2022, the balance in the Renewal and Replacement Reserve Fund totaled \$354,493.

Covenants of the Authority

Additional Parking System Revenue Obligations. The Authority covenants and agrees not to issue any Additional Parking System Revenue Obligations unless the requirements of the Indenture are complied with. If the Authority is not in Default under the Indenture or any of the Financing Documents, the Authority may authorize by resolution of the members of the Authority the issuance of one or more series of Additional Parking System Revenue Obligations on a parity with other Outstanding Parking System Revenue Obligations for financing a Project, which may include refunding in whole or in part a previously issued Series of Parking System Revenue Obligations, pursuant to any one of subsections (A), (B), (C) or (D) below:

(A) (1) Additional Parking System Revenue Obligations may be issued if prior to issuance of such Additional Parking System Revenue Obligations there is delivered to the Trustee:

(a) an Authorized Officer's Certificate of the Authority, accompanied by a report of an Approved Accountant, stating that based on such report, for any consecutive twelve (12) month period out of the eighteen (18) months next preceding the anticipated date of authentication of such Additional Parking System Revenue Obligations, the Debt Service Coverage Ratio for such period was at least equal to 1.35, and

(b) an Authorized Officer's Certificate of the Authority, accompanied by a projection prepared by an Approved Accountant, stating that based on such projection, for each Fiscal Year until the stated maturity of such Additional Parking System Revenue Obligations and any Parking System Revenue Obligations then Outstanding, the average Debt Service Coverage Ratio will be at least equal to 1.35.

(2) Such Authorized Officer's Certificates shall be accompanied by a statement of the assumptions upon which such calculations are based.

(3) For purposes of calculating whether Additional Parking System Revenue Obligations may be incurred under this subsection (A):

(a) it shall be assumed that, for any such Additional Parking System Revenue Obligations which consist of capital appreciation bonds, increases in the Accreted Value of such Additional Parking System Revenue Obligations during each year for which calculations are made as described in (1) above shall be treated as Interest Requirements on each date that interest is

compounded of such Additional Parking System Revenue Obligations and the initial principal amount of such Additional Parking System Revenue Obligations shall be treated as a Principal Requirement at the maturity of such Parking System Revenue Obligations;

(b) it shall be assumed that with respect to Balloon Indebtedness, the Principal Requirements payable on such Additional Parking System Revenue Obligations shall amortize from the date of incurrence over a period of twenty- five (25) years (or if the term thereof exceeds twenty-five (25) years, over a period equal to such term) on a level debt service basis and the Interest Requirements on such amortized Additional Parking System Revenue Obligations shall be determined by the estimation of interest rates, to be set forth in a certificate of a banking institution or an investment banking institution knowledgeable in municipal finance delivered to the Trustee, as the interest rates at which the Authority could reasonably expect to borrow on such terms over such period hereunder; provided, however, that if the date of calculation is within twelve (12) months of the actual maturity of such Additional Parking System Revenue Obligations, the full amount of the Principal Requirements of such Additional Parking System Revenue Obligations shall be included in such calculation;

(c) it shall be assumed that for any such Additional Parking System Revenue Obligations which consists of revolving credit under a committed line of credit, such calculations shall include the amount of such commitment as of the date when the same is extended and any unused portion of the sum of such commitments shall be treated as Outstanding; and

(d) it shall be assumed that for any such Additional Parking System Revenue Obligations which consists of variable rate debt, including lines of credit, an interest rate on taxable borrowings of 100 basis points over the five year Treasury Note rate shall be assumed and an interest rate on tax-exempt borrowings equal to the rate stated in The Bond Buyer for "Municipal Market Data" for debt obligations with a 10 year maturity rated the same as the Parking System Revenue Obligations shall be assumed.

(B) Additional Parking System Revenue Obligations may be issued for the purpose of refinancing any Outstanding Parking System Revenue Obligations without limitation if, prior to the issuance of such Additional Parking System Revenue Obligations, there is delivered to the Trustee:

(1) an opinion of Bond Counsel satisfactory to the Trustee that upon the issuance of such proposed Additional Parking System Revenue Obligations and application of the proceeds thereof, the Outstanding Parking System Revenue Obligations to be refunded thereby will no longer be Outstanding; and

(2) an Authorized Officer's Certificate of the Authority, accompanied by documentation satisfactory to the Trustee, certifying that immediately after such refinancing, Maximum Annual Debt Service on Parking System Revenue Obligations Outstanding will not exceed one hundred ten percent (110%) of Maximum Annual Debt Service on Parking System Revenue Obligations Outstanding prior to such refinancing.

(C) Additional Parking System Revenue Obligations may be issued for the purpose of completing any Initial Project, or completing any Parking Facility financed with Additional Parking System Revenue Obligations issued pursuant to the Indenture, in the event that the amount on hand in the Project Fund for any Initial Project or such Parking Facility, respectively, together with any additional amounts from other sources, shall be insufficient; provided however, that the Stated Principal Amount of such Additional Parking System Revenue Obligations issued pursuant to this Subsection (C) shall not exceed fifteen percent (15%) of the Stated Principal Amount of the Parking System Revenue Obligations previously issued to finance such Initial Project or such Parking Facility, as the case may be.

(D) Credit Facilities may be incurred without limitation by the Authority to provide additional security for Additional Parking System Revenue Obligations; provided, however, if such Credit Facility is used or drawn upon to purchase, but not retire, Additional Parking System Revenue Obligations, then the liability represented by such use or draw by the Authority shall be included in Additional Parking System Revenue Obligations as of the date of such use or draw if it is not otherwise included as Outstanding Additional Parking System Obligations.

Rate Covenant. The Authority will covenant to adopt rates and charges for use of the Parking System and for the services to be furnished therewith, which shall be sufficient to produce Net Revenues for each Fiscal Year: (i) to pay Authority Expenses; (ii) to pay Debt Service Requirements on Outstanding Parking System Revenue Obligations; and (iii) to produce a Debt Service Coverage Ratio equal to at least the Debt Service Coverage Ratio Requirement of 1.50 in the Fiscal Year ending December 31, 2023 and in each Fiscal Year thereafter.

Limitation of Liens on Trust Estate. The Authority will agree that the Authority will not create, incur, assume or suffer to exist any Lien or Right of Others of any nature upon or with respect to the Trust Estate or suffer to exist any Negative Pledge with respect to the Trust Estate or engage in any sale and leaseback transaction with respect to the Trust Estate, except for the Lien and Negative Pledge established under the Indenture for the benefit of the Trustee and the Holders and Permitted Encumbrances.

Other Parking Facilities. The Authority will covenant and agree that it will not construct or acquire any parking facility which is not a Dedicated Parking Facility if such construction or acquisition, or the operation of such parking facility is likely to have a material adverse effect on the Authority's ability to pay the Principal Requirements of, Redemption Price, if any, or Interest Requirements on Parking System Revenue Obligations or to meet the Debt Service Coverage Ratio Requirement.

Tax Exemption. With respect to tax-exempt Parking System Revenue Obligations, including the Series 2023A Bonds, the Authority will covenant and agree to comply with all of the requirements of the Code necessary to maintain the exclusion of the interest on such Parking System Revenue Obligations from gross income for federal income tax purposes, including its covenants and agreements contained in Tax Regulatory Agreements executed in connection with the issuance of such Parking System Revenue Obligations under the Indenture in compliance with Treasury Regulations, and to perform any and all acts and things necessary or desirable under existing law for such purpose.

For a summary of all the covenants contained in the Indenture, see “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

Authorization and Issuance of Subordinated Parking System Revenue Refunding Bonds

The Authority may issue Subordinated Parking System Revenue Obligations which shall be issued pursuant to instruments other than the Indenture, the repayment of which may be secured by a lien on Net Revenues, provided, however, such lien shall be subordinate in priority to the lien established by the Indenture for Parking System Revenue Obligations.

Modifications to the Indenture

The Authority and the Trustee may execute Supplements to the Indenture, in certain cases without notice to or the consent of the owners of the Parking System Revenue Obligations, and, in other cases, with the consent of the owners of the requisite percentages of outstanding Parking System Revenue Obligations. See “Appendix B - Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement.”

Parity with Other Parking System Revenue Obligations

The Series 2023 Bonds will constitute Additional Parking System Revenue Obligations under the Indenture and, therefore, will be issued on a parity with all Outstanding Parking System Revenue Obligations. The Series 2023 Bonds will be secured on an equal and ratable basis with all such obligations. Other security and sources of payment of the Series 2023 Bonds are described in this Official Statement.

Security Agreement

To further secure the Parking System Revenue Obligations, the Authority has executed and delivered to the Trustee a Security Agreement and Collateral Assignment of Leases, Rentals, Property, Income, License Agreements and Other Contracts dated as of June 1, 2001 (the “Security Agreement”), which Security Agreement grants to the Trustee a first priority security interest in the Authority's interest in all leases, rentals, property income, license agreements and other contracts affecting the Quackenbush Square Garage, the Green-Hudson Garage and the Riverfront Garage.

PART 7 – RISK FACTORS

The purchase of the Series 2023 Bonds involves a degree of risk. The risk factors listed below discuss certain risks associated with a potential purchase of the Series 2023 Bonds. No person should purchase any of the Series 2023 Bonds without carefully reviewing the following information, which summarizes some, but not all, factors that should be considered prior to any such purchase.

Revenue Obligation

The Series 2023 Bonds and the interest due thereon are special, limited obligations of the Authority payable solely from (i) Net Revenues and (ii) other receipts, funds and moneys pledged therefor pursuant to the Indenture. **The Series 2023 Bonds will not and shall not constitute a pledge of the faith and credit of the City of Albany, New York, the Authority, the State of New York or any political subdivision thereof, and neither the City, the Authority, the State nor any political subdivision thereof shall be liable thereon nor in any event shall the Series 2023 Bonds be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture. No recourse shall be had for the payment of the principal of or premium, if any, or the interest on any bond against any member, officer, affiliate, employee or agent of the Authority. The Authority has no taxing power.**

The ability of the Authority to pay the debt service on the Series 2023 Bonds is solely dependent upon the sufficiency of the Net Revenues. The Authority's Net Revenues are subject to variation because of various factors described herein. Accordingly, no assurance can be given that Net Revenues will remain equal to those presently collected or that operating expenses will not increase. See "PART 6 – SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS" in this Official Statement.

Parking System Risks

The Parking System is subject to the normal risks associated with businesses of a similar kind. These risks include, but are not limited to, the following: (i) shut-down of a particular facility due to insufficient revenues or excessive expenses; (ii) the destruction of or damage to a facility due to forces beyond the control of the Authority; (iii) insufficient insurance proceeds collected upon destruction of or damage to a facility or insufficient condemnation award proceeds collected upon a taking of a facility; and (iv) competition generated by privately-owned parking garages and parking lots. See "THE PART 5 – DESCRIPTION OF THE SERIES 2023 BONDS — *Extraordinary Redemption*" in this Official Statement.

An event of damage, destruction or condemnation of any of the facilities which leads to a redemption of the Series 2023 Bonds need not occur to the facility refinanced with proceeds derived from the Series 2023 Bonds. The net proceeds of any such event of damage or destruction that occurs at any of the facilities may, at the option of the Authority, be applied to redemption of any outstanding Bonds, including, but not limited to, the Series 2023 Bonds.

The Dedicated Parking Facilities' Net Revenues are highly dependent upon the ownership, leasing and continuing occupancy of several offices and commercial spaces near the Dedicated Parking Facilities' facilities in the downtown area of the City. Net Revenues may also be affected by any additional real estate developments in the downtown area of the City, which may increase or decrease Net Revenues. No assurance can be given that there will not be events in the future that could negatively affect Net Revenues.

A separate operational risk is the cost of maintaining and repairing the Dedicated Parking Facilities. Although the Authority believes that the Renewal and Replacement Reserve Fund is funded in a sufficient amounts (approximately \$354,493 as of December 31, 2022), there can be no assurance that the capital costs of future repairs to the Dedicated Parking Facilities will be within the current estimates of the Authority. To the extent that the costs exceed the estimates of the Authority, amounts on deposit in the Renewal and Replacement Reserve Fund may not be adequate to finance the full cost of needed repairs.

Insurance

The Authority is required under the Indenture to maintain property and casualty insurance with respect to the Dedicated Parking Facilities in an amount at least equal at all times to the actual replacement cost of the Dedicated Parking Facilities, or at its sole option, the Authority may self-insure for these perils. As with all insurance policies, the insurance carried by the Authority with respect to the Dedicated Parking Facilities is subject to certain exclusions and limitations and no assurance can be given that the property and casualty insurer will not delay or challenge payment to the Authority in the event that the Dedicated Parking Facilities or portion thereof are destroyed or damaged in the future. No assurance can be given that the property and casualty insurance maintained by the Authority will be enough to fully rebuild a facility in the event that such facility is destroyed in the future because the replacement cost of a facility is dependent upon many factors that cannot be determined at this time.

Competition

The Dedicated Parking Facilities currently consist of three parking garages (2,557 parking spaces) and 2,057 on-street parking meters. The parking business in the City is competitive with multiple owners and operators competing for customers principally on the basis of location and rate. The rates and charges for privately-owned parking garages and surface parking lots in the City are roughly comparable to those for the Dedicated Parking Facilities. Although the Authority anticipates that Net Revenues will provide substantial coverage for payment of debt service on the Series 2023 Bonds and all long-term indebtedness of the Authority, there is no assurance that the Dedicated Parking Facilities will continue to generate revenues at historical levels.

Financial Projection

The Financial Projection (the “Financial Projection”) prepared by the Authority and contained in “PART 8 – THE AUTHORITY – Financial Projection” and “APPENDIX A — REVENUES, EXPENSES AND DEBT SERVICE COVERAGE (CASH BASIS) FISCAL YEAR END 2020, 2021, 2022 AND BUDGETED 2023” is based upon certain assumptions made by the Authority. No assurance can be given that the results described in Part 8 or Appendix A will be achieved. The Financial Projection is only for fiscal year ending December 31, 2023 to December 31, 2027 and does not cover the entire period during which the Series 2023 Bonds may be outstanding.

No guaranty can be made that the projections in this Official Statement will correspond with the results actually achieved in the future by the Authority because there is no assurance that actual events will correspond with the assumptions made by the Authority. For example, the projections make certain assumptions as to continued demand for parking facilities. Actual operating results of the Authority may be affected by many factors, including, but not limited to, increased costs or lower than anticipated usage.

No Mortgage

The Authority will not grant a mortgage or similar security instrument with respect to the Dedicated Parking Facilities. Accordingly, bondholders will not have any right to foreclose on and gain title to the Dedicated Parking Facilities or any other real property of the Authority as a result of an Event of Default with respect to the Series 2023 Bonds.

Dilution of Security

The Authority’s possible future development and financing of additional facilities is described under the caption “PART 6 – SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS — Covenants of the Authority – *Additional Parking System Revenue Obligations*” in this Official Statement. If additional facilities are developed and financed with Additional Parking System Revenue Obligations, those Additional Parking System Revenue Obligations will have a parity claim on Net Revenues, equal in priority to the claim on Net Revenues of all Outstanding Parking System Revenue Obligations, including the Series 2023 Bonds. Therefore, unless such additional parking facilities perform at the same or better level of financial performance as the then-existing parking facilities, there could be some dilution of the security for the Outstanding Parking System Revenue Obligations. While such additional parking facilities may or may not be developed, no assurance can be given that such development, if it occurs, will not dilute the security for the Series 2023 Bonds.

Loss of Federal Tax Exemption

Interest on the Series 2023A Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2023A Bonds that violate the requirements and limitations prescribed by the Code. Although the Authority 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 2023A Bonds may be deemed to be taxable from the date of issuance. The Series 2023A 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 2023A Bonds becoming subject to federal income taxation. See “PART 10 - TAX MATTERS” below.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2023 Bonds. In order for potential investors to identify risk factors and make an informed decision with respect to the Series 2023 Bonds, potential investors in the Series 2023 Bonds should be thoroughly familiar with this entire Official Statement and the appendices hereto.

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PART 8 – THE AUTHORITY

The Act

Establishment. The Authority was established in 1983 as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State by the Act.

Powers and Purposes of the Authority. Powers and Purposes of the Authority. The Act authorizes the Authority to construct, operate and maintain areas or places in the City for the parking or storing of motor vehicles or any area or place which use is supported by the authority's parking or storage of vehicles. This includes, without limiting the foregoing, all real or personal property, driveways, structures, terminals, garages, meters and all appurtenances and facilities either on, above or under the ground which are used or usable in connection with such parking or storing of such vehicles. In order to discharge its responsibilities and fulfill the purposes mentioned above, the Authority is authorized to issue and sell its bonds.

The Act authorizes the existence of the Authority for an initial period of fifteen years, and thereafter until all its liabilities have been met, and its bonds have been paid in full or such liabilities have been otherwise discharged.

The Act empowers the Authority to, among other things, (1) acquire, hold and dispose of personal property for its corporate purposes; (2) acquire in the name of the City by purchase of condemnation and use necessary real property; (3) make by-laws for the management and regulation of its affairs, and subject to agreements with bondholders, for the regulation of its parking facilities; (4) with the consent of the City to use agents, employees and facilities of the City, paying to the City its agreed proportion of the compensation or costs; and (5) fix and collect rentals, fees and other charges for the use of its parking facilities.

With regard to the acquisition and/or use of real property, the City may, by resolution of its Common Council or by instruments authorized by such resolutions, convey to the Authority real and personal property owned by the City for use by the Authority as a parking facility. Title of the real property so conveyed remains the City, but the Authority is granted use and occupancy for so long as its corporate existence continues.

However, the Authority may, subject to the approval of the Common Council of the City, itself acquire real property for a parking facility in the name of the City at the cost and expense of the Authority by gift, purchase, or condemnation pursuant to the laws of eminent domain or condemnation of land by the City. The Authority shall have the use and occupancy of such real property so long as its corporate existence shall continue.

The Act empowers the Authority to let contracts for construction in the same manner as is provided by law for contracts of the City, except that where the estimated expense of a contract does not exceed five thousand dollars, such contracts may be entered into without public letting. Contracts for the purchase of supplies, material and equipment shall be let in the same manner as is provided by law for such contracts of the City. Under State law, the City (and, consequently, the Authority) are required to let such contracts be competitive bidding.

Bonds and the Authority. Pursuant to the Act, the aggregate outstanding principal amount of bonds issued by the Authority may not exceed seventy-five million dollars (\$75,000,000) at any one time. In computing the total amount of bonds of the Authority which may at any time be outstanding, the amount of the outstanding bonds to be refunded from the proceeds of the sale of new bonds or by exchange for new bonds shall be excluded. Bonds issued by the Authority may be sold at public or private sale for each such price or prices as the Authority shall determine provided, however, that any private sale shall be subject to the approval of the State comptroller, where such sale is not to the comptroller, or the director of budget, where such sale is to the comptroller.

Agreements of the State. The Act also provides that the State pledges and agrees with the holders of the bonds that the State will not limit or alter the rights vested in the Authority by the Act to acquire, construct, maintain, reconstruct and operate the project or projects, to establish and collect rentals, fees and other charges, and to fulfill the terms of any agreements made with the holders of the bonds, or in any way impair the rights and remedies of the bondholders, until the bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged.

Members and Officers

The Act provides that the Authority is composed of a chairman and four other members appointed by the Mayor of the City with the advice and consent of the City Common Council. The members serve at the pleasure of the Mayor. Pursuant to State Public Officers Law, members of the Authority whose terms have expired continue to serve until a successor is chosen. As of the date of this Official Statement, all members of the Authority are serving until successors are chosen. The Vice Chairman and other officers are selected by the members, the names and positions of the current members of the Authority, and their principal affiliations are as follows:

<u>Name</u>	<u>Board Position</u>	<u>Occupation</u>	<u>Term Expires</u>
Jeff Sperry	Chairman	Associate Broker, CBRE	1/2/2026
Christopher Burke	Vice-Chairman	Exec Director, Northeast Assn. of the Blind	1/2/2024
Jordine Jones	Secretary	Counsel, New York State Senate	1/2/2025
William O. Pettit, III	Treasurer	President, Pettit Design Studio	1/2/2027
Jennifer Ceponis	Asst./Secretary/Treasurer	Sr. Transportation Planner, CDTC	1/2/2027

Parking Authority Staff

As of March 31, 2023, the Authority has a staff of 51 full-time equivalent employees. Authority senior management includes:

Matthew Peter - Executive Director
Sean Palladino - Associate Director
Douglas Case - Director of Enforcement
Allan O'Brien - General Counsel
Sheiliesh Hylton - Chief Budget Manager

Facility operations staff includes a Facility Manager and Assistant Facility Manager overseeing the garages and lots, and several maintenance staff. All three of the Authority's parking garages are open 24 hours a day, 7 days a week, centrally monitored from the APA's customer service office. There are three employees for the Authority's parking meter operations and several customer service staff, along with twenty-three employees in parking enforcement.

The Parking System

The Parking System consists of (1) three garages, all located in the downtown area of the City: the 814-space Riverfront Garage, the 864-space Green-Hudson Garage, and the 879-space Quackenbush Square Garage and (2) 2,057 Parking Meters operated by the Authority for the City under the Parking Meter Agreement.

The Authority also operates 8 small surface lots totaling 165 spaces located along Central Avenue in the City and a larger surface lot with 187 spaces located at Quackenbush Square in the City for the New York State Department ("NYSDOT") pursuant to an agreement between the Authority and NYSDOT. Such lots are not Dedicated Parking Facilities as defined in the Indenture and are, therefore, not a source of payment or security for Outstanding Parking System Revenue Obligations. Additionally, the revenues from such lots are not a component of Revenues, and the operating expenses of such lots are not a component of Authority Expenses for the purposes of calculating the Debt Service Coverage Ratio.

In February 2022, a feasibility study was completed for the Downtown Albany Transit Center. The estimated cost of the entire facility is approximately \$83 million. The property will need to be acquired and funding will need to be secured. Construction would commence approximately one year after acquisition and with completion to take approximately 18-24 months. Revenue sources are anticipated to be combined from the Authority, Capital District Transportation Authority, State and federal funds. The Authority would operate the parking facility and is pledging ongoing operational maintenance and would issue approximately \$5 million in bonds for a garage of an anticipated 850 parking spaces. Additional information can be found in the Downtown Albany Transit Center feasibility study: <https://www.parkalbany.com/public-documents/feasibility-studies/2378-2022-transit-center-study/file> and <https://www.parkalbany.com/public-documents/feasibility-studies/2379-2022-transit-center-study-sustainable-design-addendum/file>

Riverfront Garage. The Riverfront Garage provides 814 parking spaces and is located one block north of State Street and two blocks east of North Pearl Street, which are major commercial avenues of the City lined with public and private office buildings containing many banking, financial, legal and government offices. The pre-cast concrete Riverfront Garage provides parking on two levels. It is an open structure consisting of one supported level and one grade level parking. It is open 24 hours a day, 7 days a week. The Riverfront Garage is currently operating at 109% capacity. A feasibility study has been completed to determine if the Riverfront Garage will need to be replaced. While structurally feasible, at this stage nothing will be done until a conclusive Interstate 787 study is done with recommendations, this is being undertaken by the State. While it's possible that the area could be developed long term in conjunction with larger developments, there are no immediate plans to do anything at the site beyond repair and preventive maintenance.

Green-Hudson Garage. The Green-Hudson Garage provides 864 parking spaces and is located two blocks south of State Street, one block west of Broadway and one block east of South Pearl Street, all of which are major commercial avenues of the City lined with public and private office buildings containing many banking, financial, legal and government offices. The Green-Hudson Garage provides parking on five levels. It is a cast-in-place, post-tensioned concrete system with a partial brick facade. The Authority also leases 10,000 square feet at the Green-Hudson Garage to the U.S. Postal Service. It is open 24 hours a day, 7 days a week. The Green-Hudson Garage is currently operating at 109% capacity.

Quackenbush Square Garage. The Quackenbush Square garage provides 879 parking spaces and is located behind the 677 Broadway office tower, which is located roughly one block west of Broadway and one block south of Clinton Avenue. The Quackenbush Square Garage is constructed of pre-cast, pre-stressed concrete with pre-topped floor tee-beams and rusticated facade panels. It is open 24 hours a day, 7 days a week. The Authority is also headquartered in a permanent office that is a part of the garage structure. The Quackenbush Square Garage is currently operating at 42% capacity. The construction of a new neighboring hotel and expansions to the nearby Palace Theatre and Capital Repertory Theatre are currently in some phase of development. The Authority is in discussion with each of these parties regarding the leasing of additional parking spaces, which have the potential to increase occupancy to approximately 60 – 70%. However, there can be no guarantee that these discussions will result in agreements to provide additional parking. The Authority has not included any additional revenue from these discussions in its 2022 Budget or financial projections.

The operating capacities listed above are as of March 2023 and are increasing after having decreased from 2020 as a result of the current COVID-19 pandemic.

Revenue Control System. The Albany Parking Authority issued a Request for Proposal (RFP) to update the entry and exit equipment in all three garage facilities. The contract was signed in December 2021 and installation began in March 2022. The new state-of-the-art revenue control equipment uses several new credentials for monthly parkers to enter and exit the parking garage. The primary credential is the Automatic Vehicle Identification (AVI) tag which is affixed to the vehicle's windshield. For our business accounts they are provided a proximity card to use, they may also purchase the AVI tag. If you do not have your primary credential, we also offer a mobile app for all monthly customers to use to enter and exit the facility. Transient parkers are required to take a ticket or use their credit card as a ticket upon entry and then pay for parking with cash, credit card or mobile payment. They can pay by credit card at any kiosk or with cash at our pay-on-foot kiosks. Cashiering staff have been eliminated. Monthly parking access is activated only by central office staff before distribution to customers. All credentials must be paid in advance by the first of each month to be valid. An anti-pass-back card system prevents unauthorized use.

In late 2016, the Authority engaged Passport to conduct a Pay by Phone test program and Parkeon to conduct a Pay by Plate Meter test program. The goal of the test programs was to enhance the customer experience and allow for improved payment options. The test programs were successfully completed. While it is anticipated that the initiation of these programs will increase meter revenue, the Authority has not included any such increases in its financial projections. The Authority has successfully implemented its plans for a City-wide expansion in Spring 2018.

Parking Meter Agreement. The City and the Authority entered into the Parking Meter Agreement (the "Parking Meter Agreement") on April 13, 1998. In May 1998, the Authority initially installed meters for 962 spaces. Additional locations have since been metered with the current on-street metered inventory now standing at 2,057. The Authority is currently considering the installation of additional meters in various areas throughout the City, however, no additional meters were assumed in the Authority's 2022 Budget or financial projections.

The Parking Meter Agreement permits the Authority to install and operate parking meters in consultation with the Chief of Police of the City. The revenues generated by the parking meters are subsequently the sole property of the Authority and are available to pay the principal of and interest on Parking System Revenue Obligations. The Authority pays an annual fee to the City equal to thirty-five (35%) percent of the revenue that the Authority expects to generate from the parking meters. The expenses of operating the meters are payable by the Authority, but, under the Parking Meter Agreement, the City reimburses the Authority for expenses related to enforcement. Fines and penalties from parking violations remain the property of the City and are not revenues of the Authority. Due to the COVID-19 pandemic the City agreed to temporarily suspend the annual meter licensing fee in March 2020 through 2022 before partial reinstatement in 2023 and full reinstatement in 2024.

Electronic parking meters operate with a sealed coin collection system. Coins inserted by parkers are never seen or touched by Authority staff. Pre-locked collection containers go directly to the Authority's bank for counting. An auditing device used by Authority personnel during every collection provides a money estimate for the Authority in advance for comparison with the amount deposited. Historically, the average difference between the advance audit and the collected amount in meters has been less than one percent, which compares favorably to industry standards. Multi-space electronic meters also operate on a sealed collection system. However, the audit and management reporting functionality is greatly enhanced, allowing better reconciliation and improved information to aid management.

Partnerships. The NYS DOT and the Authority have executed Use Permits that provide management of nine facilities (352 spaces) by the Authority. There is no cost to the Authority for these permits. Historically, the Authority breaks even from management of these facilities. The facilities operated under the Use Permits are not Dedicated Parking Facilities for the purposes of securing Outstanding Parking System Revenue Obligations.

Economic Developments

The Liberty Park Project will be moving forward with a property team signed on to market the site for developers. The development would eliminate parking lots not controlled by the Authority and increase the need for parking at both Green Hudson garage and a potentially the new transit center/Authority garage. It would also increase meter usage in the area.

In addition, the Kiernan plaza property is currently in a bidding process to either redevelop the empty building into law offices or residential apartments that would take up to 125 spaces in Riverfront Garage.

Also, the hotel in Quackenbush square is scheduled to open this year and has a contract with the Authority for 75 spots.

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Outstanding Indebtedness

As of December 31, 2022, the Authority had two series of Parking System Revenue Obligations outstanding: (a) the Insured Parking System Revenue Refunding Bonds, Series 2018A which are outstanding in the amount of \$2,555,000 (as of December 31, 2022) and (b) the Insured Parking System Revenue Refunding Bonds, Series 2011. The Series 2011 Bonds were privately placed with Dexia, are outstanding in the amount of \$2,470,000 (as of December 31, 2022). The Series 2011 Bonds bear interest at a fixed rate of 5.135%. The Series 2011 Bonds are not subject to mandatory tender by the bondholder prior to their final maturity of July 15, 2025.

Outstanding principal balance (September 14, 2023) ⁽¹⁾	\$ <u>3,670,000</u>
Authorized but unissued debt	\$ <u>4,500,000</u>
Next year's estimated debt service-FY 2024 (principal & interest)	\$ <u>2,048,741</u>
Debt service coverage ratio ⁽²⁾ for the 2023 fiscal year (as calculated under indenture)	<u>1.79</u>
Estimated annual debt service For authorized program (FY 2025)	\$ <u>2,856,847</u>
Debt service reserve fund balance(s) as of July 31, 2023	
Fully funded X On build up schedule <input type="checkbox"/>	\$ <u>839,732</u>

- (1) The Authority issued \$5,740,000 Refunding Serial Bonds on February 8, 2018 to refund its 2007A bonds. The Authority's 2007A bonds in the amount of \$7,585,000 were redeemed on March 12, 2018. The principal amount of bonds outstanding as of the date of this Official Statement is \$3,670,000.
- (2) See "APPENDIX – A" to this Official Statement for Debt Service Coverage Ratios for the fiscal years ending December 31, 2019-2022 and budgeted for the fiscal year ending December 31, 2023.

The table set forth below shows the Authority's annual debt service on Outstanding Parking System Revenue Bonds.

Annual Debt Service			
<u>Date</u>	<u>(a) Existing Debt Service</u>	<u>(b) Series 2023 Bonds</u>	<u>(c) Total Debt Service</u>
12/31/2023	1,609,584.50		
12/31/2024	1,680,950.26		
12/31/2025	2,285,228.26		
12/31/2026	-		
12/31/2027	-		
12/31/2028	-		
12/31/2029	-		
12/31/2030	-		
12/31/2031	-		
12/31/2032	-		
12/31/2033	-		
12/31/2034	-		
12/31/2035	-		
12/31/2036	-		
12/31/2037	-		
12/31/2038	-		
Total	\$ <u>5,575,763.02</u>	\$ <u> </u>	\$ <u> </u>

Extraordinary Debt Service Payment Events

The Authority has not had delinquent debt service payments, draws from debt service reserve funds, and/or letters/lines of credit, and/or technical violations of bond indenture

Derivative Products

The Authority has not used derivative products (e.g., interest rate swaps) including counterparty risk.

Estimate of Obligations to be Issued

The Authority is projecting \$3.4 million in capital improvement projects. About \$2 million in necessary garage repairs, \$1 million in garage upgrades, and the rest on equipment and aesthetics surrounding the Authority's garages. The proceeds of the Bonds will provide new monies for the above mentioned purposes.

The Authority is in the preliminary stages of planning an additional \$5 million revenue bond issuance for the fiscal year ending 2026 for the Transit Center Garage. Preliminary estimated debt service for the future issuance is depicted in "Financial Projections" herein.

Capital Improvement Plans

The Authority currently funds capital improvements and maintenance on a pay as you go basis. A summary of the amount the Authority spent on repairs to the Parking System over the past five years is illustrated below:

<u>Fiscal Year</u>	<u>Amount Spent on Facility Repairs</u>
2019	\$ 226,016
2020	596,478
2021	143,506
2022	760,000 (Projected)
2022	579,528 (Actual)
2023 ⁽¹⁾	0 (Budgeted)

⁽¹⁾ The 2023 capital improvements and maintenance will be funded from the proceeds of the Series 2023 Bonds.

Average Paid Occupancy

A summary of the Authority's percentage of average paid occupancy for the last five years is illustrated below:

<u>Year</u>	<u>Riverfront</u>	<u>Green-Hudson</u>	<u>Quackenbush Square</u>
2018	136%	124%	68%
2019	126%	127%	74%
2020	121%	116%	51%
2021	112%	101%	39%
2022	110%	111%	43%

Rate Changes

The Authority annually evaluates many factors when determining any increases to the monthly rates at the Dedicated Parking Facilities, including, but not limited to, the cost of competing parking facilities. Changes over the past five years have been limited to the parking garages. A summary of monthly rate changes over the past five years is illustrated below.

<u>Fiscal Year</u>	<u>Rate Changes</u>
2019	\$2 increase for 1 additional hour of parking in the garage
2020	Discontinued Parking Incentive Program Decreased regular monthly rate by \$5. New Tier Program for multiple monthly passes.
2021	PIP monthly pass rates increased from \$88 to \$91. No other rate changes occurred.
2022	PIP monthly pass rates increased from \$91 to \$94. No other rate changes occurred.
2023	PIP monthly pass rates increased from \$94 to \$97. No other rate changes occurred.

Financial Statements

Audited financial statements of the Authority for the fiscal years ended December 31, 2022 and 2021 are included as “APPENDIX – D” to this Official Statement.

Unaudited management-prepared statements of funds available for debt service on all Authority debt for the fiscal years ended December 31, 2017, 2018, 2019, 2020, 2021 and 2022 are set forth below. Appendix A includes Revenues, Expenses and Debt Service Coverage (cash basis) for fiscal years ended December 31, 2020-2022 and budgeted for the fiscal year end December 31, 2023.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Dedicated Parking Facilities Income						
Parking Revenue	\$ 6,382,369	\$ 6,540,339	\$ 6,785,048	\$ 4,680,997	\$ 4,950,075	\$ 5,740,192
Special Event Income	105,835	158,217	164,123	29,752	31,137	238,093
Other Income	181,524	192,048	198,184	169,489	169,206	151,497
Total Dedicated Parking Facilities Income	\$ 6,669,728	\$ 6,890,604	\$ 7,147,355	\$ 4,880,238	\$ 5,150,418	\$ 6,129,782
Dedicated Parking Facilities Operating Expenses	\$ 2,455,385	\$ 2,846,137	\$ 2,969,422	\$ 2,289,965	\$ 2,198,322	\$ 3,171,253
Net Dedicated Parking Facility Revenue	\$ 4,214,343	\$ 4,044,467	\$ 4,177,933	\$ 2,590,273	\$ 2,952,096	\$ 2,958,529
Principal & Interest	\$ 2,573,476	\$ 1,860,860	\$ 1,608,077	\$ 1,573,792	\$ 1,626,542	\$ 1,688,726
DSRF Transfers	(785,000)	-	-	-	-	-
Net Debt Service	\$ 1,788,476	\$ 1,860,860	\$ 1,608,077	\$ 1,573,792	\$ 1,626,542	\$ 1,688,726
Coverage - Rate Covenant	1.64	2.17	2.60	1.65	1.81	1.75
Coverage - Net Debt Service	2.36	2.17	2.60	1.65	1.81	1.75

Financial Projections

The following table sets forth the Authority’s projected Debt Service Coverage Ratio for the Dedicated Parking Facilities for fiscal years 2023 through 2027:

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Dedicated Parking Facilities Income					
Parking Revenue	\$5,959,914	\$6,168,511	\$6,384,409	\$6,607,864	\$7,006,139
Special Event Income	200,000	200,000	225,000	225,000	225,000
Other Income	120,420	120,645	120,920	121,145	121,420
Total Dedicated Parking Facilities Income	6,280,334	6,489,156	6,730,329	6,954,009	7,352,559
Dedicated Parking Facilities Operating Expenses	\$3,406,104	\$3,191,607	\$3,549,577	\$3,814,401	\$3,928,231
Net Dedicated Parking Facility Revenue	\$2,874,230	\$3,297,549	\$3,430,752	\$3,139,608	\$3,424,328
Principal & Interest (Current Debt)	\$1,609,585	\$1,680,950	\$2,285,228	\$ -	\$ -
Principal & Interest (2023 Bonds)	\$ -	\$ 367,791	\$ 571,619	\$ 573,619	\$ 574,619
Principal & Interest (2026 Bonds)	\$ -	\$ -	\$ -	\$ 121,875	\$ 243,750
DSRF Transfers	\$ -	\$ -	\$ (812,273)	\$ -	\$ -
Net Debt Service	\$1,609,585	\$2,048,741	\$2,044,574	\$695,494	\$818,369
Coverage - Rate Covenant	1.79	1.61	1.68	4.51	4.18
Coverage - Net Debt Service	1.79	1.61	1.68	4.51	4.18

The projections set forth in the foregoing table are forward-looking statements, as such term is defined in the Securities Act of 1933, as amended, and reflect certain significant assumptions concerning future events and circumstances. Such assumptions are material in the development of the financial projections, and variations in the assumptions may produce substantially different financial results.

Because there is no assurance that actual events will correspond with the assumptions made, no assurance can be given and no guaranty can be made that the projected operating results will correspond with future results. Actual operating results may be affected by many uncontrollable factors, including, but not limited to, increased costs, lower than anticipated revenues, the construction of additional Dedicated Parking Facilities, employee relations, governmental controls, changes in applicable governmental regulations and changes in general economic conditions.

Recent New York State Comptroller Reports of Examination

The Authority was reviewed in December 2017 by the New York State Comptroller's Office as part of the "Parking Structures" audit. The garages were rated "good" to "very good" and the Authority received the "Best Practices" designation in the report.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to websites implies no warranty of accuracy of information therein.

Pension Payments

Substantially all employees of the Authority are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally also known as the "Common Retirement Fund". The ERS is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the ERS.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The Authority's contributions to ERS since 2018 and budgeted for 2023 are as follows:

<u>Fiscal Year</u>	<u>ERS</u>
2018	\$ 219,121
2019	228,096
2020	228,851
2021	264,812
2022	203,818
2023 (Budgeted)	274,253

Source: Authority's records.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. Required annual contribution amounts vary each year and are dependent upon a number of factors, including the investment return of the ERS. Required contributions have recently been between 15% to 20% of payroll for participants of the ERS.

A chart of average contribution rates from 2020 to 2024 is shown below:

<u>Year</u>	<u>ERS</u>
2020	14.6%
2021	14.6
2022	16.2
2023	11.6
2024	13.1

Retirement and Social Security Law also authorizes participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS, when employer contribution rates rise above certain levels. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Authority, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and the ERS. For 2014 and 2015 the rate was 12.0%; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Authority is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same of the ERS covering the Authority’s employees is not subject to the direction of the Authority. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the ERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Authority which could affect other budgetary matters. Concerned investors should contact the ERS administrative staff for further information on the latest actuarial valuations of the ERS.

Other Post-Employment Benefits

It should also be noted that the Authority provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the Authority, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), described below, requires such accounting. GASB 45 implementation is now required for all municipalities.

GASB 45 and OPEB. OPEB refers to “other post-employment benefits,” meaning other than pension benefits, disability benefits and consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. These benefits had generally been administered on a pay-as-you-go basis and had not been reported as a liability on governmental financial statements.

GASB 45 requires public entities to account for OPEB liabilities similar to pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most public entities have not set aside the necessary funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require public entities to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) is determined for each public entity. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a public entity contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

In June 2015, the GASB issued GASB Statement 75 (“GASB 75”) which supersedes GASB 45. GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 was implemented by the Authority for the fiscal year ending December 31, 2018. Actuarial valuation will be required every two years for GASB 75.

The first actuarial valuation under GASB 75 was completed for the fiscal year ending December 31, 2018. The following outlines the changes to the Total OPEB Liability during the 2021 and 2022 fiscal years, by source.

	2021	2022
Balance Beginning of Fiscal Year	\$ 8,430,724	\$ 7,929,832
<u>Changes for the Year:</u>		
Service cost	386,395	537,527
Interest	240,871	178,670
Differences between expected and actual experience	(2,145,005)	0
Changes in assumptions or other inputs	1,069,235	101,255
Benefit payments	<u>(52,388)</u>	<u>(79,030)</u>
Net Changes	<u>(500,892)</u>	<u>738,422</u>
Balance End of Fiscal Year	<u>\$ 7,929,832</u>	<u>\$ 8,668,254</u>

Source: Audited reports of the Authority. The above tables are not audited.

The aforementioned liability and ARC are recognized and are disclosed in accordance with GASB 45 standards in the Authority’s audited financial statements.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Authority has reserved \$0 towards its OPEB liability. The Authority funds this liability on a pay-as-you-go basis.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

PART 9 - BOND INSURANCE RISK FACTORS

The Authority has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Series 2023 Bonds. The Authority has yet to determine whether an insurance policy will be purchased in connection with the issuance of the Series 2023 Bonds. If an insurance policy is purchased from a bond insurer (the “Bond Insurer”), the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Series 2023 Bonds when all or some becomes due, any owner of the Series 2023 Bonds shall have a claim under the applicable bond insurance policy (the “Policy”) for such payments. The payment of principal and interest in connection with mandatory prepayment of the Series 2023 Bonds by the Authority which is recovered by the Authority from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the Authority unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer’s consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2023 Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Series 2023 Bonds, no assurance is given that such event will not adversely affect the market price of the Authorities outstanding bonds or the marketability (liquidity) for the Series 2023 Bonds.

If the Authority purchases a Policy, The insured rating on the Series 2023 Bonds is dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Series 2023 Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Series 2023 Bonds or the marketability (liquidity) for the Series 2023 Bonds.

The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the Authority or Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Series 2023 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

PART 10 – TAX MATTERS

Series 2023A Bonds - Opinion of Bond Counsel

In the opinion of Hodgson Russ LLP, Bond Counsel, under existing statutes and court decisions and assuming, among other things, the accuracy of certain representations and certifications and compliance with certain covenants, (i) interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2023A Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed under the Code on individuals. Moreover, interest on the Series 2023A Bonds may be subject to a branch profits tax when held by certain foreign corporations. Furthermore, the United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on the Series 2023A Bonds held by "S corporations" in certain cases.

In rendering its opinion, (a) Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2023A Bonds, (b) Bond Counsel has not independently verified the accuracy of those representations, certifications and statements, and (b) Bond Counsel has assumed compliance by the Authority with its covenants to comply with the applicable requirements of the Code required to assure the maintenance of the exclusion of interest on the Series 2023A Bonds from gross income under Section 103 of the Code.

It is also the opinion of Bond Counsel that, under existing law of the State of New York, interest on the Series 2023A Bonds is exempt, under existing statutes, from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York).

Bank Qualified

The Series 2023A Bonds will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Series 2023B Bonds - Opinion of Bond Counsel

In the opinion of Bond Counsel, interest on the Series 2023B Bonds (i) is included in gross income for federal income tax purposes pursuant to the Code, and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York).

Series 2023 Bonds - Opinion of Bond Counsel

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2023 Bonds nor as to the taxability of the Series 2023 Bonds or the income therefrom under the laws of any state other than the State of New York. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2023 Bonds, or under state and local tax law.

Series 2023A Bonds - Certain Ongoing Federal Tax Requirements and Covenants

The Code imposes certain requirements that must be met in order that interest on the Series 2023A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2023A Bonds, yield and other restrictions on investments of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2023A Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2023A Bonds, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted to comply with the applicable requirements of the Code required to assure the maintenance of the exclusion of interest on the Series 2023A Bonds from gross income for federal income tax purposes under Section 103 of the Code.

Series 2023A Bonds - Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2023A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2023A Bond. Prospective investors are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2023A Bonds.

Prospective owners of the Series 2023A Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023A Bonds may result in collateral federal income tax consequences to various categories of taxpayers, including, without limitation, corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals seeking to claim the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2023A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

[Series 2023A Bonds - Original Issue Discount]

["Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2023A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of each maturity of the Series 2023A Bonds was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Series 2023A Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel further is of the opinion that, for any Series 2023A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2023A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.]

[Series 2023A Bonds – Original Issuance Premium]

[In general, if an owner acquires a Series 2023A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2023A Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on the Series 2023A Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, 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). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to the period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a tax-exempt Premium Bond may realize a taxable gain upon disposition of the tax-exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, or sale, exchange, or other disposition of, Premium Bonds.]

Series 2023 Bonds - Information Reporting and Backup Withholding

In general, information reporting requirements will apply to interest paid on tax-exempt as well as taxable obligations, including the Series 2023 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification”, or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding”, which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2023 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2023A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the beneficial owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Changes in Law and Post Issuance Events

The Code has been continuously subject to legislative modifications, amendments and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. Future legislative proposals, if enacted into law, clarifications of the Code or court decisions may cause interest on the Series 2023A Bonds to be subject, directly or indirectly, to federal income taxation or may cause interest on the Series 2023 Bonds to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Series 2023 Bonds (“Beneficial Owners”) from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarifications of the Code or court decisions may also affect the market price for, or marketability of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The engagement of Bond Counsel with respect to the Series 2023 Bonds ends with the issuance of the Series 2023 Bonds. The Internal Revenue Service has established an active audit program of certain tax-exempt entities and tax-exempt bonds issued by state and local government units. Unless separately engaged, Bond Counsel are not obligated to defend the Authority or the Beneficial Owners of the Series 2023 Bonds regarding the tax-exempt status of any series or subseries of the Series 2023 Bonds in the event of an audit examination of such series or subseries by the Internal Revenue Service. Under

current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of Internal Revenue Service positions, with which the Authority legitimately disagrees, may not be practicable. Any action of the Internal Revenue Service, including but not limited to selection of a series or subseries of the Series 2023 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, such series or subseries of the Series 2023 Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance and delivery of the Series 2023 Bonds may affect the tax status of interest paid or payable on the Series 2023 Bonds. Bond Counsel express no opinion as to any Federal, state or local tax law consequences with respect to the Series 2023 Bonds, or the interest thereon, if any action is taken with respect to the Series 2023 Bonds or the proceeds thereof upon the advice or approval of other counsel. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Series 2023 Bonds may affect the tax status of interest on the Series 2023 Bonds.

Form of Opinion of Bond Counsel

The proposed form of the approving opinion of Bond Counsel for the Series 2023 Bonds is attached hereto as Appendix E. See “Form of Approving Opinion of Bond Counsel” in APPENDIX E. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of an opinion by recirculation of the Official Statement or otherwise will create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in such opinion subsequent to its date.

PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

PART 11 – LITIGATION

To the best of the Authority’s knowledge, there is no litigation pending now pending or threatened which seeks to restrain or enjoin the sale, execution, issuance or delivery of any of the Series 2023 Bonds or in any way contests the validity of any of the Series 2023 Bonds, the pledge of the Authority’s interest in Net Revenues or any proceedings of the Authority taken with respect to the authorization, sale or issuance of the Series 2023 Bonds, or the pledge or application of any moneys provided for the payment of or security for the Series 2023 Bonds.

PART 12 – BOND RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), assigned its rating of “A-” with a stable outlook to the Series 2023 Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such ratings should be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the ratings of the Series 2023 Bonds may have an adverse effect on the market price of the Series 2023 Bonds.

PART 13 – CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2023 Bonds are subject to the approving legal opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel to the Authority. Bond Counsel’s opinion will be in substantially in the form attached hereto as “APPENDIX – E”. Certain legal matters will be passed on for the Authority by its counsel, Allan O’Brien, Esq., General Counsel, Albany Parking Authority. Certain legal matters will be passed on for the Underwriter by its counsel, Roemer Wallens Gold & Mineaux, LLP, Albany, New York.

PART 14 – CONTINUING DISCLOSURE UNDERTAKING

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Authority will enter into an undertaking to provide continuing disclosure as described in APPENDIX – C to this Official Statement.

PART 15 - HISTORICAL CONTINUING DISCLOSURE COMPLIANCE

Other than noted below, the Authority is in compliance, in all material respects, with all previous undertakings made pursuant to Rule 15c2-12 for the past five years.

On December 19, 2018, S&P Global Ratings (“S&P”) upgraded the rating of the Authority’s existing parking revenue bonds to “A-“ from “BBB+”. The Authority failed to file the event information within the timeline stated in the Authority’s outstanding undertaking agreements. On January 23, 2019 the authority provided notice of its rating upgrade and failure to provide event filing information as required.

PART 16 – MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the “Municipal Advisor”) is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Authority on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Series 2023 Bonds. The advice on the plan of financing and the structuring of the Series 2023 Bonds was based on materials provided by the Authority and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Authority or the information set forth in this Official Statement or any other information available to the Authority with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Authority to the Municipal Advisor are partially contingent on the successful closing of the Series 2023 Bonds.

PART 17 - UNDERWRITING

The Series 2023A Bonds are being purchased by Roosevelt & Cross, Incorporated. (the “Underwriter”) for reoffering to the public. The purchase contract for the Series 2023A Bonds provides that the Underwriter will purchase all of the Series 2023A Bonds, if any are purchased, at a purchase price equal to \$_____ (being the par amount of the Series 2023A Bonds plus a net original issue premium of \$_____, less an underwriter’s fee for the transaction of \$_____). The Underwriter is initially offering the Series 2023A Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Series 2023A Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

The Series 2023B Bonds are being purchased by Roosevelt & Cross, Inc. (the “Underwriter”) for reoffering to the public. The purchase contract for the Series 2023B Bonds provides that the Underwriter will purchase all of the Series 2023B Bonds, if any are purchased, at a purchase price equal to \$_____ (being the par amount of the Series 2023B Bonds plus a net original issue premium of \$_____, less an underwriter’s fee for the transaction of \$_____). The Underwriter is initially offering the Series 2023B Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Series 2023B Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

PART 18 – MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Act, the Indenture and the Security Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Act, the Indenture and the Security Agreement for full and complete statements of such provisions. Copies of the Act, the Indenture and the Security Agreement are available at the office of the Trustee.

Capitalized terms not defined herein shall have the meaning ascribed to those terms in “APPENDIX B – Glossary and Summaries of Certain Provisions of the Indenture and the Security Agreement”.

The agreements of the Authority with holders of the Series 2023 Bonds are fully set forth in the Indenture. Neither any advertisement of the Series 2023 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2023 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority.

ALBANY PARKING AUTHORITY

September __, 2023

By: _____

APPENDIX - A

ALBANY PARKING AUTHORITY

REVENUES, EXPENSES AND DEBT SERVICE COVERAGE (CASH BASIS) FISCAL YEAR END 2020-2021 & 2023 (BUDGETED)

	Actual 2020	Actual 2021	Actual 2022	Budget 2023
<u>OPERATING REVENUE</u>				
Parking Fees	\$4,680,997	\$4,950,075	\$5,740,192	\$5,959,914
Enforcement Revenue	1,488,182	1,529,425	1,641,821	1,879,531
Special Event Income	29,752	31,137	238,093	200,000
Gain on Sale of Assets	4,331	820	20,106	-
Property Rentals	152,722	166,502	118,800	118,800
EV Charging Revenue	-	1,907	5,607	1,500
Reimbursement Grants	-	10,963	1,399,531	225,000
Interest Income-Regular	480	187	1,636	120
Investment Income	12,436	1,884	12,591	1,500
TOTAL REVENUE	\$6,368,900	\$6,692,900	\$9,178,377	\$8,386,365
<u>OPERATING EXPENSES</u>				
APA Payroll	\$1,042,601	\$1,080,675	\$1,242,551	\$1,364,617
Enforcement Wages	930,482	938,145	1,039,570	1,085,970
Payroll Taxes & Benefits	458,600	431,464	323,457	694,504
Enforcement Taxes & Benefits	388,625	408,803	286,710	448,077
Event Expenses	2,347	1,972	15,795	10,000
Training	6,839	11,720	20,408	10,000
Utilities	63,997	67,732	93,134	110,182
Computerization	271,227	211,285	304,786	319,808
Technology Incentives	-	-	7,223	-
Miscellaneous Other Expenses	2,260	8,410	6,555	10,000
Office Expense	16,770	20,374	106,502	90,000
Credit Card Charges & Fees	153,054	171,942	231,646	225,500
Bank Charges - Operating	6,316	6,907	7,782	7,800
Professional Fees	100,728	71,107	112,266	110,000
Projects	21,760	19,113	566,645	300,000
Maintenance & Repairs	76,841	120,979	89,482	120,000
Contributions	-	-	-	-
Signage	5,874	6,819	28,179	20,000
Snow Management	35,301	29,957	41,740	45,000
Phone & Communications	10,863	8,877	11,915	15,000
Marketing	33,846	28,360	57,548	60,000
Aesthetics & Beautification	10,971	40	20,514	-
Green Initiatives	11,813	-	5,650	-
Uniforms	5,074	1,539	6,071	15,000
Capitalize Albany Lot Access Lease	9,375	65,625	13,750	-
Insurance	146,016	117,613	192,724	129,000
Security	36,299	1,746	2,998	10,000
Meter Supplies & Equipment	39,831	18,993	38,117	50,000
EV Charger 3% Fee	-	-	-	354
EV Charger Replacement Plan & Maintenance	-	-	-	2,940
Meter License Fee	162,867	-	-	200,000
Enforcement License Fee	170,885	182,528	200,183	345,484
Operating Costs to Support PSO Transfer	-	-	-	-
Investment in Alt. Transportation	7,709	-	-	-
Investment in Pedestrian Infrastructure	-	-	1,146,738	-
Skyway Expense	-	-	-	-
Equipment Purchase	30,687	-	-	85,000
TOTAL EXPENSES	\$4,259,858	\$4,032,725	\$6,220,639	\$5,884,236
NET REVENUE	\$2,109,042	\$2,660,175	\$2,957,738	\$2,502,129
NET REVENUE EXCLUDING NON-PLEDGED OPERATIONS	\$2,590,273	\$2,952,096	\$2,958,529	\$2,800,819
DEBT SERVICE (PRINCIPAL & INTEREST)	\$1,573,792	\$1,626,542	\$1,688,726	\$1,609,585
DSRF TRANSFERS	-	-	-	-
NET DEBT SERVICE (PRINCIPAL & INTEREST)	\$1,573,792	\$1,626,542	\$1,688,726	\$1,609,585
COVERAGE - RATE COVENANT	1.65	1.81	1.75	1.74
COVERAGE - NET DEBT SERVICE	1.65	1.81	1.75	1.74

	Actual <u>2020</u>	Actual <u>2021</u>	Actual <u>2022</u>	Budget <u>2023</u>
<u>Items Below the Line</u>				
New Meter Installation Payments	\$192,223	\$192,223	\$228,141	\$32,037
Flash/Civic Smart System Installment Payments			165,456	201,373
2022 Facility Upgrades Loan Payment			-	78,942
2023 Facilities Upgrades Loan Payment			-	95,079
High Speed Gate and PARC System	75,151	-	-	-
Facility Upgrade Loan Payment	-	-	-	-
ACDA Loan Payment	-	-	-	-
Maintenance Reserve Required Deposit	150,000	150,000	150,000	150,000
Repairs & Restoration - Contractor	564,809	143,506	385,171	
Repairs & Restoration - Engineer	31,669	-	194,357	
Lot Repairs	-	-	-	
Facility Upgrades to ADA Compliance	-			
Reimbursement from R&R Fund	(1,041,000)	-	(272,138)	-
Snow Melter Replacement	212,391	-	-	-
Garage Lighting Upgrade Project	-	-	-	-
Garage LED Signage Project	-	-	-	-
EV Charger Set Aside	-	-	-	-
Equipment Purchase/Capital Expense	21,753		-	2,856
Transfer to Cash Reserves	300,000	(157,646)	(150,000)	300,000
Total Items Below the Line	506,996	328,083	700,987	860,287
Cash Excess/Shortage	28,254	705,550	568,025	32,257

Source: Authority records.

ALBANY PARKING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION IN ACCORDANCE WITH GAAP

December 31st

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>OPERATING REVENUES</u>					
Parking Revenues	\$ 6,840,956	\$ 7,095,628	\$ 4,863,523	\$ 5,152,472	\$ 6,121,072
Reimbursement from the City of Albany	\$ 1,356,642	\$ 1,448,013	\$ 1,488,182	\$ 1,529,425	\$ 1,641,821
<u>OPERATING EXPENSES</u>					
Salaries and related expenses	\$ 3,035,618	\$ 3,064,424	\$ 3,829,467	\$ 3,281,474	\$ 3,584,027
Repairs and maintenance	580,991	467,828	765,734	373,024	824,650
Utilities	71,508	66,076	63,995	67,731	93,133
Professional fees	202,827	220,335	104,815	73,373	107,699
Depreciation	1,376,491	1,233,243	1,176,322	1,071,468	1,056,058
Meter supplies and equipment	40,041	14,634	39,831	18,993	38,033
Bad Debt	0	0	0	0	26,077
PSO Expense reimbursement	0	0	0	0	0
Licensing Fees	802,500	959,000	162,867	0	0
Insurance	136,135	140,946	146,016	117,613	192,724
Contributions	0	0	0	0	0
Computerization	218,410	252,797	276,299	211,754	312,008
Credit Card Fees	189,997	244,741	153,053	171,942	231,645
Project Costs	0	0	0	0	1,595,214
Miscellaneous	434,397	449,798	266,358	293,029	510,632
Total Revenues	<u>\$ 7,088,915</u>	<u>\$ 7,113,822</u>	<u>\$ 6,984,757</u>	<u>\$ 5,680,401</u>	<u>\$ 8,571,900</u>
<u>OPERATING INCOME</u>	1,108,683	1,429,819	(633,052)	1,001,496	590,524
<u>NON OPERATING REVENUE (EXPENSES)</u>					
Interest Revenue	34,524	37,740	12,917	2,073	24,447
Miscellaneous income	0	0	0	0	0
Unrealized loss on investments, net	0	0	0	0	0
Realized loss on investments	0	0	0	0	0
Bond issuance costs	(155,802)	0	0	0	0
Amortization of bond insurance premiums and deferred losses	(45,390)	(48,049)	(48,048)	(48,048)	(48,049)
Loss on disposal of capital assets	15,576	(18,223)	4,331	820	0
Other income (expense)	0	0	0	0	(85,109)
Interest Expense	(509,157)	(482,950)	(366,070)	(298,236)	(240,620)
Increase upon hedge termination	0	0	0	0	0
Total Non-Operating Expenses, net	<u>\$ (660,249)</u>	<u>\$ (511,482)</u>	<u>\$ (396,870)</u>	<u>\$ (343,391)</u>	<u>\$ (349,331)</u>
Change in Net Position	448,434	918,337	(1,029,922)	658,105	241,193
Net Position- beginning of year	(845,494)	(397,060)	521,277	(508,645)	149,460
Effect of adoption of GASB 68 and 71	0	0	0	0	0
Effect of adoption of GASB 75	0	0	0	0	0
Net Position - end of year	<u><u>\$ (397,060)</u></u>	<u><u>\$ 521,277</u></u>	<u><u>\$ (508,645)</u></u>	<u><u>\$ 149,460</u></u>	<u><u>\$ 390,653</u></u>

Source: 2018-2022 Audited Reports. This Appendix is not itself audited.

**GLOSSARY AND SUMMARIES OF CERTAIN PROVISIONS OF THE
INDENTURE AND THE SECURITY AGREEMENT**

APPENDIX B

GLOSSARY AND SUMMARIES OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SECURITY AGREEMENT

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

“Accounts” means the accounts so designated, created, and established in the Funds pursuant to Section 4.01(A) of the Indenture.

“Accreted Amount” means, with respect to Parking System Revenue Bonds in the form of capital appreciation bonds, for any period of time, the difference between the Accreted Value thereof at the beginning of such period and the Accreted Value thereof at the end of such period.

“Accreted Value” means the accreted value of the Parking System Revenue Obligations on each Compounding Date. The Accreted Value of Parking System Revenue Obligations on the Closing Date shall be the Issue Price thereof. For purposes of computing Accreted Value on a date (a “valuation date”) other than a Compounding Date, the Accreted Value on any such valuation date shall be equal to: (A) the Accreted Value on the next preceding Compounding Date or the Closing Date, as applicable, plus (B)(1) the difference between the Accreted Value on the Closing Date or the Compounding Date next preceding such valuation date, as applicable, and the Accreted Value on the next succeeding Compounding Date (expressed as a positive number), (2) divided by 180 days and (3) multiplied by the number of days from such preceding Compounding Date or Closing Date, as applicable, to the valuation date (computed on the basis of a 360-day year consisting of twelve 30-day months).

“Act” means the City of Albany Parking Authority Act, Title 4-A of Article 7 of the Public Authorities Law of the State of New York, as amended.

“Additional Parking System Revenue Obligations” means notes, bonds (other than the Initial Bonds) or other obligations of the Authority, including Qualified Swaps, which are issued pursuant to the terms of the Indenture and secured by the Trust Estate on a parity with the Initial Bonds.

“Affiliate” means, as to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, “control” (and the correlative terms, “controlled by” and “under common control with”) shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

“Annual Approved Accountant Certificate” means a certificate in the form of Schedule F attached to the Indenture prepared by an Approved Accountant and filed with the Authority on or before April 1 of each Fiscal Year, commencing April 1, 2024 for the Series 2023 Bonds, calculating the Debt Service Coverage Ratio for the prior Fiscal Year and the next succeeding Fiscal Year. The Approved Accountant shall also make written recommendations, as it deems necessary, regarding the financial operations of the Dedicated Parking Facilities based on its estimates of Net Revenues. In making its recommendations, the Approved Accountant shall consider, among other things, actual versus budgeted Net Revenues and Authority Expenses for the current Fiscal Year (taking into account all maintenance and repairs set forth in the Annual Independent Consultant Certificate), compliance with the Debt Service Coverage Ratio Requirement, the effect upon Net Revenues of existing or future competing facilities, proposed Parking Facilities to be acquired, constructed or managed by the Authority, new sources of Net Revenues and recent and proposed parking rate changes.

“Annual Budget” means the annual budget of the Authority, including operating and capital needs, as it shall be amended from time to time by action of the members of the Authority.

“Annual Debt Service” means, with respect to Parking System Revenue Obligations of the Authority, the Debt Service Requirement to be provided for pursuant to Section 4.03 of the Indenture with respect to Outstanding Parking System Revenue Obligations for the Fiscal Year of calculation.

“Annual Independent Consultant Certificate” means a certificate in the form of Schedule G attached to the Indenture prepared by an Independent Consultant and filed with the Authority on or before November 1 of each Fiscal Year, commencing Fiscal Year 2023 for the Series 2023 Bonds, including (A) annual structural inspections and assessments of the Dedicated Parking Facilities, (B) recommendations for repair and maintenance under appropriate specifications necessary or desirable to maintain the Dedicated Parking Facilities in sound and economical operating condition, and (C) estimating the cost of implementing the repairs and maintenance of the Dedicated Parking Facilities for the following calendar year, including the repairs recommended pursuant to item (B) of this definition.

“Approved Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Authority. If such Approved Accountant is an individual, such Person shall not be a member of the Authority or an employee of the Authority or related to a member of the Authority or an employee of the Authority. If the Approved Accountant is other than an individual, such Person shall not have as an owner, director, officer, or employee a member of the Authority or a relative who is a member of the Authority.

“Approved Consultant” means an Independent Consultant selected by the Authority.

“Authority” means the Albany Parking Authority, a body corporate and politic, created by the State pursuant to the Act.

“Authority Board” means the members of the Authority appointed in accordance with the Act.

“Authority Expenses” means Expenses (other than Renewal and Replacement Expenses to be paid for from the Renewal and Replacement Reserve Fund, Interest Requirements, Principal Requirements, deposits to the Debt Service Reserve Fund to make up any deficiency therein, deposits to the Rebate Fund and Renewal and Replacement Reserve Amounts, each of which are to be provided for by deposits to the applicable Fund, Account or Subaccount pursuant to Section 4.03 of the Indenture) incurred directly or indirectly by the Authority in connection with (A) the management, operation, maintenance or repair of Dedicated Parking Facilities (whether or not managed by employees of the Authority or third parties) or (B) performance by the Authority under the Dedicated Parking Facility Agreements, which in either case are included in the Authority’s Annual Budget or otherwise approved pursuant to an Authorized Officer’s Certificate of the Authority. Authority Expenses included in the Authority’s Annual Budget shall be requested pursuant to an Authorized Officer’s Certificate of the Authority which shall set forth (A) the line item in the Annual Budget to which such expense is being charged, and (B) a copy of invoice(s) or other documentation substantiating the costs requested for payment. Expenses not included in the Authority’s Annual Budget or in excess of the amount included therein shall be requested pursuant to an Authorized Officer’s Certificate of the Authority.

“Authorized Officer” means: (A) in the case of the Authority, means the Chairperson, the Vice Chairperson or the Executive Director of the Authority, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Authority; (B) in the case of the Trustee, any officer in its corporate trust division, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the governing body of the Trustee; and (C) in the case of the Paying Agent, any officer in its corporate trust division, and when used with reference to any act or document, including any authentication of the Parking System Revenue Obligations, also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the governing body of the Paying Agent.

“Authorized Officer’s Certificate” means a certificate signed by an Authorized Officer.

“Balloon Indebtedness” means Parking System Revenue Obligations, other than capital appreciation bonds, twenty-five percent (25%) or more of the original principal amount of which becomes due in a single Fiscal Year, which portion of such original principal amount is not required by the documents pursuant to which such Parking System Revenue Obligations are issued to be amortized by payment, redemption or otherwise prior to such Fiscal Year. Balloon Indebtedness shall include Bonds which are required to be purchased by the Authority, or an agent thereof, at the option of the Holder.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“Beneficial Owner” means each entity or person which shall hereafter notify the Trustee and the Authority that it is a beneficial owner of a Parking System Revenue Obligation and shall have supplied such evidence thereof,

if any, as the Trustee shall reasonably request. Each such notification shall be in writing and shall specify a notice address to which communication to such Beneficial Owner shall be addressed.

“Bond Counsel” means Hodgson Russ LLP, Albany, New York, or such other firm of attorneys selected by the Authority whose opinions are regularly accepted nationally in the field of municipal finance.

“Bond Resolution” means the resolution adopted on July 31, 2023 by the members of the board of the Authority authorizing the issuance and sale by the Authority of its Parking System Revenue Bonds, Series 2023A and Series 2023B in the aggregate principal amount of not to exceed \$4,500,000.

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday, other than a day on which banks are authorized or required to be closed in the State, or the state in which the principal corporate trust office of the Trustee is located.

“Capital Addition” means a Capital Expenditure for the renewal, renovation, repair or replacement of any portion of a Dedicated Parking Facility included in the Authority’s Annual Budget or otherwise approved pursuant to an Authorized Officer’s Certificate of the Authority.

“Capital Expenditure” means any expenditure that is considered a capital expenditure under Generally Accepted Accounting Principles, consistently applied.

“Capitalized Interest Subaccount” means with respect to any series of Additional Parking System Revenue Obligations issued under the Indenture, any other capitalized interest subaccount established in the Interest Account pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Cede” means Cede & Co., nominee of DTC.

“Chairperson” means the Chairperson of the Authority elected in accordance with the bylaws of the Authority.

“City” means the City of Albany, New York, a municipal corporation of the State.

“Closing Date” means (A) with respect to the Series 2023 Bonds, the Series 2023 Closing Date and (B) with respect to any series of Additional Parking System Revenue Obligations, the date of original issuance of such series of Additional Parking System Revenue Obligations.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

“Columbia Street Garage” means the approximately 800-space Parking Facility located on the Columbia Street Garage Site.

“Columbia Street Garage Site” means the real estate upon which the Columbia Street Garage is situated, located on Columbia Street in the City, as said real estate is more fully described in Schedule A attached to the Indenture.

“Construction Period” means the period that commences on the Closing Date and ends on the Project Completion Date.

“Continuing Disclosure Agreement” means the agreement of the Authority executed in connection with the issuance of Parking System Revenue Obligations under the Indenture in order to comply with the Rule.

“Costs of Issuance” means costs of issuing Parking System Revenue Obligations, including underwriters’ discount, legal fees and expenses of Bond Counsel, underwriters’ counsel and other specialized counsel, financial advisory fees, Rating Agency fees, initial trustee fees, paying, certifying and registration agent fees, the premium for an Insurance Policy, the premium for a Surety Bond, accounting fees, printing fees, public hearing fees, and feasibility studies related to the issuance of Parking System Revenue Obligations.

“Costs of Issuance Account” means (A) with respect to the Series 2023A Bonds, the Series 2023A Costs of Issuance Account, (B) with respect to the Series 2023B Bonds, the Series 2023B Costs of Issuance Account, and (C) with respect to a series of Additional Parking System Revenue Obligations, any other costs of issuance account established in the Project Fund pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“CPA Verification Report” means a report from a firm of certified public accountants selected by the Authority as to the sufficiency of the moneys and Defeasance Securities deposited with the Holder or the Trustee to pay when due the Principal Requirements of and Interest Requirements on Defeased Bonds on and prior to the redemption date or maturity date thereof.

“Credit Facility” means an Insurance Policy, a Surety Bond, any letter of credit, guarantee, insurance policy, surety agreement, standby bond purchase agreement or other credit enhancement or liquidity facility whereby a national banking association or other entity which has a long-term credit rating assigned by a Rating Agency which is not lower than (A) the highest rating then assigned by any such rating service without regard to qualification by symbols “+” or “-” or a numerical notation agrees to provide for any or all of the Principal Requirements and/or Interest Requirements on any Series of Parking System Revenue Obligations or (B) for the Series 2023 Bonds, the second highest rating then assigned by any such rating service without regard to qualification by symbols “+” or “-” or a numerical notation agrees to provide for any or all of the Principal Requirements and/or Interest Requirements on any Series of Parking System Revenue Obligations.

“Debt Service Coverage Ratio” means the ratio of Net Revenues for a Fiscal Year to Annual Debt Service for such Fiscal Year, or, if so expressly specified, Maximum Annual Debt Service (expressed as the number of times covered).

“Debt Service Coverage Ratio Certificate” means a certificate in the form Schedule E to the Indenture prepared by the Approved Accountant setting forth for the preceding Fiscal Year (A) Net Revenues, and (B) the Debt Service Coverage Ratio, each based on the Financial Statements of the Authority for such Fiscal Year.

“Debt Service Coverage Ratio Requirement” means a Debt Service Coverage Ratio of 1.50 to 1.

“Debt Service Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the aggregate of the Interest Requirements and Principal Requirements payable on the Bonds on such Bond Payment Date, plus (B) the premium, if any, payable on the Bonds on such Bond Payment Date.

“Debt Service Requirement” means, with respect to any period, the aggregate of the Interest Requirements and Principal Requirements.

“Debt Service Reserve Account” means (A) with respect to the Series 2023A Bonds, the Series 2023A Tax-Exempt Debt Service Reserve Account, (B) with respect to the Series 2023B Bonds, the Series 2023B Taxable Debt Service Reserve Account, and (C) with respect to any series of Additional Parking System Revenue Obligations, any debt service reserve account established in the Debt Service Reserve Fund pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Debt Service Reserve Account Requirement” means: (A) with respect to the Series 2023A Bonds, an amount determined pursuant to an Authorized Officer’s Certificate of the Authority on the Closing Date to be the lesser of: (1) the Maximum Annual Debt Service on the Series 2023A Bonds, (2) one hundred twenty-five percent (125%) of the average of annual Debt Service Requirements on the Series 2023A Bonds, and (3) ten percent (10%) of the aggregate Stated Principal Amount of the Series 2023A Bonds; (B) with respect to the Series 2023B Bonds, an amount determined pursuant to an Authorized Officer’s Certificate of the Authority on the Closing Date to be the lesser of: (1) the Maximum Annual Debt Service on the Series 2023B Bonds, (2) one hundred twenty-five percent (125%) of the average of annual Debt Service Requirements on the Series 2023B Bonds, and (3) ten percent (10%) of the aggregate Stated Principal Amount of the Series 2023B Bonds; and (C) with respect to a series of Additional Parking System Revenue Obligations issued under the Indenture, an amount to be determined pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations, denominated a Tax-Exempt

Debt Service Reserve Account if the obligations in such series are Tax-Exempt Bonds, or a Taxable Debt Service Reserve Account if the obligations in such series are not Tax-Exempt Bonds. For purposes of this definition, Accreted Amounts on Parking System Revenue Obligations shall be treated as Principal Requirements payable only at maturity. The Debt Service Reserve Account Requirement may be satisfied in whole or in part by one or more Surety Bonds to make up such amount.

“Debt Service Reserve Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Dedicated Parking Facilities” means (A) the Columbia Street Garage, the Green-Hudson Garage and the Quackenbush Square Garage, as more particularly described in Schedule A, Schedule B and Schedule C attached to the Indenture, (B) the Parking Meters, and (C) such other Parking Facilities as shall be identified as Dedicated Parking Facilities from time to time by the Authority in an Authorized Officer’s Certificate of the Authority delivered to the Trustee and the Insurer.

“Dedicated Parking Facility Agreements” means any and all leases, licenses, tenancies, contracts, agreements or other instruments for the use, occupancy, operation or management of any Dedicated Parking Facility related to the parking of motor vehicles and any Rental Space, including all amendments, extensions and renewals thereof, entered into by the Authority, including, but not limited to, the Parking Meter Agreement and any agreement to be entered into by the Authority and any Person relating to any Dedicated Parking Facilities identified by the Authority after the date of the Indenture, but excluding any and all leases, licenses, tenancies, contracts, agreements or other instruments for the use, occupancy, operation or management of any Dedicated Parking Facility for purposes not related to the parking of motor vehicles (for example, the lease of air rights above any of the Dedicated Parking Facilities for the operation of a hotel, office space or other retail establishment), except for the Rental Space.

“Default” means any event that, with the giving of any applicable notice or passage of time, or both, would be an Event of Default.

“Defeasance Securities” means (A) Government Securities; (B) evidences of ownership of a proportionate interest in specified Government Securities, which Government Securities are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; (C) Defeased Municipal Securities; and (D) evidences of ownership of a proportionate interest in specified Defeased Municipal Securities, which Defeased Municipal Securities are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian.

“Defeased Municipal Securities” means obligations of state or local government bond issuers which are rated the highest rating by S&P or Moody’s, provision for the payment of the principal of and interest and redemption premium, if any, on which shall have been made by deposit with a trustee or escrow agent (pursuant to an agreement which may not be amended to provide for redemption on a date earlier than that originally contemplated by the parties thereto on the date such agreement was first executed) of (A) Government Securities or (B) evidences of ownership of a proportionate interest in specified Government Securities, which Government Securities are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, the maturing principal of and interest on such Government Securities or evidences of ownership, when due and payable, shall provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations of state or local government bond issuers.

“Defeased Parking System Revenue Obligations” means Parking System Revenue Obligations issued that have been discharged, or provision for the discharge of which has been made by a Qualified Escrow, pursuant to the terms of the Indenture.

“Depository Letter” means the Letter of Representations, by and between the Authority and DTC, under which DTC acts as depository for the Initial Bonds.

“Disbursement Request Certificate” means a certificate in the form of Attachment C attached to the Indenture.

“DTC” means The Depository Trust Company, New York, New York, a New York State limited purpose trust company, subject to regulation by the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and the New York State Banking Department, or its successors appointed under the Indenture.

“Emergency Repair” means an unexpected, extraordinary or nonrecurring cost for the repair, replacement or restoration of any portion of a Dedicated Parking Facility, including, without limitation, repairs due to destruction caused by severe weather, acts of God, vandalism or other criminal activity, automobile accidents, fire or explosion.

“Event of Default” means, with respect to the Indenture, any one or more of those events set forth in Section 6.01 of the Indenture.

“Executive Director” means the Executive Director of the Authority appointed in accordance with the Authority’s bylaws.

“Expenses” means all reasonable and necessary expenses of the Authority, including, without limitation, compensation, payroll taxes, benefits and retirement plans for officers and employees, reimbursement of expenses of the Authority Board, rent of office space and office equipment, payroll services, office supplies, utilities, telephone, cell phones, beepers, insurance, taxes, automobile mileage, parking, seminars, publications, ordinary repairs and maintenance, fees for consulting, management and advisory services, auditing, accounting and legal fees, reimbursement of the Authority for costs of goods and services, including employee services, provided to the Authority, expenses incurred in connection with the Authority’s duties under the Indenture, including, without limitation, Costs of Issuance, fees for Credit Facilities and Surety Bonds, fees and expenses for the Trustee and the Paying Agent, fees for accounting and auditing services of the Approved Accountant, fees of the Independent Consultant, fees for legal services of Bond Counsel and any other counsel to the Authority.

“Financial Statements” means the audited financial statements of the Authority including the assets, liabilities and operations of the Dedicated Parking Facilities for the relevant year (including balance sheets, statements of income or loss, total fund equity and retained earnings and cash flows and appropriate notes thereto), as reported upon by the Approved Accountant prepared in accordance with Generally Accepted Accounting Principles.

“Financing Documents” means (A) with respect to the Series 2023 Bonds, the Indenture, the Security Agreement, the Supplemental Indenture, the Series 2023A Tax Regulatory Agreement, and any other document providing for the issuance of any of the Series 2023 Bonds, and any amendments or supplements thereto, and (B) with respect to any series of Additional Parking System Revenue Obligations, the Indenture, the Security Agreement, the Supplement relating thereto, the Tax Regulatory Agreement relating thereto (if any), and any other document providing for the issuance of such series of Additional Parking System Revenue Obligations, and any amendments or supplements thereto.

“Fiscal Quarter” means any of the four three-month periods during the Fiscal Year, the last of which ends on the last day of the Fiscal Year, currently beginning on the first (1st) day of January, April, July and October.

“Fiscal Year” means the fiscal year used for purposes of preparing Financial Statements, currently beginning on January 1 and ending on December 31 of the succeeding calendar year, as it may be amended from time to time.

“Fitch” means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Funds” means the funds so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“General Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Generally Accepted Accounting Principles” means, as of any date of determination, accounting principles set forth as generally accepted in then currently effective Statements of the Auditing Standards Board of the American Institute of Certified Public Accountants, or if such statements are not then in effect, accounting principles that are then approved by a significant segment of the accounting profession in the United States of America. The term “consistently applied,” as used in connection therewith, means that the accounting principles applied are consistent in all material respects to those applied at prior dates or for prior periods.

“Government Securities” means readily marketable non-callable, non-prepayable direct obligations of the United States of America or obligations the principal of and interest on which is unconditionally guaranteed by the full faith and credit of the United States of America.

“Green-Hudson Garage” means the approximately 900-space Parking Facility located on the Green-Hudson Garage Site.

“Green-Hudson Garage Rental Space” means the rental space currently located on Level One of the Green-Hudson Garage.

“Green-Hudson Garage Site” means the real estate upon which the Green-Hudson Garage is situated, located on Green Street and Hudson Avenue in the City, as said real estate is more fully described in Schedule B attached to the Indenture.

“Holder” means the registered owner of any Parking System Revenue Obligation.

“Indenture” means the trust indenture, dated as of June 1, 2001, by the Authority to the Trustee, as amended and supplemented by Supplements as provided in the Indenture.

“Indebtedness” means (A) the payment of the Debt Service Payments on the Parking System Revenue Obligations according to their tenor and effect, (B) all other payments due from the Authority to the Trustee pursuant to any Financing Document, (C) the performance and observance by the Authority of all of the covenants, agreements, representations and warranties made for the benefit of the Trustee pursuant to any Financing Document, and (D) all interest accruing on any of the foregoing.

“Independent Consultant” means any Person with a favorable reputation for skill and experience in the determination of the operation, maintenance, and supervision of parking facilities, who is independent (although such Person may be regularly retained by the Authority) and who is appointed by the Authority. If such Independent Consultant is an individual, such Person shall not be a member of the Authority or an employee of the Authority or related to a member of the Authority or an employee of the Authority. If the Independent Consultant is other than an individual, such Person shall not have as an owner, director, officer, or employee a member of the Authority or a relative who is a member of the Authority.

“Initial Bond Resolution” means the resolution of the Authority entitled “Resolution Authorizing the Issuance and Sale by Albany Parking Authority of its Parking System Revenue Bonds, Series 2001A and Series 2001B in the Aggregate Principal Amount of \$23,380,000 and the Execution of Related Documents” adopted on May 31, 2001 authorizing the issuance of the Initial Bonds.

“Initial Bonds” means, collectively, the Series 2001A Bonds and the Series 2001B Bonds.

“Initial Projects” means, collectively, the Series 2001A Project and the Series 2001B Project.

“Insurance Policy” means a financial guaranty insurance policy issued by an Insurer guarantying the payment of all or a portion of the Principal Requirements and Interest Requirements on a Series of Parking System Revenue Obligations.

“Insurer” means, with respect to any series of Additional Parking System Revenue Obligations, the municipal bond insurance company, if any, providing an Insurance Policy with respect to such series of Additional Parking System Revenue Obligations.

“Interest Account” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Interest Payment Date” means (A) with respect to the Series 2023 Bonds, January 15 and July 15 of each year commencing [January 15, 2024] and (B) with respect to any series of Additional Parking System Revenue Obligations, the dates specified for the payment of interest pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Interest Requirement” means, for any period, the amounts required to be deposited or paid with respect to interest on any Parking System Revenue Obligation, which (A) in the case of the Series 2023A Bonds shall be deposited on each Interest Payment Date to the Series 2023A Tax-Exempt Interest Subaccount (net of the aggregate amount, if any, remaining on deposit in the Series 2023A Tax-Exempt Interest Subaccount following payment of such Interest Requirements on the Series 2023A Bonds on the prior Interest Payment Date) commencing on [January 15, 2024], (B) in the case of the Series 2023B Bonds shall be deposited on each Interest Payment Date to the Series 2023B Taxable Interest Subaccount (net of the aggregate amount, if any, remaining on deposit in the Series 2023B Taxable Interest Subaccount following payment of such Interest Requirements on the Series 2023B Bonds on the prior Interest Payment Date) commencing on [January 15, 2024], and (C) with respect to any series of Additional Parking System Revenue Obligations, shall commence on the date specified in the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Interest Subaccount” means the Series 2023A Tax-Exempt Interest Subaccount and the Series 2023B Taxable Interest Subaccount, and any other interest subaccount established in the Interest Account pursuant to any Supplement.

“Investment Obligations” means:

- (A) Government Securities;
- (B) other certificates or interest-bearing notes or obligations of the United States of America, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest;
- (C) joint and several obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal land banks, all the federal intermediate credit banks, the Central Bank for Cooperatives, The Tennessee Valley Authority, or any other agency of the United States government;
- (D) shares or other interests in any custodial arrangement, pool or no-load, open-end management-type investment company or investment trust registered or exempt under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.), as from time to time amended, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor; provided: (1) the portfolio of such custodial arrangement, pool, investment company or investment trust is limited to obligations described in (A), (B) and (C) above and repurchase agreements fully collateralized by any such obligations; (2) such custodial arrangement, pool, investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; (3) such custodial arrangement or pool is managed to maintain its shares at a constant net asset value or such investment company or investment trust is rated within one of the top two credit rating categories and, for any investment company or investment trust not managed to maintain its shares at a constant net asset value, within one of the top two risk rating categories of any nationally recognized rating service; and (4) the Authority only purchases and redeems shares or other interests in such investment company or investment trust through the use of, or the custodian of such custodial arrangement or pool is, a bank having one or more branches in the State;
- (E) certificates of deposit of any bank, trust company or savings and loan association (including the Trustee) whose short term obligations are rated, at all times, within one of the top two risk rating categories of any nationally recognized rating service, provided that such certificates of deposit are fully secured by the obligations described in (A), (B) or (C) above, the Trustee has a perfected first priority security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates;
- (F) certificates of deposit of any bank, trust company or savings and loan association (including the Trustee), which certificates are fully insured by the Federal Deposit Insurance Corporation;

(G) obligations of any state of the United States or of any political subdivision, authority or agency thereof, provided that at the time of investment such obligations are rated within one of the top two rating categories of any nationally recognized rating service;

(H) obligations of the State, or any school district, town, city, village or other public corporation of the State, provided that at the time of investment the obligations of such governmental entity are rated within one of the top three rating categories of any nationally recognized rating service;

(I) investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements rated, or with any financial institution or corporation whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, at the time such agreement or contract is entered into, in one of the two highest long-term rating categories by Fitch (if rated by Fitch), Moody's and S&P if the Authority has an option to terminate such agreement in the event that either such rating is downgraded below AA by Fitch (if rated by Fitch), Aa by Moody's or AA by S&P, or if not so rated, then collateralized by securities described in clause (A) or (B) above with any registered broker/dealer or with any domestic commercial bank whose long-term debt obligations are rated "investment grade" by each of Fitch (if rated by Fitch), S&P and Moody's, provided that (1) a specific written agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank or (b) a member of the Federal Deposit Insurance corporation that has combined surplus and undivided profits of not less than \$25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has a term of thirty days or less, or the collateral securities are to be valued on behalf of the Authority no less frequently than monthly and the Trustee notified in writing of the results thereunder and if any deficiency in the required collateral percentage is not restored within five Business Days of such valuation, the Trustee is to liquidate the collateral securities and (4) the fair market value of the collateral securities in relation to the amount of the obligation, including principal and interest, is equal to at least 104% or, if the collateral securities are described in (B) above, at least 105%;

(J) money market funds subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two nationally recognized rating agencies, including such funds for which the Trustee or an affiliate of the Trustee serves as investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (i) the Trustee charges and collects fees and expenses from such funds for services rendered, (ii) the Trustee charges and collects fees and expenses for services rendered pursuant to the Indenture and (iii) services performed for such funds and pursuant to the Indenture may converge at any time; and

(K) any other investment permitted by law, provided such investment is rated within one of the top two rating categories of any nationally recognized rating service.

"Issue Price" means the first price at which at least ten percent (10%) of Parking System Revenue Obligations are sold to the public (not including bond houses or brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), or if privately placed, the price paid by the first buyer of such Parking System Revenue Obligations. The Issue Price of Parking System Revenue Obligations which are not substantially identical is determined separately.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any Property, including any agreement to grant any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and/or the filing of or agreement to give any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction with respect to any Property.

"Maintenance Capital Expenditure" means a Capital Expenditure for the maintenance, repair, restoration or refurbishment of Parking Facilities, but excluding any Capital Expenditure which adds to or further improves a Parking Facilities.

"Maximum Annual Debt Service" means, with respect to Parking System Revenue Obligations of the Authority, that amount which is the greatest Debt Service Requirement payable by the Authority with respect to

Outstanding Parking System Revenue Obligations in any Fiscal Year ending after the date of calculation (or, if earlier, after the last day of the period for which the calculation was made).

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their 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 Authority.

“Negative Pledge” means any covenant binding on the Authority or the Trust Estate that prohibits the creation of Liens on the Trust Estate.

“Net Revenues” means Revenues less Operation and Maintenance Monthly Amounts (but excluding, for purposes of calculating the Debt Service Coverage Ratio, all expenses expressly subordinate to Debt Service Requirements).

“NRMSIR” means any nationally recognized municipal securities information repository recognized by the SEC pursuant to the Rule.

“Official Statement” means, with respect to any series of Parking System Revenue Obligations, the offering document or documents of the Authority (if any) utilized in connection with the sale of such series of Parking System Revenue Obligations.

“Operation and Maintenance Monthly Amount” means the Operation and Maintenance Requirement divided by twelve (12) to be deposited monthly in the General Fund, commencing on the 20th day of the month first occurring following the occurrence of an Event of Default under the Indenture.

“Operation and Maintenance Requirement” means the total amount included in the Authority’s Annual Budget for Authority Expenses for the current Fiscal Year.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Trustee.

“Outstanding” means, when used with reference to Parking System Revenue Obligations, as of any date of determination, all Parking System Revenue Obligations theretofore issued or incurred and not paid and discharged other than:

(A) any Parking System Revenue Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(B) any Parking System Revenue Obligations the payment, required prepayment of principal or redemption for which is to be provided from a Qualified Escrow;

(C) any Parking System Revenue Obligations in lieu of which other Parking System Revenue Obligations have been authenticated and delivered pursuant to the provisions of the Indenture regarding mutilated, destroyed, lost or stolen Parking System Revenue Obligations unless proof satisfactory to the Trustee has been received that any such Parking System Revenue Obligations exist and are held by a bona fide purchaser in due course; and

(D) any Parking System Revenue Obligations deemed paid pursuant to the provisions of the Indenture.

“Parking Facilities” means lots, garages, parking terminals or other structures and accommodations, including real property or an interest therein, for the parking of motor vehicles on or off the street or highway and open to public use with or without charge, as defined in the Act, including the Columbia Street Garage, the Green-Hudson Garage, the Quackenbush Square Garage and the Parking Meters.

“Parking Meter Agreement” means the Comprehensive Parking Meter Licensure and Management Agreement dated April 13, 1998 by and between the City and the Authority, as amended by an Addendum Agreement

dated December 16, 1999 and a Second Addendum dated December 14, 2000, as said agreement may be further amended or supplemented from time to time.

“Parking Meters” means all parking meters operated by the Authority pursuant to the Parking Meter Agreement.

“Parking System Revenue Obligations” means the Initial Bonds and any Additional Parking System Revenue Obligations issued pursuant to the Indenture.

“Parking System” means the Dedicated Parking Facilities.

“Paying Agent” means the Trustee acting in the capacity of a paying agent pursuant to the Indenture.

“Permitted Encumbrances” means any of the following: (A) liens for taxes, assessments or governmental charges or levies not yet delinquent, or which are being contested in good faith by appropriate proceedings so long as no foreclosure tax sale can occur during such proceedings; (B) inchoate liens imposed by law but not yet having attached to any real property or leasehold, such as materialmen’s, mechanics’, carriers’, worker’s, employees’ and repairmen’s liens and other similar liens arising in the ordinary course of the Authority’s business and securing obligations that have not remained unpaid for more than thirty (30) days from the date the same shall have become due, except liens which are being contested in good faith by appropriate proceedings so long as no foreclosure sale can occur during such proceedings; (C) liens in favor of the Authority or the Trustee created pursuant to the Indenture or any related documents; (D) liens existing on the Closing Date on the Dedicated Parking Facilities described in Schedule D; (E) the lien of purchase money security interests or capitalized leases; (F) utility, access and other easements and rights of way, mineral rights, encroachments and exceptions which will not interfere with or impair the present or future operations of the Authority with respect to the Dedicated Parking Facilities, and minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to properties similarly used for parking purposes which do not materially impair the use of the properties affected thereby; (G) a lease or license for the use of a part or parts of the property of the Authority to any person for use in performing services necessary or desirable for proper and economical operation and use of the Authority, provided that such lease or license will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds which were issued as Tax-Exempt Bonds; and (H) the additional Permitted Encumbrances set forth on Schedule D attached to the Indenture.

“Person” means any entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, political subdivision, firm, joint venture or otherwise.

“Plans” means with respect to any Project, the plans, specifications and contracts for the design and construction such Project identified in the Supplement relating to the Parking System Revenue Obligations relating to such Project.

“Pre-Issuance Accrued Interest” means amounts representing interest that accrues on Parking System Revenue Obligations for a period not greater than one year before the Closing Date and is paid within one year after the Closing Date.

“Principal Account” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Principal Payment Date” means (A) with respect to the Series 2023 Bonds, July 15 of each year, commencing on [January 15, 2023] and (B) with respect to any series of Additional Parking System Revenue Obligations, the dates specified for the payment of principal or Sinking Fund Installments with respect thereto pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Principal Requirement” means, for any period, the amounts required to be deposited or paid with respect to principal or Sinking Fund Installments of any Parking System Revenue Obligation, (A) which in the case of the Series 2023A Bonds shall be deposited to the Series 2023A Tax-Exempt Principal Subaccount (net of the aggregate amount, if any, remaining on deposit in the Series 2023A Tax-Exempt Principal Subaccount following payment of such Principal Requirements on the Series 2023A Bonds on the prior Interest Payment Date) commencing on [January

15, 2023], (B) which in the case of the Series 2023B Bonds shall be deposited to the Series 2023B Taxable Principal Subaccount (net of the aggregate amount, if any, remaining on deposit in the Series 2023B Taxable Principal Subaccount following payment of such Principal Requirements on the Series 2023B Bonds on the prior Interest Payment Date) commencing on [January 15, 2023], and (C) which in the case of a series of Additional Parking System Revenue Obligations, shall be deposited and commence on a date as specified in the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Principal Subaccount” means (A) the Series 2023A Tax-Exempt Principal Subaccount, (B) the Series 2023B Taxable Principal Subaccount, and (C) any other principal subaccount established in the Principal Account pursuant to a Supplement.

“Prior Columbia Street Bonds” means the Authority’s Parking Revenue Refunding Bonds, Series 1992A, originally issued on or about November 19, 1992 in the original aggregate principal amount of \$6,758,061.20 for the purpose of advance refunding the Authority’s bonds issued on June 28, 1989 to advance refund the Authority’s bonds issued on December 11, 1984 to finance the construction of the Columbia Street Garage.

“Prior Green-Hudson Bonds” means the Authority’s (Green-Hudson Garage Project) Parking Revenue Refunding Bonds (Letter of Credit Secured), Series 1991A, originally issued on or about October 16, 1991 in the original aggregate principal amount of \$10,348,128.75 for the purpose of advance refunding the Authority’s bonds issued on December 15, 1986 to finance the construction of the Green- Hudson Garage.

“Project” means the Initial Projects and any other lease, acquisition, construction, equipping, expansion, improvement, maintenance or operation of any other Parking Facility, plus Costs of Issuance associated therewith and any other purpose specified under the Act, in the Indenture or in any Supplement.

“Project Account” means with respect to any series of Additional Parking System Revenue Obligations issued under the Indenture, any other project account established in the Project Fund pursuant to the Supplement relating to such series of Additional Parking System Revenue Obligations.

“Project Completion Date” means (A) with respect to the Series 2023 Project, the date on which the Approved Consultant delivers to the Trustee a notice that the Series 2023 Project has been substantially completed in accordance with the Plans, has received all municipal certificates of occupancy necessary and is immediately available for use and has been fully paid for in accordance with any applicable contracts, and (B) with respect to any other Project financed under the Indenture, such date as shall be determined by the Supplement relating to such Project.

“Project Costs” means any and all costs of a Project to be financed with the proceeds of Parking System Revenue Obligations, as permitted under the Act, under the Indenture and pursuant to a Supplement.

“Project Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Quackenbush Square Garage Construction Contract” means, collectively, the construction contracts entered into (or to be entered into) by the Authority relating to the construction of the Quackenbush Square Garage.

“Quackenbush Square Garage” means the 874-space garage to be constructed and equipped on the Quackenbush Square Garage Site, as further described in Schedule C to the Indenture, in accordance with the Plans.

“Quackenbush Square Garage Project” means (A) the acquisition of the Quackenbush Square Garage Site, and (B) the construction and equipping of the Quackenbush Square Garage, in accordance with the Quackenbush Square Garage Construction Contract and the other Plans applicable to the Quackenbush Square Garage Project.

“Quackenbush Square Garage Site” means the real estate upon which the Quackenbush Square Garage is to be situated, located on Broadway adjacent to Quackenbush Square in the City, as said real estate is more fully described in Schedule C attached to the Indenture.

“Qualified Escrow” means a segregated escrow fund or other similar fund or account which is: (A) irrevocably established as security for Outstanding Parking System Revenue Obligations; (B) held by the Holder of such Outstanding Parking System Revenue Obligations or by a trustee or agent acting on behalf of such Holder; (C) consists of cash or Defeasance Securities; and (D) is required by the documents establishing such fund or account to be applied to the Debt Service Requirements of such Outstanding Parking System Revenue Obligations.

“Qualified Swap” means a financial arrangement (A) entered into by the Authority with an entity which has been assigned directly, or by virtue of a corporate parent guarantee, at the time the arrangement is entered into a credit rating by a Rating Agency, so long as such Rating Agency continues to maintain a rating on the Parking System Revenue Obligations, and any such other firm that continues to maintain a rating on the Parking System Revenue Obligations which is not lower than the highest ratings then assigned by such rating service without qualification by symbols “+” or “-” or a numerical notation; and that provides that Authority pay or receive interest on a notional amount; provided that not less than fifteen (15) days prior to entering into any Qualified Swap, the Authority shall provide the Rating Agency so long as it continues to maintain a rating on the Parking System Revenue Obligations and any such other firm that continues to maintain a rating on the Parking System Revenue Obligations with an opportunity to review such proposed Qualified Swap.

“Rating Agency” means Fitch, Moody’s or S&P.

“Rebate Account” means the Series 2023A Rebate Account, the Series 2023B Rebate Account and any other account established in the Rebate Fund pursuant to a Supplement.

“Rebate Amount” means an amount determined in accordance with a Tax Regulatory Agreement executed in connection with the issuance of Parking System Revenue Obligations.

“Rebate Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Record Date” means, with respect to the interest and any Sinking Fund Installment or principal payment due on the Parking System Revenue Obligations prior to maturity payable on any Parking System Revenue Obligation on any Interest Payment Date, the first (1st) day of the calendar month in which such Interest Payment Date occurs (or the preceding Business Day if such first (1st) day is not a Business Day).

“Redemption Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Redemption Price” means the principal amount (or Accreted Amount with respect to the Parking System Revenue Obligations which are capital appreciation bonds) of a Parking System Revenue Obligation plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture or any Supplement.

“Regulations” means the proposed, temporary or final Income Tax Regulations promulgated under the Code, as such regulations may be amended for time to time.

“Reimbursement Agreement” means with respect to Additional Parking System Revenue Obligations, any reimbursement agreement with respect to a Credit Facility specified in a Supplement.

“Renewal and Replacement Reserve Amount” means the Renewal and Replacement Reserve Fund Requirement to be deposited yearly in the Renewal and Replacement Reserve Fund.

“Renewal and Replacement Reserve Fund” means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Renewal and Replacement Reserve Fund Requirement” means the aggregate of Fifty Thousand Dollars (\$50,000.00) per Fiscal Year for each structured Parking Facility constituting a Dedicated Parking Facility for such year.

“Renewal and Replacement Expenses” means the costs of Capital Additions or Emergency Repairs which may be funded from amounts approved in the current Annual Budget and/or amounts on deposit in the Renewal and

Replacement Reserve Fund. Renewal and Replacement Expenses for Capital Additions included in the Authority's Annual Budget shall be requested pursuant to an Authorized Officer's Certificate of the Authority) which shall set forth (A) a description of the Capital Addition to be financed by the Renewal and Replacement Expenses and the date such Capital Addition will be completed, (B) the total cost of such Capital Addition, which shall not exceed the amount included in the Authority's Annual Budget for such item, (C) the amount currently requested for the cost of such Capital Addition, (D) the source of payment of such Renewal and Replacement Expenses (amounts approved in the current Annual Budget and/or amounts on deposit in the Renewal and Replacement Reserve Fund) with a statement as to amounts paid to date and to be requisitioned in the future for such Capital Addition, and (E) a copy of invoice(s) substantiating the costs requested for payment. Renewal and Replacement Expenses for Capital Additions not included in the Authority's Annual Budget or in excess of the amount included therein shall be approved by an Authorized Officer of the Authority. Renewal and Replacement Expenses for Emergency Repairs shall be requested pursuant to an Authorized Officer's Certificate of the Authority, which shall set forth (1) a description of the emergency condition giving rise to such Emergency Repair and (2) the nature and cost thereof. The amount requested for an Emergency Repair shall not exceed the amount on deposit in the Renewal and Replacement Reserve Fund and shall be subsequently substantiated by a copy of the invoice(s) for such Emergency Repair.

"Rental Space" means the Green-Hudson Garage Rental Space and any other rental space located in a Dedicated Parking Facility, but not including the lease of air rights above any of the Dedicated Parking Facilities for the operation of a hotel, office space or other retail establishment.

"Reserved Rights" shall mean the rights of the Authority to amend, extend, replace, terminate, renew, renegotiate or change any of the terms of any of the Dedicated Parking Facility Agreements in the Authority's sole discretion, including but not limited to, canceling a Dedicated Parking Facility Agreement and operating the respective Dedicated Parking Facility with Authority employees, subject only to the covenant set forth in Section 5.15 of the Indenture.

"Revenue Fund" means the fund so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

"Revenues" means: "Revenues" means (A) revenues, receipts, income, funds and moneys received by the Authority for the use, occupancy or operation of the Dedicated Parking Facilities related to the parking of motor vehicles including, but not limited to, (1) amounts received pursuant to Dedicated Parking Facility Agreements, and (2) amounts pledged by the Authority for the use, occupancy or operation of Dedicated Parking Facilities designated by the Authority in the future (whether or not operated by the Authority or a private manager), but excluding amounts received from the use, occupancy or operation of the Dedicated Parking Facilities for purposes not related to the parking of motor vehicles (for example, the lease of air rights above any of the Dedicated Parking Facilities for the operation of a hotel, office space or other retail establishment), except for the Rental Space; (B) amounts received from the use, occupancy or operation of the Rental Space; (C) all Net Proceeds of the business interruption insurance required by Section 5.03(A)(5) of the Indenture; and (D) all earnings on amounts held in the Funds and Accounts and, additionally, all such amounts including, but not limited to, withdrawals from subaccounts of the Debt Service Reserve Fund relating to Parking System Revenue Obligations to be refunded or which have matured, which are transferred to the Revenue Fund pursuant to Section 4.06(C) of the Indenture.

"Right of Others" means, as to any Property in which a Person has an interest, (A) any legal or equitable right, title or other interest (other than a Lien) held by any other Person in or with respect to that Property, and (B) any option or right held by any other Person to acquire any right, title or other interest in or with respect to that Property, including any option or right to acquire a Lien.

"Rule" means Rule 15c2-12(b)(5) of the SEC under the Securities Exchange Act of 1934, as such Rule may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"SID" means any state information depository established or designated by the State and recognized by the Securities and Exchange Commission.

"S&P" means Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation

shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agreement” means the Security Agreement and Collateral Assignment dated as of June 1, 2001 from the Authority to the Trustee, as said security agreement and collateral assignment may be amended or supplemented from time to time.

“Series” means each issue of Parking System Revenue Obligations, including the Initial Bonds, issued pursuant to the Indenture.

“Series 2001A Bonds” means the Parking System Revenue Bonds, Series 2001A in the aggregate principal amount of \$21,535,000 issued by the Authority on June 19, 2001 for the purpose of providing financing for the Series 2001A Project.

“Series 2001A Project” means, collectively: (A) the acquisition of the Quackenbush Square Garage Site, (B) the construction and equipping of the Quackenbush Square Garage Project, (C) the refinancing of certain of the Prior Green-Hudson Bonds, (D) the funding of a debt service reserve account and a capitalized interest account for the Series 2001A Bonds, (E) the payment of the premium for a Credit Facility, if any, for the Series 2001A Bonds, and (F) the payment of certain Costs of Issuance of the Series 2001A Bonds.

“Series 2001B Bonds” means the Parking System Revenue Bonds, Series 2001B in the aggregate principal amount of \$6,845,000 to be issued by the Authority on August 3, 2001 for the purpose of providing financing for the Series 2001B Project.

“Series 2001B Project” means (A) the refinancing of certain of the Prior Columbia Street Bonds, (B) the funding of a debt service reserve account for the Series 2001B Bonds, and (C) the payment of certain costs of issuance of the Series 2001B Bonds.

“Series 2007A Bonds” means the Insured Parking System Revenue Refunding Bonds, Series 2007A in the aggregate principal amount of \$10,775,000 issued by the Authority on May 4, 2007 for the purpose of providing financing for the refunding of the outstanding Series 2001A Bonds.

“Series 2018 Bonds” means, collectively the (A) Series 2018A Bonds and (B) Series 2018B Bonds.

“Series 2018 Closing Date” means the date on which authenticated Series 2018A Bonds and Series 2018B Bonds are delivered to or upon the order of the purchaser thereof is received therefor by the Trustee on behalf of the Authority.

“Series 2018 Project” means (A) refunding all or a portion of the outstanding principal balance of the Series 2007A Bonds, (B) satisfying the debt service reserve fund requirement to secure the Series 2018 Bonds and (C) paying the costs of issuing the Series 2018 Bonds.

“Series 2018A Bonds” means the Parking System Revenue Refunding Bonds, Series 2018A in the aggregate principal amount of \$4,680,000 to be issued by the Authority on February 8, 2018 for the purpose of providing financing for the Series 2018 Project.

“Series 2018A Tax-Exempt Interest Subaccount” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Series 2018A Tax-Exempt Principal Subaccount” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Series 2018A Tax Regulatory Agreement” means the Tax Regulatory Agreement, including all appendices, certificates, attachments, and amendments thereto, executed by the Authority and the Trustee in connection with the issuance and delivery of the Series 2018A Bonds, as said tax regulatory agreement may be amended or supplemented from time to time.

“Series 2018B Bonds” means the Parking System Revenue Refunding Bonds, Series 2018B (Federally Taxable) in the aggregate principal amount of \$1,060,000 to be issued by the Authority on February 8, 2018 for the purpose of providing financing for the Series 2018 Project..

“Series 2018B Taxable Interest Subaccount” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Series 2018B Taxable Principal Subaccount” means the account so designated, created, and established pursuant to Section 4.01(A) of the Indenture.

“Series 2023 Bonds” means, collectively the (A) Series 2023A Bonds and (B) Series 2023B Bonds.

“Series 2023 Project” means (A)(1) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, signage and other finishes (collectively, the “Equipment”) and the undertaking of various interior infrastructure, recreation and other improvements (collectively, the “Improvements”) (the Equipment and the Improvements being collectively referred to as the “Facility”) to certain existing public parking lots, garages and related real property areas owned and/or operated by the Authority and located within the City (the “Existing Parking Facilities”), (2) the reconstruction and renovation of the Existing Parking Facilities (the Equipment, the Improvements and the Existing Parking Facilities being collectively referred to as the “Project Facility”), (B) the funding of a debt service reserve account and a capitalized interest account, if required, for the Series 2023 Bonds (as hereinafter defined), and (C) the payment of certain costs of issuance of the Series 2023 Bonds.

“Series 2023A Bonds” means the Parking System Revenue Bonds, Series 2023A (Federally Tax-Exempt) in the aggregate principal amount of [\$2,660,000] to be issued by the Authority on [October __, 2023] for the purpose of providing financing for the Series 2023 Project.

“Series 2023A Tax Regulatory Agreement” means the Tax Regulatory Agreement, including all appendices, certificates, attachments, and amendments thereto, executed by the Authority and the Trustee in connection with the issuance and delivery of the Series 2023A Bonds, as said tax regulatory agreement may be amended or supplemented from time to time.

“Series 2023B Bonds” means the Parking System Revenue Bonds, Series 2023B (Federally Taxable) in the aggregate principal amount of [\$1,585,000] to be issued by the Authority on [October __, 2023] for the purpose of providing financing for the Series 2023 Project.

“Sinking Fund Installment” means the amount of money sufficient to redeem Parking System Revenue Obligations subject to mandatory redemption at the principal amount thereof in the amounts, at the times and in the manner set forth in the Indenture or in a Supplement with respect to a Series of Parking System Revenue Obligations.

“State” means the State of New York.

“Stated Principal Amount” means par amount, unless the Parking System Revenue Obligations are issued with original issue discount or premium of more than two percent (2%) of such par amount, in which case Stated Principal Amount shall mean Issue Price excluding Pre-Issuance Accrued Interest.

“Subordinated Parking System Revenue Obligations” means bonds, notes and other indebtedness (A) issued pursuant to instruments other than the Indenture, the repayment of which is secured by a lien on Net Revenues subordinate in priority to the Lien established by the Indenture for Parking System Revenue Obligations and (B) issued in accordance with Section 2.18 of the Indenture.

“Successor Trustee” means Successor Trustee as defined in Section 7.03 of the Indenture.

“Supplement” means an indenture, resolution, or comparable instrument supplemental to, and authorized and executed pursuant to the terms of, the Indenture.

“Supplemental Indenture” means the Supplement dated as of [October 1, 2023], between the Authority and the Trustee.

[“Surety Bond” means a Credit Facility for deposit in a Debt Service Reserve Account, which Surety Bond is in a form acceptable to the Insurer of the Parking System Revenue Obligations for which such Debt Service Reserve Account is established. Any such Surety Bond shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification by the Trustee that the funds drawn thereunder are to be used for the purposes of the Debt Service Reserve Fund set forth in Section 4.07 of the Indenture. Such Surety Bond shall provide that the Trustee shall receive payment thereunder: (A) whenever moneys are required for the purposes for which Debt Service Reserve Fund moneys may be applied and (B) 30 days prior to any expiration or termination thereof; provided however, that no such drawing need be made if other moneys (including another Surety Bond) are available in the Debt Service Reserve Account in the amount of the Debt Service Reserve Account Requirement. The Trustee may request and be entitled to rely on an opinion of Bond Counsel that such Surety Bond meet the requirements of this definition.]

[“Surety Provider” means the issuer of such Surety Bond as provided in a Supplement.]

“Tax-Exempt Bond” means any Parking System Revenue Obligation issued as an obligation of the Authority, the interest on which is intended to be excluded from the gross income of the holder thereof pursuant to Section 103 of the Code.

“Tax Regulatory Agreement” means (A) with respect to the Series 2023A Bonds, the Series 2023A Tax Regulatory Agreement relating thereto and (B) with respect to any series of Additional Parking System Revenue Obligations intended to be issued as Tax-Exempt Bonds, any Tax Regulatory Agreements executed in connection with the issuance of such series of Additional Parking System Revenue Obligations, as said tax regulatory agreement may be amended or supplemented from time to time.

“Transfer Fund” means the fund so designated, created and established pursuant to Section 4.01(A) of the Indenture.

“Trustee” means Manufacturers and Traders Trust Company, a New York trust company, duly qualified to accept and administer the trusts created by the Indenture, with a corporate trust office located at 285 Delaware Avenue, 3rd Floor, Buffalo, New York.

“Trust Estate” means the Trust Estate as defined in the Granting Clauses of the Indenture.

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SUMMARY 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 Official Statement under the captions “INTRODUCTION”, “PART 1 – AUTHORIZATION AND PLAN OF FINANCING” and “PART 6 – SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2023 BONDS.”

The Series 2023 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.

Restriction on Issuance of Bonds *(Section 2.01)*

Pursuant to the Initial Bond Resolution, the Authority has authorized the execution of the Indenture and the issuance of Parking System Revenue Obligations under the Indenture.

Subsequent Parking System Revenue Obligations issued under the Indenture shall be entitled “Albany Parking Authority Parking System Revenue _____, Series 20_“, with the type of obligation, the year of issuance and a capital letter designating the Series issued in such year, inserted in such spaces, respectively.

Limited Obligations *(Section 2.01)*

Parking System Revenue Obligations issued under the Indenture shall be special revenue obligations of the Authority payable solely out of the revenues and other receipts, funds, and moneys pledged therefor pursuant to the Indenture and secured by the liens created by the Indenture, including a security interest in the Trust Estate.

PARKING SYSTEM REVENUE OBLIGATIONS SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE CITY, THE AUTHORITY, THE STATE NOR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL PARKING SYSTEM REVENUE OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OR PROPERTY OF THE AUTHORITY, EXCEPT TO THE EXTENT PLEDGED UNDER THE INDENTURE.

Parking System Revenue Obligations shall not constitute indebtedness of the City within the meaning of any debt limitation or restriction. Neither the faith nor credit nor the taxing power of the City or the State is pledged to the payment of the Principal Requirements of or the Interest Requirements on Parking System Revenue Obligations. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of, or the premium, if any, or interest on, any Parking System Revenue Obligation or for any claim based thereon or on the Indenture against any past, present or future member, officer, employee or agent, as such, of the Authority or of any predecessor or successor corporation, either directly or through the Authority or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

Additional Parking System Revenue Obligations *(Section 2.17)*

In addition to the Initial Bonds initially issued under the Indenture, the Authority may issue Additional Parking System Revenue Obligations on a parity with all Outstanding Parking System Revenue Obligations and secured on an equal and ratable basis with all Outstanding Parking System Revenue Obligations, for financing Projects as shall be approved by the Authority, which may include refunding in whole or in part a previously issued Series of Parking System Revenue Obligations. The issuance of any Additional Parking System Revenue Obligations may be conditioned upon the Trustee’s receipt of an Opinion of Counsel for the Authority that the issuance of such Additional Parking System Revenue Obligations is permitted under the Indenture, and to the knowledge of such counsel for the Authority, after due inquiry, all other agreements by which the Authority is bound.

The issuance of Additional Parking System Revenue Obligations shall comply with the restrictions on the issuance of additional indebtedness contained in Section 5.05 of the Indenture. Additional Parking System Revenue Obligations shall be in the form described, shall be dated, shall bear interest until their maturity at such rate or rates payable on such date or dates and shall mature on such date or dates and shall have such other terms and conditions not inconsistent with the provisions of the Indenture as shall be provided for in any Supplement authorizing the issuance thereof. Additional Parking System Revenue Obligations may be issued in one or more series.

Each Supplement executed in connection with the issuance of Additional Parking System Revenue Obligations shall specify:

- (1) the form of such Additional Parking System Revenue Obligations;
- (2) the authorized principal amount of such Additional Parking System Revenue Obligations;
- (3) the general purposes for which such Additional Parking System Revenue Obligations are being issued and the application of the proceeds of such Additional Parking System Revenue Obligations;
- (4) the date, maturity dates and amounts of each maturity and the first subsequent payment dates of such Additional Parking System Revenue Obligations or the manner of determining such items;
- (5) the interest rate or rates of such Additional Parking System Revenue Obligations, or the manner of determining such rate or rates; and
- (6) any other provisions deemed advisable by the Authority, in lieu of or in substitution for the provisions of the Indenture to the extent such action is permitted to be taken under the Indenture without the consent of the Holders.

Subordinated Parking System Revenue Obligations *(Section 2.18)*

The Authority may issue Subordinated Parking System Revenue Obligations in accordance with the Act. Such Subordinated Parking System Revenue Obligations shall be issued pursuant to instruments other than the Indenture and the repayment of which may be secured by a lien on Net Revenues subordinate in priority to the Lien established by the Indenture for Parking System Revenue Obligations.

Establishment of Funds *(Section 4.01)*

The Indenture creates and establishes the following funds and separate accounts within funds to be held and administered by the Trustee as provided under the Indenture:

- (1) the Revenue Fund;
- (2) the General Fund;
- (3) the Project Fund;
- (4) the Debt Service Fund, and within the Debt Service Fund, the following accounts and subaccounts:
 - (a) the Interest Account;
 - (b) the Principal Account;
- (5) the Debt Service Reserve Fund;
- (6) the Rebate Fund;
- (7) the Renewal and Replacement Reserve Fund;

- (8) the Redemption Fund; and
- (9) the Transfer Fund.

Additional funds may be established pursuant to Supplements or amendments as determined by the Authority. Additional accounts or subaccounts in such funds may be established in connection with the issuance of Additional Parking System Revenue Obligations and otherwise as determined by the Authority and designated accordingly.

Application of Proceeds of Parking System Revenue Obligations (*Section 4.02*)

Moneys received by the Authority from the sale of Additional Parking System Revenue Obligations under the Indenture shall be applied as determined by Supplements.

Deposit of Revenues upon Default; Application of Moneys in the Revenue Fund (*Section 4.03*)

Prior to the occurrence of an Event of Default, the Authority shall have the right to administer and collect all Revenues.

Upon the occurrence and during the continuance of an Event of Default under the Indenture, and subject to Permitted Encumbrances, the Authority agrees to turn all Revenues over to the Trustee, and, upon receipt thereof, the Trustee shall forthwith deposit any Revenues so received by the Trustee pursuant to the Indenture (including revenues received pursuant to Section 5.01(D) of the Indenture) to the credit of the Revenue Fund. Upon receipt thereof in the Revenue Fund, the Trustee shall promptly transfer and credit, on the twentieth (20th) day of each month (or the next succeeding Business Day if the twentieth (20th) day is not a Business Day), to the General Fund, the Operation and Maintenance Monthly Amount. After deducting the Operation and Maintenance Monthly Amount, Net Revenues remaining on deposit in the Revenue Fund shall be immediately transferred from the Revenue Fund and credited as follows and in the following order of priority:

FIRST: To the Interest Account in the Debt Service Fund, an amount (to be credited to the applicable Interest Subaccount) equal to the aggregate of the Interest Requirements on the next succeeding Interest Payment Date for all Parking System Revenue Obligations Outstanding (net of the aggregate amount, if any, remaining on deposit in the Interest Subaccounts and any Capitalized Interest Subaccounts following payment of such Interest Requirements on each Series of Parking System Revenue Obligations Outstanding on the prior Interest Payment Date) divided by six (6), provided however, if such Interest Payment Date shall be the first Interest Payment Date for any such Series of Parking System Revenue Obligations Outstanding following an Event of Default, the Interest Requirement for such Parking System Revenue Obligations shall be divided by the number of times Net Revenues are expected to be transferred from the Revenue Fund between the date of commencement of such payments from the Reserve Fund and the date of such first Interest Payment Date, both inclusive, and provided however, if Net Revenues are insufficient for such purpose, then pro rata to each such Interest Subaccount;

SECOND: To the Principal Account in the Debt Service Fund, an amount (to be credited to the applicable Principal Subaccount) equal to the aggregate of the Principal Requirements on the next succeeding Principal Payment Date for all Parking System Revenue Obligations Outstanding (net of the aggregate amount, if any, remaining on deposit in the Principal Subaccounts following payment of such Principal Requirements on each Series of Parking System Revenue Obligations Outstanding on the prior Principal Payment Date) divided by twelve (12), provided however, if such Principal Payment Date shall be the first Principal Payment Date for any such Series of Parking System Revenue Obligations Outstanding following an Event of Default and there shall be less than twelve (12) months from the date of commencement of such payments from the Revenue Fund to such Principal Payment Date, the Principal Requirement for such Parking System Revenue Obligations shall be divided by the number of times Net Revenues are expected to be transferred from the Revenue Fund between the date of commencement of such payments from the Revenue Fund and the date of such first Principal Payment Date, both inclusive, and provided however, if Net Revenues are insufficient for such purpose, then pro rata to each such Principal Subaccount;

THIRD: To each applicable Debt Service Reserve Account in the Debt Service Reserve Fund established for Parking System Revenue Obligations, first, the amount necessary to reimburse any amounts

drawn under a Surety Bond on deposit in a Debt Service Reserve Account for a Series of Parking System Revenue Obligations, and second, the amount necessary to restore the amount on deposit in any Debt Service Reserve Account for a Series of Parking System Revenue Obligations to the Debt Service Reserve Account Requirement, all in accordance with Section 4.07(a), and provided however, if Net Revenues are insufficient for such purposes, then pro rata to each such Debt Service Reserve Account for each such purpose in the order of priority set forth in this paragraph;

FOURTH: To each applicable Rebate Account in the Rebate Fund established for Parking System Revenue Obligations, any amount required to be deposited thereto in accordance with Section 4.08, and provided however, if Net Revenues are insufficient for such purpose, then pro rata to each such Rebate Account; and

FIFTH: To the Renewal and Replacement Reserve Fund, the Renewal and Replacement Reserve Amount to the extent of the Renewal and Replacement Reserve Fund Requirement; and

SIXTH: To the General Fund, any remaining Revenues.

The Trustee shall give the Authority and the Insurer written notice as soon as practicable in the event the amount of Net Revenues are insufficient to make full payment of any of the amounts set forth above.

The Project Fund *(Section 4.04)*

Except as otherwise provided in the Indenture, any money deposited into an account (other than the Costs of Issuance Account) within the Project Fund shall be used only to pay Project Costs, and any money on deposit in the Cost of Issuance Account shall be used only to pay Costs of Issuance of or relating to a Project to which the Indenture or a Supplement relates. Moneys on deposit in a Project Subaccount relating to a series of Parking System Revenue Obligations shall be applied solely to the Project Costs of the Project relating to such series of Parking System Revenue Obligations, unless the Authority delivers to the Trustee an Authorized Officer's Certificate directing otherwise, accompanied by a letter of Bond Counsel approving the use of such funds. Moneys on deposit in the Costs of Issuance Account relating to a series of Parking System Revenue Obligations six months after the Closing Date relating to such series of Parking System Revenue Obligations shall be transferred to the Project Account for the applicable Series of Parking System Revenue Obligations. Moneys deposited into additional accounts within the Project Fund shall be applied as provided for in the related Supplement.

The General Fund *(Section 4.05)*

Amounts (if any) on deposit in the General Fund shall be applied to pay Authority Expenses and Renewal and Replacement Expenses. Authority Expenses and Renewal and Replacement Expenses shall be paid upon receipt by the Trustee of a properly executed Authorized Officer's Certificate of the Authority. The amount thereof shall be withdrawn from the General Fund or the Renewal and Replacement Reserve Fund as indicated in the Authorized Officer's Certificate. In addition to amounts specifically provided or permitted by the Indenture to be deposited in the General Fund, the Authority may deposit any other moneys from other sources to the General Fund to be used for any lawful purpose of the Authority. In the event amounts on deposit in the General Fund are insufficient to pay Authority Expenses, the Trustee, upon receipt of an Authorized Officer's Certificate of the Authority, shall transfer the amount of such deficiency or a portion thereof from the Renewal and Replacement Reserve Fund, as directed. To the extent amounts on deposit in the General Fund are in excess of the needs of the Authority, the Trustee, upon receipt of an Authorized Officer's Certificate of the Authority, may transfer such excess to the Renewal and Replacement Reserve Fund or the Transfer Fund, as directed.

The Debt Service Fund *(Section 4.06)*

Prior to the occurrence of an Event of Default, (1) on the third Business Day preceding each Interest Payment Date, the Authority shall deliver to the Trustee (for deposit to the credit of the applicable Interest Subaccount) sufficient monies (taking into account any moneys on deposit in the applicable Capitalized Interest Subaccount first) for the payment of interest due on the Parking System Revenue Obligations on such Interest Payment Date, and (2) on the third Business Day preceding any redemption prior to maturity of Parking System Revenue Obligations, the Authority shall deliver to the Trustee (for deposit to the credit of the applicable Interest Subaccount) sufficient monies for the payment of accrued interest upon any prepayment of the Parking System Revenue Obligations being redeemed.

The Trustee shall then transfer moneys out of the applicable Interest Subaccount (using any moneys on deposit in the applicable Capitalized Interest Subaccount first) to the Paying Agent on the Business Day immediately preceding each Interest Payment Date for the payment of interest then due on the Parking System Revenue Obligations. The Trustee shall pay out of such Interest Subaccount to the Paying Agent any amounts required for the payment of accrued interest upon any redemption of the Parking System Revenue Obligations.

Prior to the occurrence of an Event of Default, (1) on the third Business Day preceding each Principal Payment Date, the Authority shall deliver to the Trustee (for deposit to the credit of the applicable Principal Subaccount) sufficient monies for the payment of the principal amount or Sinking Fund Installment, as the case may be, due on the Parking System Revenue Obligations on such Principal Payment Date. The Trustee shall transfer moneys out of the applicable Principal Subaccount to the Paying Agent on the Business Day immediately preceding each Principal Payment Date for the payment of the principal amount or Sinking Fund Installment, as the case may be, of the Parking System Revenue Obligations then due.

In the event of the refunding of any Parking System Revenue Obligations, the Trustee shall, upon the written direction of the Authority, withdraw from the subaccounts of the Debt Service Fund related to the Parking System Revenue Obligations to be refunded all or any portion of the amounts accumulated therein and deposit such amounts as provided in such written direction, provided that such withdrawal shall not be made unless (1) immediately thereafter the Parking System Revenue Obligations being refunded shall be deemed to have been paid pursuant to Section 9.03 of the Indenture and (2) after giving effect to any amounts being simultaneously deposited therein, the amount remaining in each subaccount of the Debt Service Fund after such withdrawal shall not be less than the accumulated Interest Requirements or Principal Requirements required to then be on deposit in such subaccount of the Debt Service Fund.

Moneys also shall be transferred from the Debt Service Fund to the Redemption Fund as and when so provided in Section 6.02(B) of the Indenture.

The Debt Service Reserve Fund (*Section 4.07*)

There shall be deposited and maintained in each Debt Service Reserve Account established in the Debt Service Reserve Fund the Debt Service Reserve Account Requirement for the applicable Series of Parking System Revenue Obligations, if any, subject to withdrawal and restoration as provided for in this Section. In the event the amount on deposit in the Interest Subaccount or the Principal Subaccount is insufficient to pay an Interest Requirement or a Principal Requirement on a Parking System Revenue Obligation when due, amounts on deposit and amounts available under any Surety Bond on deposit in the applicable Debt Service Reserve Account for such Parking System Revenue Obligation, if any, shall be applied to pay such Principal Requirement or Interest Requirement on such Parking System Revenue Obligation when due.

Amounts on deposit in a Debt Service Reserve Account for a Series of Parking System Revenue Obligations, if any, shall first be applied to pay in full such Principal Requirement or Interest Requirement due on such Parking System Revenue Obligations, and if amounts on deposit therein, if any, are insufficient to pay in full such Principal Requirement or Interest Requirement then due, upon five (5) days written notice to the Surety Provider of such deficiency, amounts available under a Surety Bond on deposit in such Debt Service Reserve Account, if any, shall be drawn upon for the purpose of paying such deficiency. The Trustee shall send written notice of the amount of such deficiency to the Authority and the Insurer within two (2) Business Days of such payment.

Any deficiency in the Debt Service Reserve Account Requirement for Parking System Revenue Obligations shall be remedied by the Authority as soon as practicable but in no event later than the second succeeding Interest Payment Date following the Interest Payment Date for which the Debt Service Reserve Account was valued or upon which the withdrawal creating such deficiency was made. Amounts paid to restore the Debt Service Reserve Account Requirement for any Debt Service Reserve Account shall first be applied to reimburse the Surety Provider for amounts drawn on any Surety Bond on deposit in such Debt Service Reserve Account and then to restore such Debt Service Reserve Account to the Debt Service Reserve Account Requirement for the Parking System Revenue Obligations.

If, as of any Interest Payment Date, or if such day is not a Business Day, on the next preceding Business Day, the amount on deposit in any Debt Service Reserve Account shall exceed the Debt Service Reserve Account Requirement then in effect with respect to the applicable Series of Parking System Revenue Obligations as valued in accordance with Section 4.13 of the Indenture, the Trustee, at the written direction of the Authority, shall withdraw

from such Account the amount of any excess therein and deposit the moneys so withdrawn first into any other Debt Service Reserve Account of the Debt Service Reserve Fund for which the balance is then less than the Debt Service Reserve Account Requirement for the applicable Series of Parking System Revenue Obligations on a ratable basis based on the amount of the deficiency in each such Debt Service Reserve Account and then into the Interest Accounts for the next succeeding Interest Requirements to be paid on a ratable basis based on the amount of the Interest Requirements to be paid. If an Event of Default shall exist and be continuing, all amounts contained in Debt Service Reserve Accounts shall be applied as provided in Section 6.02(B) and 6.04 of the Indenture.

In the event of the refunding of any Parking System Revenue Obligations, the Trustee, at the written direction of the Authority, shall withdraw from the Debt Service Reserve Account related to the Parking System Revenue Obligations to be refunded all or any portion of the amounts accumulated therein with respect to the Parking System Revenue Obligations to be refunded and deposit such amounts as provided in such written direction, provided that such withdrawal shall not be made unless (1) immediately thereafter the Parking System Revenue Obligations being refunded shall be deemed to have been paid pursuant to Section 9.03 of the Indenture and (2) after giving effect to any amounts being simultaneously deposited therein, the amount remaining in each Debt Service Reserve Account after such withdrawal shall not be less than the applicable Debt Service Reserve Account Requirement.

Moneys also shall be transferred from the Debt Service Reserve Accounts as and when so provided in Section 6.04(C) of the Indenture.

The Rebate Fund (*Section 4.08*)

The Authority shall provide to the Trustee for deposit to the Rebate Fund the amounts required pursuant to each Rebate Calculation performed under the Tax Regulatory Agreements applicable to each Series of Tax-Exempt Parking System Revenue Obligations. All amounts deposited into the Rebate Fund and all amounts on deposit in the Rebate Fund shall be paid to the United States Treasury or returned to the Authority at the times and in the amounts required by the Tax Regulatory Agreement for the applicable Parking System Revenue Obligations as specified in an Authorized Officer's Certificate of the Authority delivered to the Trustee at least five (5) days prior to any payment to be made therefrom.

The foregoing described provisions of the Indenture may be amended at the request of the Authority, without notice to or the consent of the Holders of the Tax-Exempt Parking System Revenue Obligations, to comply with the applicable regulations of the Treasury Department, upon the delivery by the Authority to the Trustee of an opinion of Bond Counsel that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Parking System Revenue Obligations which exists on the Closing Date.

The Renewal and Replacement Reserve Fund (*Section 4.09*)

Prior to the occurrence of an Event of Default, on or before December 1 of each calendar year, the Authority shall deliver to the Trustee (for deposit to the credit of the applicable Renewal and Replacement Reserve Fund) the Renewal and Replacement Reserve Requirement for such calendar year. So long as the Trustee shall have no actual notice of any Event of Default or Default which has occurred and is continuing, the Trustee, upon receipt of a properly executed Authorized Officer's Certificate of the Authority, may transfer to the Authority amounts on deposit in the Renewal and Replacement Reserve Fund for the payment of Renewal and Replacement Expenses or for Authority Expenses. Upon the occurrence and continuation of an Event of Default, the balance on deposit in the Renewal and Replacement Reserve Fund may not be used as provided for in this Section and shall be held in the Renewal and Replacement Reserve Fund and applied as provided in Section 6.02(B) of the Indenture.

If at any time amounts on deposit and available therefor in the Debt Service Fund or the Debt Service Reserve Fund (in the order listed) are insufficient to pay the Principal Requirements of and Interest Requirements on Parking System Revenue Obligations when due, the Trustee shall withdraw from the Renewal and Replacement Reserve Fund, the amount necessary to meet such deficiency.

The Redemption Fund (Section 4.10)

Moneys in the Redemption Fund as a result of the exercise of an optional redemption pursuant to Section 2.04 of the Indenture or a mandatory redemption pursuant to Section 2.05 of the Indenture shall be applied to the payment of the applicable Redemption Price of such Parking System Revenue Obligations selected for redemption, plus accrued interest to the date set for redemption, in accordance with Article III of the Indenture. Parking System Revenue Obligations so redeemed shall be canceled by the Trustee.

Upon the acceleration of the Parking System Revenue Obligations as provided in Section 6.02(A) of the Indenture, all moneys contained in the Revenue Fund, the Project Fund, the Debt Service Fund and the Renewal and Replacement Reserve Fund shall be transferred to the Redemption Fund and applied to the payment of the Parking System Revenue Obligations as provided in Section 6.04 of the Indenture.

The Transfer Fund (Section 4.11)

Moneys deposited in the Transfer Fund shall be free and clear of the Lien established by the Indenture and, upon receipt of an Authorized Officer's Certificate of the Authority, shall be paid to the Authority or used for such purpose as the Authority shall direct therein. Amounts deposited in the Transfer Fund may also be pledged to the payment of Subordinated Parking System Revenue Obligations pursuant to Section 2.18 of the Indenture.

Investment of Funds (Section 4.12)

Any moneys held by the Trustee in the Funds and Accounts created under the Indenture shall be invested at the written direction of an Authorized Officer of the Authority in Investment Obligations.

General Covenants of the Authority (Section 5.01)

The Authority covenants that it will not pledge or grant a security interest in the Trust Estate for the benefit of any person other than the Holders, the Trustee, an Insurer, or a Surety Provider.

The Authority covenants promptly to pay or cause to be paid the Principal Requirements of and Redemption Price, if any, and Interest Requirements on each Parking System Revenue Obligation issued under the Indenture at the place, on the dates and in the manner provided for by such Parking System Revenue Obligations, according to the true intent and meaning thereof, to the extent moneys are available from Net Revenues.

The Authority will at all times comply with the laws of the State applicable to the Authority and the Dedicated Parking Facilities, particularly the Act.

Prior to the occurrence of an Event of Default, the Authority shall have the right to administer and collect all Revenues. Upon the occurrence and continuance of an Event of Default under the Indenture, the Authority agrees to turn all Revenues over to the Trustee as provided in Section 4.03(B) of the Indenture. Upon the occurrence and continuance of an Event of Default under the Indenture, the Authority covenants, and irrevocably agrees, that it shall immediately transfer and deliver upon receipt, or direct to be immediately transferred and delivered, any and all Revenues received, to the extent thereof, for immediate deposit into the Revenue Fund, in accordance with the provisions of the Indenture and the Security Agreement, and for application as provided in the Indenture. The Authority acknowledges that the delivery of moneys to the Trustee shall give the Trustee dominion and control over such funds which it shall hold as provided in the Indenture with a perfected, first priority security interest therein.

Covenants as to Existence and Property (Section 5.02)

Except as provided in the Indenture, the Authority covenants to preserve the legal existence of the Authority and to keep in full force and effect all rights and licenses to the extent necessary or desirable in the operation of the Authority's business and affairs, not to dissolve, transfer or otherwise dispose of all or substantially all of the assets owned or used by the Authority, or enter into any other arrangement or disposition which has the effect of transferring the economic benefit or control of all or substantially all of the assets owned or used by the Authority, including but not limited to the Dedicated Parking Facilities, and not to consolidate with or merge with or into another legal entity.

The Authority will manage, or cause to be managed, the Dedicated Parking Facilities in order to maintain or cause to be maintained in good repair, working order and condition the Dedicated Parking Facilities now or hereafter managed by the Authority and shall make or cause to be made all needful and proper repairs, renewals, replacements and improvements thereto so that the activities carried on in connection therewith may be properly and advantageously conducted at all times.

Limitations on Liens (*Section 5.04*)

The Authority agrees that the Authority will not create, incur, assume or suffer to exist any Lien or Right of Others of any nature upon or with respect to the Trust Estate or suffer to exist any Negative Pledge with respect to the Trust Estate or engage in any sale and leaseback transaction with respect to the Trust Estate, except for the Lien and Negative Pledge established under the Indenture for the benefit of the Trustee and the Holders and Permitted Encumbrances.

Limitations on Additional Parking System Revenue Obligations (*Section 5.05*)

The Authority covenants and agrees not to issue any Additional Parking System Revenue Obligations unless the requirements of this Section are complied with. If the Authority is not in Default under the Indenture or in default under any of the Financing Documents, the Authority may authorize by resolution of the members of the Authority the issuance of one or more series of Additional Parking System Revenue Obligations on a parity with other Parking System Revenue Obligations Outstanding for financing a Project, which may include refunding in whole or in part a previously issued Series of Parking System Revenue Obligations, pursuant to any one of the following subsections (A), (B), (C) or (D):

(A) (1) Additional Parking System Revenue Obligations may be issued if prior to issuance of such Additional Parking System Revenue Obligations there is delivered to the Trustee:

(a) an Authorized Officer's Certificate of the Authority, accompanied by a report of an Approved Accountant, stating that based on such report, for any consecutive twelve (12) months out of the eighteen (18) months next preceding the anticipated date of authentication of such Additional Parking System Revenue Obligations, the Debt Service Coverage Ratio for such period was at least equal to 1.35, and

(b) an Authorized Officer's Certificate of the Authority, accompanied by a projection prepared by an Approved Accountant, stating that based on such projection, for each of the first five Fiscal Years after the Project Completion Date for the Project financed with such Additional Parking System Revenue Obligations and any Parking System Revenue Obligations then Outstanding, the Debt Service Coverage Ratio (calculated on the basis of Maximum Annual Debt Service) will be at least equal to 1.35.

(2) Such Authorized Officer's Certificates shall be accompanied by a statement of the assumptions upon which such calculations are based. The Trustee may rely conclusively on such certificates and shall have no responsibility for verifying the accuracy thereof.

(3) For purposes of calculating whether Additional Parking System Revenue Obligations may be incurred under this Section:

(a) it shall be assumed that, for any such Additional Parking System Revenue Obligations which consist of capital appreciation bonds, increases in the Accreted Value of such Additional Parking System Revenue Obligations during each year for which calculations are made as described in (1) above shall be treated as Interest Requirements on each date that interest is compounded of such Additional Parking System Revenue Obligations and the initial principal amount of such Additional Parking System Revenue Obligations shall be treated as a Principal Requirement at the maturity of such Parking System Revenue Obligations;

(b) it shall be assumed that with respect to Balloon Indebtedness, the Principal Requirements payable on such Additional Parking System Revenue Obligations shall amortize from

the date of incurrence over a period of twenty-five (25) years (or if the term thereof exceeds twenty-five (25) years, over a period equal to such term) on a level debt service basis and the Interest Requirements on such amortized Additional Parking System Revenue Obligations shall be determined by the estimation of interest rates, to be set forth in a certificate of a banking institution or an investment banking institution knowledgeable in municipal finance delivered to the Trustee, as the interest rates at which the Authority could reasonably expect to borrow on such terms over such period under the Indenture; provided, however, that if the date of calculation is within twelve (12) months of the actual maturity of such Additional Parking System Revenue Obligations, the full amount of the Principal Requirements of such Additional Parking System Revenue Obligations shall be included in such calculation;

(c) it shall be assumed that for any such Additional Parking System Revenue Obligations which consists of revolving credit under a committed line of credit, such calculations shall include the amount of such commitment as of the date when the same is extended and any unused portion of the sum of such commitments shall be treated as Outstanding; and

(d) it shall be assumed that for any such Additional Parking System Revenue Obligations which consists of variable rate debt, including lines of credit, an interest rate on taxable borrowings of 100 basis points over the five year Treasury Note rate shall be assumed and an interest rate on tax-exempt borrowings equal to the rate stated in The Bond Buyer for "Municipal Market Data" for debt obligations with a 10 year maturity rated the same as the Parking System Revenue Obligations shall be assumed.

(B) Additional Parking System Revenue Obligations may be issued for the purpose of refinancing any Outstanding Parking System Revenue Obligations without limitation if, prior to the issuance of such Additional Parking System Revenue Obligations, there is delivered to the Trustee:

(1) an opinion of Bond Counsel satisfactory to the Trustee that upon the issuance of such proposed Additional Parking System Revenue Obligations and application of the proceeds thereof, the Outstanding Parking System Revenue Obligations to be refunded thereby will no longer be Outstanding; and

(2) an Authorized Officer's Certificate of the Authority, accompanied by documentation satisfactory to the Trustee, certifying that immediately after such refinancing, Maximum Annual Debt Service on Parking System Revenue Obligations Outstanding will not exceed one hundred ten percent (110%) of Maximum Annual Debt Service on Parking System Revenue Obligations Outstanding prior to such refinancing.

(C) Additional Parking System Revenue Obligations may be issued for the purpose of completing any Initial Project, or completing any Parking Facility financed with Additional Parking System Revenue Obligations issued pursuant to the Indenture, in the event that the amount on hand in the Project Fund for any Initial Project or such Parking Facility, respectively, together with any additional amounts from other sources, shall be insufficient; provided however, that the Stated Principal Amount of such Additional Parking System Revenue Obligations issued pursuant to this Subsection (C) shall not exceed fifteen percent (15%) of the Stated Principal Amount of the Parking System Revenue Obligations previously issued to finance such Initial Project or such Parking Facility, as the case may be.

(D) Credit Facilities may be incurred without limitation by the Authority to provide additional security for Additional Parking System Revenue Obligations; provided, however, if such Credit Facility is used or drawn upon to purchase, but not retire, Additional Parking System Revenue Obligations, then the liability represented by such use or draw by the Authority shall be included in Additional Parking System Revenue Obligations as of the date of such use or draw if it is not otherwise included as Outstanding Additional Parking System Revenue Obligations.

Insurance and Condemnation Proceeds (*Section 5.06*)

Amounts received by the Authority as insurance proceeds with respect to any casualty loss (excepting proceeds of business interruption insurance) or as a condemnation award shall be used to either: (A) restore or improve the Dedicated Parking Facility affected thereby, (B) redeem Outstanding Parking System Revenue Obligations financing such Dedicated Parking Facility affected thereby by applying such moneys to the payment or prepayment of Parking System Revenue Obligations in accordance with Section 2.05(D) and Article III, or (C) a combination of (A) and (B).

Annual Budget (*Section 5.07*)

The Authority agrees to file with the Insurer and the Trustee no later than five (5) Business Days after its adoption by the Authority, a copy of the preliminary Annual Budget of the Authority for the next succeeding Fiscal Year. Such Annual Budget shall include anticipated Revenues (including a statement of the amounts received from each Dedicated Parking Facility), Expenses, Renewal, and Replacement Expenses, Renewal and Replacement Reserve Amounts, Debt Service Requirements on Outstanding Parking System Revenue Obligations and such other information in such format and detail as may be requested by the Insurer. If a preliminary or final Annual Budget is not submitted or is otherwise unavailable, then the Authority may use the prior year's Annual Budget adjusted upward or downward by the same rate the Consumer Price Index for the present year increased or decreased from the Consumer Price Index for the immediately preceding year as the new Annual Budget.

The Authority agrees to file with the Insurer and the Trustee no later than five (5) Business Days after its adoption by the Authority, a copy of the final Annual Budget of the Authority for the next succeeding Fiscal Year.

Annual Certificates (*Section 5.08*)

The Authority covenants to engage an Independent Consultant to prepare an Annual Independent Consultant Certificate, and supplement thereto if required, on an annual basis to be delivered on or before November 1 succeeding the end of each Fiscal Year. Notwithstanding anything contained in the Indenture to the contrary, the Authority may challenge the determinations of the Independent Consultant, provide additional information to such Independent Consultant, and request a new Annual Independent Consultant Certificate to be prepared by the same or a different Independent Consultant.

The Authority covenants to engage an Approved Accountant to prepare an Annual Approved Accountant Certificate, and supplement thereto if required, on an annual basis to be delivered on or before April 1 succeeding the end of each Fiscal Year. Notwithstanding anything contained in the Indenture to the contrary, the Authority may challenge the determinations of the Approved Accountant, provide additional information to such Approved Accountant, and request a new Annual Approved Accountant Certificate to be prepared by the same or a different Approved Accountant.

Rate Covenants (*Section 5.09*)

The Authority covenants to adopt rates and charges for use of the Parking System and for the services to be furnished therewith, which shall be sufficient to produce Net Revenues for each Fiscal Year sufficient to: (1) pay Authority Expenses; (2) pay Debt Service Requirements on Outstanding Parking System Revenue Obligations; and (3) produce a Debt Service Coverage Ratio equal to at least the Debt Service Coverage Ratio Requirement.

In the event a Debt Service Coverage Ratio Certificate indicates that the Debt Service Coverage Ratio Requirement is not met, the Authority shall retain an Approved Accountant within ninety (90) days of the delivery of the Debt Service Coverage Ratio Certificate. The Approved Accountant shall prepare a written report, a copy of which shall be delivered to the Authority, the Insurer and the Trustee within sixty (60) days of the selection of the Approved Accountant, making recommendations with respect to rates, Authority Expenses and management of the Dedicated Parking Facilities and any other matters so as to generate additional Net Revenues to meet the Debt Service Coverage Ratio Requirement. The Authority shall adopt such Approved Accountant's report and act promptly and diligently to fully implement all such recommendations except to the extent limited by law or existing contracts. For any recommendations not adopted, the Authority shall file a written statement with the Insurer and the Trustee setting forth the reasons why the Authority has failed to implement such recommendations. Copies of resolutions of the Authority adopting such recommendations shall be filed with the Authority, the Insurer, and the Trustee immediately

after adoption thereof. Subject to the final paragraph under this caption, if the Authority takes the actions prescribed in this paragraph, failure to meet the Debt Service Coverage Ratio Requirement shall not be treated as an Event of Default.

Subject to the final paragraph under this caption, if the Debt Service Coverage Ratio Requirement is not met by the close of the second Fiscal Year after receipt of the Approved Accountant's report specified in the preceding paragraph, such event shall be considered an Event of Default under Section 6.01 of the Indenture unless the Authority engages new management for the Authority in accordance with the provisions of the following paragraph or complies with the requirements of the second last paragraph under this caption.

In the event that the Debt Service Coverage Ratio Requirement is not met by the close of the second Fiscal Year after receipt of the report set forth in the second paragraph under this caption, the Authority shall promptly engage an Independent Consultant who shall, within ten (10) days after being engaged by the Authority, submit to the Authority, the Trustee and the Insurer a list of three or more Persons, each of which shall be (1) experienced in the management of parking facilities of a type and size similar to the Dedicated Parking Facilities, (2) approved by the Insurer of not less than a majority in aggregate principal amount of Parking System Revenue Obligations Outstanding or the Holders of not less than a majority in aggregate principal amount of Parking System Revenue Obligations Outstanding with the consent of the Insurer thereof, if any, and (3) not an Affiliate of the Authority or any member of the Authority. The Authority shall engage a Person on such list as Executive Director of the Authority as soon as practicable but not later than thirty (30) days after the Insurer or such Holders approve such list of Persons. In the event that a new Executive Director is engaged pursuant to this paragraph, the provisions of this paragraph shall not be applied to require the further appointment of a new Executive Director and an Event of Default shall not be declared until the new Executive Director has managed the Dedicated Parking Facilities for at least two (2) full Fiscal Years.

Notwithstanding the provisions of the third paragraph under this caption, the Authority shall not be required to engage a new Executive Director for the Authority and an Event of Default shall not be declared if the Trustee and the Insurer receive: (1) a written report of an Independent Consultant stating that, in the judgment of such Independent Consultant, the present Executive Director of the Authority should be retained; and (2) certified copies of resolutions adopted by the members of the Authority stating that the Executive Director's performance of his/her duties is satisfactory and setting forth the reasons supporting retention of the present Executive Director notwithstanding the failure to meet the Debt Service Coverage Ratio Requirement.

Notwithstanding any provision described under this caption to the contrary, if the Debt Service Coverage Ratio Certificate indicates a Debt Service Coverage Ratio of less than 1.10, such event shall be treated as an Event of Default under Section 6.01 of the Indenture.

Sale, Lease or Other Disposition of Property *(Section 5.10)*

The Authority agrees that it will not sell, lease, or otherwise dispose of any Dedicated Parking Facility, other than pursuant to Permitted Encumbrances, or any Property utilized by the Authority in the operation of the Dedicated Parking Facilities, which would have a material adverse effect on the ability of the Authority to meet the Debt Service Coverage Ratio Requirement. The Authority agrees that the proceeds from the sale or other disposition for cash in excess of One Million Dollars (\$1,000,000) of a Dedicated Parking Facility, or an interest therein, shall be used, to the extent not used for replacement property as contemplated by Section 8.04(C) of the Indenture, to redeem the Outstanding Parking System Revenue Bonds financing such Dedicated Parking Facility. The Authority further agrees that prior to the disposition of any Property having a value of One Million Dollars (\$1,000,000) or more, it shall provide the Insurer and the Trustee with a certificate executed by an Authorized Officer of the Authority demonstrating that after giving effect to such proposed disposition, the Authority will be in pro forma compliance with the Debt Service Coverage Ratio Requirement for the three (3) full Fiscal Years next succeeding the date of such disposition. The Trustee may rely conclusively on such certificate and shall have no responsibility for verifying the accuracy thereof.

Financial Reporting *(Section 5.11)*

The Authority covenants that the Authority will prepare and submit, or cause to be prepared and submitted, to the Insurer and the Trustee:

(1) as soon as practicable, and in any event within 180 days after the end of each Fiscal Year: audited Financial Statements of the Authority prepared in accordance with Generally Accepted Accounting Principles, consistently applied, accompanied by a report and opinion of the Approved Accountant, which report shall be based on an audit conducted in accordance with generally accepted auditing standards as at such date (unaudited quarterly statements during the Construction Period) of the revenues and expenses and the assets and liabilities pertaining to the Dedicated Parking Facilities (which statements shall compare the results of operations to the current operating budget and the results of the comparable prior year period and the capital budget to the actual amounts expended for capital improvements);

(2) as soon as practicable, and in any event within 45 days after the end of each Fiscal Quarter: (a) a report of Capital Expenditures for any Project being constructed for such period; (b) a report indicating the percentage of completion of any Project under construction; and (c) unaudited quarterly financial statements (which statements shall compare the results of operations to the current operating budget and the results of the comparable quarter in the prior Fiscal Year and the capital budget to the actual amounts expended for capital improvements);

(3) as soon as practicable, and in any event within 180 days after the end of each Fiscal Year, the statement of the Approved Accountant that they have caused the Indenture to be reviewed and that in the course of their audit of the Authority no facts have come to their attention that cause them to believe that any Default, including any Default in the performance of any financial covenant set forth in Article V, exists, or, if such is not the case, specifying such Default and the nature thereof (such statement being furnished by such accountants with the understanding that the examination of such accountants cannot be relied upon to give such accountants knowledge of any such Default except as it relates to accounting or auditing matters within the scope of their audit); and

(4) concurrently with the delivery of the Financial Statements referred to in Sections 5.11(A)(1) above, a Debt Service Coverage Ratio Certificate for such Fiscal Year, certified as true by an Authorized Officer of the Authority.

Other Parking Facilities (*Section 5.13*)

The Authority covenants and agrees that the Authority will not construct or acquire any parking facility which is not a Dedicated Parking Facility if such construction or acquisition (or the operation) of such parking facility is likely to have a material adverse effect on the Authority's ability to pay the Principal Requirements of, Redemption Price, if any, or Interest Requirements on Parking System Revenue Obligations or to meet the Debt Service Coverage Ratio Requirement.

Purchase of Parking System Revenue Obligations (*Section 5.14*)

The Authority will not and will not permit any Affiliate to purchase, redeem, prepay, or otherwise acquire, directly or indirectly, any of the outstanding Parking System Revenue Obligations except upon the payment or prepayment of the Parking System Revenue Obligations in accordance with the terms of the Indenture and the Parking System Revenue Obligations. The Authority will promptly cancel all Parking System Revenue Obligations acquired by it or any Affiliate pursuant to any payment, prepayment, or purchase of Parking System Revenue Obligations pursuant to any provision of the Indenture and no Parking System Revenue Obligations may be issued in substitution or exchange for any such Parking System Revenue Obligations.

Dedicated Parking Facility Agreements (*Section 5.15*)

The Authority agrees not to enter into any new Dedicated Parking Facility Agreement or amend, extend, replace, terminate, renew, renegotiate or change any of the terms of any existing Dedicated Parking Facility Agreement, or request the manager of any Dedicated Parking Facility to enter into any such license or other contract, which is likely to adversely affect any of the assurances or rights of the Authority or the ability of the Authority to operate any Dedicated Parking Facility or fulfill its obligations under any other provision of the Indenture or adversely affect the exemption from gross income of interest on Parking System Revenue Obligations initially issued as Tax-Exempt Bonds. Entering into a new Dedicated Parking Facility Agreement at an arms length negotiated rate upon the expiration or termination of an existing Dedicated Parking Facility Agreement shall not be considered to have an adverse effect within the meaning of this paragraph notwithstanding the fact that the arms length negotiated rate is

less than the standard rates applicable for such Dedicated Parking Facility at the time such Dedicated Parking Facility Agreement is entered into.

Authority Expenditures (*Section 5.16*)

The Authority covenants not to use any Dedicated Parking Facility for a purpose which is not related to the business of the Authority, expend any Revenues for any purpose which does not directly or indirectly benefit the Authority or the Dedicated Parking Facilities, or make any Capital Expenditure using Revenues except to add to, further improve, maintain, repair, restore or refurbish Dedicated Parking Facilities.

Tax Exemption (*Section 5.17*)

With respect to Parking System Revenue Obligations (including the Initial Bonds) initially issued as Tax-Exempt Bonds, the Authority covenants and agrees to comply with all of the requirements of the Code necessary to maintain the exclusion of the interest on such Parking System Revenue Obligations from gross income for federal income tax purposes, including its covenants and agreements contained in Tax Regulatory Agreements executed in connection with the issuance of such Parking System Revenue Obligations under the Indenture in compliance with Treasury Regulations, and to perform any and all acts and things necessary or desirable under existing law for such purpose.

Events of Default (*Section 6.01*)

The Indenture provides that each of the following events will constitute an Event of Default under the Indenture:

- (1) failure to pay any Principal Requirement of any Parking System Revenue Obligations when and as the same shall become due and payable, whether at maturity or by proceedings for redemption or otherwise; or
- (2) failure to pay any Interest Requirement on any Parking System Revenue Obligations when the same shall become due and payable; or
- (3) failure by the Authority to duly perform, observe or comply with any covenant or agreement under Article V of the Indenture for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Holders of at least a majority of the aggregate principal amount of Parking System Revenue Obligations then Outstanding; provided, however, that if said failure be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall not constitute an Event of Default if corrective action is instituted within such thirty (30) day period and is diligently pursued.

Acceleration; Annulment of Acceleration (*Section 6.02*)

Upon the occurrence and during the continuation of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Parking System Revenue Obligations Outstanding with the consent of the Insurer thereof, if any, shall, by written notice to the Authority, declare all Parking System Revenue Obligations Outstanding immediately due and payable, whereupon such Parking System Revenue Obligations shall become and be immediately due and payable, anything in the Indenture to the contrary notwithstanding. In the event Parking System Revenue Obligations are accelerated there shall be due and payable on such Parking System Revenue Obligations an amount equal to the unpaid principal amount of all such Parking System Revenue Obligations, plus all interest accrued and unpaid thereon to the date of acceleration to the date of payment.

At any time after the principal of the Parking System Revenue Obligations shall have been declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Default, if: (1) the Authority has paid or caused to be paid or deposited with the Trustee moneys or Defeasance Securities sufficient to pay all arrears of Principal Requirements and Interest Requirements, if any (other than the

interest accrued on such Parking System Revenue Obligations since the last Interest Payment Date and the principal then due only because of such declaration), of all Parking System Revenue Obligations Outstanding; (2) the Authority has paid or caused to be paid or deposited with the Trustee money sufficient to pay the charges, compensation, expenses, disbursements, advances, fees and liabilities of the Trustee; (3) all other amounts then payable by the Authority under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (4) every Event of Default (other than the Event of Default in the payment of the principal of such Parking System Revenue Obligations then due only because of such declaration) shall have been remedied, then the Trustee may with the prior written consent of the Insurer of not less than a majority in aggregate principal amount of Parking System Revenue Obligations Outstanding, if any, and upon the written request of the Insurer of not less than a majority in aggregate principal amount of Parking System Revenue Obligations Outstanding or the Holders of not less than a majority in aggregate principal amount of the Parking System Revenue Obligations Outstanding with the consent of the Insurer thereof, if any, shall, annul such declaration and its consequences with respect to any Parking System Revenue Obligations or portions thereof not then due by their terms. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Additional Remedies and Enforcement of Remedies *(Section 6.03)*

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Parking System Revenue Obligations Outstanding with the consent of the Insurer thereof, if any, together with indemnification of the Trustee to its reasonable satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Holders under the Indenture by such suits, actions or proceedings as the Trustee is instructed to do by a majority of the Holders, including but not limited to:

- (A) enforcement of the right of the Holders to collect and enforce the payment of amounts due or becoming due under the Parking System Revenue Obligations;
 - (B) suit upon all or any part of the Parking System Revenue Obligations;
 - (C) civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders;
 - (D) enforcement of rights as a secured party under the Uniform Commercial Code of the State;
- and
- (E) enforcement of any other right of the Holders conferred by law or by the Indenture.

Application of Net Revenues after Event of Default *(Section 6.04)*

During the continuance of an Event of Default, all moneys transferred to the Redemption Fund and otherwise received by the Trustee pursuant to the Indenture, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses and advances incurred or made by the Trustee with respect thereto and all other fees and expenses of the Trustee under the Indenture, shall be applied as follows:

Unless the principal of all Outstanding Parking System Revenue Obligations shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all Interest Requirements then due on Parking System Revenue Obligations in the order of the maturity of such Interest Requirements, and, if the amount available shall not be sufficient to pay in full any Interest Requirement maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preferences;

Second: To the payment to the Persons entitled thereto of the unpaid Principal Requirement of any Parking System Revenue Obligations which shall have become due (other than Parking System Revenue Obligations called for redemption or contracted to be purchased for the payment of which moneys are held pursuant to the provisions of the Indenture) with interest upon such Parking System Revenue Obligations from the respective dates upon which they shall have become due, in the order of their due dates, and if the

amounts available shall not be sufficient to pay in full all Parking System Revenue Obligations due on any date together with such interest, then to the payment thereof ratably, according to the amount of principal due on such date, to the Persons entitled thereto, without any discrimination or preference; and

Third: To the payment of the Interest Requirements on and the Principal Requirements of Parking System Revenue Obligations as the same become due and payable.

If the principal of all Parking System Revenue Obligations shall have become or have been declared due and payable, all such moneys shall be applied to the payment of the Principal Requirements and Interest Requirements then due and unpaid upon Parking System Revenue Obligations without preference or priority of Principal Requirement over Interest Requirement or of Interest Requirement over Principal Requirement, or of any Interest Requirement over any other Interest Requirement, or of any Parking System Revenue Obligations over any other Parking System Revenue Obligations, ratably, according to the amounts due respectively for Principal Requirements and Interest Requirements, to the Person entitled thereto without any discrimination or preference.

Holders' Control of Proceedings (Section 6.07)

If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Insurer or not less than a majority in aggregate principal amount of Parking System Revenue Obligations then Outstanding or Holders of not less than a majority in aggregate principal amount of Parking System Revenue Obligations then Outstanding with the consent of the Insurer thereof, if any, shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee and accompanied by indemnity reasonably satisfactory to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture, provided that such direction is not in conflict with any applicable law or the provisions of the Indenture, and provided further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve it in personal liability, or, in the reasonable judgment of the Trustee, it would be unduly prejudicial to the interest of any Holders not joining in such direction and provided further that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Holders.

Insurer Provisions (Section 6.11)

To the extent that an Insurer makes payment of Principal Requirements of or Interest Requirements on a Series of Parking System Revenue Obligations, it shall become the owner of such Parking System Revenue Obligations, or shall be entitled to the right to payment of Principal Requirements of or Interest Requirements on such Parking System Revenue Obligations and shall be fully subrogated to all of the Holder's rights thereunder, including the Holder's right to payment thereof. To evidence such subrogation (1) in the case of subrogation as to claims for past due Interest Requirements, the Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Authority maintained by the Paying Agent upon receipt of proof from the Insurer as to payment of Interest Requirements thereon to the Holder of the Parking System Revenue Obligations, and (2) in the case of subrogation as to claims for past due Principal Requirements, the Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Authority maintained by the Paying Agent upon receipt of proof from the Insurer of the surrender or transfer of the Parking System Revenue Obligations by the Holders thereof to the Insurer.

In the event that the Principal Requirements of and/or Interest Requirements on the Parking System Revenue Obligations shall be paid by an Insurer pursuant to the terms of an Insurance Policy, the Parking System Revenue Obligations shall remain Outstanding for all purposes and shall not be defeased or otherwise satisfied, the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority to the Holders shall continue to exist including, without limitation, for the benefit of the Insurer and the Insurer shall be fully subrogated to all of the rights of such Holders in accordance with the terms and conditions of the preceding paragraph and the Insurance Policy.

Notwithstanding any provision in the Indenture to the contrary, all provisions in the Indenture regarding consents, voting rights, approvals, directions, appointments or requests by the Insurer shall be deemed to not require or permit such consents, voting rights, approvals, directions, appointments or requests by the Insurer and shall be read as if the Insurer were not mentioned therein during any time in which (1) the Insurer is in default in its obligation to

make payments under the Insurance Policy, or (2) a final nonappealable order of a court having competent jurisdiction shall be entered declaring any provision of the Insurance Policy (other than provisions relating to service of process or matters that solely benefit the Insurer or that have no material adverse effect on the interests of the Insurer, the Authority or the Holders) at any time, for any reason, invalid and not binding on the Insurer, or declaring any provisions of the Insurance Policy (other than provisions of the Insurance Policy relating to service of process or matters that solely benefit the Insurer or that have no material adverse effect on the interests of the Insurer, the Authority or the Holders) null and void.

Notwithstanding anything in the Indenture to the contrary, for so long as the Insurance Policy shall be in full force and effect and provided that the Insurer shall not be in default of its payment obligations under the Insurance Policy, (1) the Insurer shall be deemed to be the sole owner of the Parking System Revenue Obligations secured by such Insurance Policy for all purposes of Article VI and Sections 7.03 and 7.06 of the Indenture, and (2) the Insurer shall be deemed to be the sole owner of all Parking System Revenue Obligations secured by such Insurance Policy at all times for the purpose of giving directions, when direction by the Holders is referenced in the Indenture, and consents, when consent of the Holders is required by the Indenture, other than for the purpose of making amendments which pursuant to Section 8.02 of the Indenture require the consent of the individual owners of each Parking System Revenue Obligation which would be affected by such change.

An Insurer may give the Trustee notices of Default under the Indenture.

Supplemental Indentures (*Section 8.01*)

The Authority and the Trustee may, without the consent of or notice to the Insurer or the Holders, enter into one or more Supplements for one or more of the following purposes:

- (1) to cure any ambiguity or formal defect or omission in the Indenture;
- (2) to correct or supplement any provision in the Indenture which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising thereunder and which shall not materially and adversely affect the interests of the Holders;
- (3) to grant or confer ratably upon the Insurer or all of the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them and which are not inconsistent or contrary with the Indenture as theretofore in effect;
- (4) to qualify the Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect;
- (5) to comply with the provisions of any federal or state securities law;
- (6) to obtain or maintain a rating on the Parking System Revenue Obligations from a Rating Agency;
- (7) to provide for the issuance of Additional Parking System Revenue Obligations, as specified in Section 2.17 of the Indenture;
- (8) to provide for the issuance of Subordinated Parking System Revenue Obligations, as specified in Section 2.18 of the Indenture; or
- (9) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Parking System Revenue Obligations initially issued as Tax-Exempt Bonds from gross income for federal income tax purposes.

Other than Supplements referred to in the preceding paragraph and subject to the terms and provisions and limitations contained in the Indenture and not otherwise, the Insurer or not less than a majority of the aggregate principal amount of Parking System Revenue Obligations Outstanding or the Holders of not less than a majority in aggregate principal amount of Parking System Revenue Obligations then Outstanding with the prior written consent

of the Insurer thereof, if any, shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority, when authorized by resolution or other action of equal formality by the members of the Authority, and the Trustee of such Supplements as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, nothing in this paragraph shall permit or be construed as permitting a Supplement which would:

(1) effect a change in any terms of redemption of the Parking System Revenue Obligations, due date of a Principal Requirement of or an Interest Requirement on the Parking System Revenue Obligations or make any reduction in a Principal Requirement or Redemption Price of or an Interest Requirement on any Parking System Revenue Obligations, without the consent of the Holder and any Insurer of such Parking System Revenue Obligations;

(2) permit the preference or priority of any Parking System Revenue Obligations over any other Parking System Revenue Obligations, without the consent of the Holders and any Insurer of all Parking System Revenue Obligations then Outstanding;

(3) reduce the aggregate principal amount of Parking System Revenue Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders and any Insurer of all Parking System Revenue Obligations then Outstanding; or

(4) amend, waive or modify any of the provisions of described in this paragraph, or any other provision of the Indenture relating to the number or portion of holders of Parking System Revenue Obligations required to approve any actions or matter without the consent of the Holders and any Insurer of all Parking System Revenue Obligations then Outstanding.

Amendment of the Financing Documents (*Section 8.04*)

The Authority and the Trustee may, without the consent of or notice to the Holders or any Insurer, consent to any amendment, change or modification of any 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 or formal defect therein or omission therefrom, (3) so as to identify more precisely the Dedicated Parking Facilities, (4) in connection with any Supplement entered into pursuant to the Indenture, (5) to obtain or maintain a rating on the Parking System Revenue Obligations from a Rating Agency, (6) to permit the issuance of Additional Parking System Revenue Obligations, as specified in Section 2.17 of the Indenture, (7) to provide for the issuance of Subordinated Parking System Revenue Obligations, as specified in Section 2.18 of the Indenture, (8) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Parking System Revenue Obligations initially issued as Tax-Exempt Bonds from gross income for federal income tax purposes, or (9) in connection with any Supplement, but only if any such amendment, change or modification is not, in the judgment of the Trustee, prejudicial to the Trustee or the Holders.

Notwithstanding anything to the contrary contained in the Indenture, and subject to Section 5.10 of the Indenture, in any instance where the Authority reasonably determines that any portion of the Dedicated Parking Facilities has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Authority may discontinue use of such portion of the Dedicated Parking Facilities 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 Trustee, provided that such removal will not materially impair the value of the balance of the Dedicated Parking Facilities as collateral and provided, further, that same is forthwith replaced with similar items having a similar value, free from all Liens other than any Liens created by the Financing Documents. At the request of the Authority, the Trustee shall execute and deliver to the Authority all instruments necessary or appropriate to enable the Authority to sell or otherwise dispose of any such portion of the Dedicated Parking Facilities free from any Liens of the Financing Documents. The Authority shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from any Liens of the Financing Documents any portion of the Dedicated Parking Facilities removed pursuant to this Section 8.04. The Authority shall execute and deliver all documents required to subject such replacement items to any Liens created by the Financing Documents.

Satisfaction and Discharge of Indenture (*Section 9.01*)

If (A) the Authority shall deliver to the Trustee for cancellation all Parking System Revenue Obligations theretofore authenticated (other than any Parking System Revenue Obligations which shall have been mutilated, destroyed, lost or stolen and which shall have been replaced or paid pursuant to a Qualified Escrow) and not theretofore cancelled, or (B) all Parking System Revenue Obligations not theretofore cancelled or delivered to the Trustee for cancellation shall have become due and payable and money sufficient to pay the same shall have been deposited with the Trustee, or (C) all Parking System Revenue Obligations that have not become due and payable and have not been cancelled or delivered to the Trustee for cancellation shall be Defeased Parking System Revenue Obligations, and if in all cases the Authority shall also pay or cause to be paid all other sums payable under the Indenture or under any Credit Facility and Reimbursement Agreement, then the Indenture shall cease to be of further effect, and the Trustee, on demand of the Authority, and at the cost and expense of the Authority, shall execute proper instruments acknowledging satisfaction of and discharging the Indenture. The Authority agrees to reimburse the Trustee for any costs or expenses theretofore and thereafter reasonably and properly incurred by the Trustee in connection with the Indenture or such Parking System Revenue Obligations.

Payment of Parking System Revenue Obligations after Discharge of Lien (*Section 9.02*)

Notwithstanding the defeasance of the Parking System Revenue Obligations as in Article 9 of the Indenture provided, the Trustee shall nevertheless retain such rights, powers and duties under the Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Parking System Revenue Obligations and the registration, transfer, exchange, and replacement of Parking System Revenue Obligations as provided therein. Nevertheless, any moneys held by the Trustee or any paying agent for the payment and discharge of any Parking System Revenue Obligations remaining unclaimed for two (2) years after the date when all Parking System Revenue Obligations has become due and payable, whether at maturity or by a call for earlier redemption, shall then be paid to the Authority upon receipt of an Authorized Officer's Certificate of the Authority, and thereafter the Holders of any Parking System Revenue Obligations not theretofore presented shall be entitled to look only to the Authority for payment as unsecured creditors, and the Trustee shall have no responsibility with respect to such money.

Defeasance (*Section 9.03*)

Any Parking System Revenue Obligations for which moneys shall then be held by the Trustee (through deposit by the Authority with the Trustee of funds for such payment or prepayment or otherwise), whether at or prior to the maturity or the redemption date of such Parking System Revenue Obligations, shall be deemed to have been paid within the meaning and with the effect expressed under this caption.

All or a part of the Outstanding Parking System Revenue Obligations of any Series shall prior to the maturity or the redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 9.01 of the Indenture if: (1) in case any Parking System Revenue Obligations are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give notice of redemption on such date of such Parking System Revenue Obligations; (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such trustee at the same time, shall be sufficient to pay when due the principal and interest due and to become due on such Parking System Revenue Obligations on and prior to the redemption date or maturity date thereof, as the case may be; and (3) in the event such Parking System Revenue Obligations are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail, as soon as practicable, a notice to the owners of such Parking System Revenue Obligations that the deposit required by (2) above has been made with the Trustee and that such Parking System Revenue Obligations are deemed to have been paid in accordance with Article IX of the Indenture and stating such maturity or prepayment date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Parking System Revenue Obligations.

Neither Defeasance Securities deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than the payment of the Principal Requirements of and Redemption Price, if applicable, and Interest Requirements on such Parking System Revenue Obligations; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, may, to the extent practicable, be reinvested in

Defeasance Securities maturing at times and in amounts sufficient to pay when due the Principal Requirements of and the Redemption Price, if applicable, and Interest Requirements to become due on such Parking System Revenue Obligations on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority to be used by it in any lawful manner provided all amounts owing to the Trustee and the Paying Agent have been satisfied, as received by the Trustee, free and clear of any Lien. Notwithstanding any provision of the Indenture, the Trustee shall have no right of set off against any moneys and securities deposited under this Section.

For Parking System Revenue Obligations to be deemed paid in accordance with this Section, the Insurer thereof and the Trustee shall be entitled to, but are under no obligation to, request and approve of the form of:

- (1) the escrow agreement providing for the defeasance of such Parking System Revenue Obligations;
- (2) a CPA Verification Report; and
- (3) an Opinion of Counsel that: (a) such escrow agreement is valid, binding and enforceable against the parties thereto; (b) the defeasance of such Parking System Revenue Obligations complies with the requirements of this Section; and (c) if such Parking System Revenue Obligations were issued as Tax-Exempt Bonds, the defeasance of such Parking System Revenue Obligations will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Parking System Revenue Obligations.

No Personal Liability (*Section 11.06*)

No liability of any kind shall be had for the payment of the Principal Requirements of, Redemption Price, if any, or Interest Requirements on any Parking System Revenue Obligations issued under the Indenture or for any claim based thereon or upon any obligation, covenant or agreement therein against any past, present or future Authorized Officer, Affiliate, member, executive director, officer, employee or agent of the Authority or the Trustee in his or her individual capacity, and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution thereof and the issuance of Parking System Revenue Obligations issued thereunder.

Limitations on Authority Liability (*Section 11.09*)

The obligations and agreements of the Authority contained in the Security 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, shall be deemed the obligations and agreements of the Authority, and not of any member, officer, director, agent or employee of the Authority in his or her individual capacity, and the members, officers, directors, agents and employees of the Authority shall not be liable personally thereon or be subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby. No recourse shall be had for the payment of the principal of or premium, if any, or the interest on any Parking System Revenue Obligation (including any Initial Bond) against any member, officer, Affiliate, employee or agent of the Authority.

The Parking System Revenue Obligations, including the Initial Bonds shall be special revenue obligations of the Authority payable solely out of the revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture and the Security Agreement. In no event shall Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture and the Security Agreement. Notwithstanding anything in the Indenture or in the Parking System Revenue Obligations contained, the Authority shall not be liable thereon or required to advance any moneys derived from any source other than the Net Revenues pledged under the Indenture and the Security Agreement for any of the purposes in the Indenture or the Security Agreement, whether for the payment of the Principal Requirements of or the Redemption Price, if any, or Interest Requirements on the Parking System Revenue Obligations or for any other purpose of the Indenture or the Security Agreement. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes.

The Parking System Revenue Obligations (including the Initial Bonds) do not and shall not constitute a pledge of the faith and credit of the City of Albany, New York (the “City”), the Authority, the State of New York (the “State”) or any political subdivision thereof, and neither the City, the Authority, the State nor any political subdivision thereof shall be liable thereon nor in any event shall the Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture and the Security Agreement.

SUMMARY OF THE SECURITY AGREEMENT

Pursuant to the Security Agreement, the Authority has collaterally assigned substantially all of its rights in all agreements now or in the future affecting the Dedicated Parking Facilities to the Trustee. Reference is made to the Security Agreement for complete details of the terms thereof. The following is a brief summary of certain provisions of the Security Agreement and should not be considered a full statement thereof.

Assignment and Grant of Lien (Section 2)

As security for the Parking System Revenue Obligations, the Authority does grant to the Trustee a security interest in all of the Authority’s right, title and interest in and to the items listed below under this caption (collectively, the “Collateral”) affecting the Dedicated Parking Facilities:

(A) All right, title and interest of the Authority in and to all leases, licenses, tenancies or rights of use and occupancy of any Dedicated Parking Facility related to the parking of motor vehicles and the Rental Space, including all amendments, extensions, renewals or guaranties of the tenants,’ or licensees’ obligations thereunder, now or hereafter on or affecting all or part of the Dedicated Parking Facilities and/or the Rental Space, including, without limitation, those leases, licenses and other agreements described on Schedule A attached to the Security Agreement, whether or not recorded, together with all security therefor and all monies payable thereunder, and all books and records which reflect payments made under the leases and licenses (hereinafter the “Leases”) in accordance with, and subject to, the terms and conditions of the Security Agreement. The current Dedicated Parking Facilities are more particularly described on Schedule C to the Security Agreement.

(B) All right, title and interest of the Authority in, to and under all contracts, undertakings, agreements, warranties and representations, records and books of account which relate to the use, operation or management of any of the Dedicated Parking Facilities related to the parking of motor vehicles and the Rental Space, including, without limitation, the Dedicated Parking Facilities Agreements listed on Schedule B to the Security Agreement, with all security therefore and all monies payable thereunder (hereinafter, the “Contracts”).

(C) All rents, income, profits, security deposits and other benefits to which the Authority may now or hereafter be entitled from the Leases and/or the income generated from the business operations conducted at or from the Dedicated Parking Facilities related to the parking of motor vehicles and the Rental Space (hereinafter the “Property Income”) in accordance with, and subject to, the terms and conditions of the Security Agreement, including, without limitation, any rents, income, security deposits and other benefits to which the Authority may now or hereafter be entitled from the Dedicated Parking Facilities Agreements described on Schedule B to the Security Agreement.

(D) All of the Authority’s right, title and interest in, to and under all Accounts and General Intangibles. For purposes of the Security Agreement, “Accounts” means an account, as that term is defined, from time to time, in Article 9 of the UCC, of the Authority which relate to the use or operation of any of the Dedicated Parking Facilities related to the parking of motor vehicles and the Rental Space. For purposes of the Security Agreement, “General Intangibles” means a general intangible, as that term is defined, from time to time, in Article 9 of the UCC, of the Authority of every kind and nature which relates to the use or operation of any of the Dedicated Parking Facilities related to the parking of motor vehicles and/or the Rental Space, and, in any event, shall include all contract and other rights of the Authority under the Leases, the Dedicated Parking Facilities Agreements and any other Contracts. For purposes of the Security Agreement, “UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York, including without limitation, the Uniform Commercial Code as amended by Revised Article 9, provided that if by reason of mandatory provisions of law, the creation and/or perfection or the effect of perfection or non-perfection of the security interests in any collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, the term “UCC” shall also mean the Uniform Commercial Code as in effect from time to time in such other jurisdiction (including without limitation, the Uniform Commercial Code as amended by Revised Article 9) for purposes of the provisions of the Security Agreement relating to such creation, perfection or

effect of perfection or non-perfection. For purposes of the Security Agreement, “Revised Article 9” means the uniform revision of Article 9 of the Uniform Commercial Code, with new provisions added to other Articles of the Uniform Commercial Code contemplated by such revision, all as approved in 1999 by The American Law Institute and by the National Conference of Commissioners on Uniform State Laws.

(E) All of the Authority’s right, title and interest in and to all Funds and Accounts established under the Indenture (other than the General Fund, the Rebate Fund and the Transfer Fund) and all moneys, securities, certificates or other instruments and the earnings thereon held by the Trustee, as trustee under the Indenture, in such Funds and Accounts (other than the General Fund, the Rebate Fund and the Transfer Fund) (collectively, the “Funds”).

Limitation on Collection; Assets Not Included in Collateral (*Section 3*)

The Authority and the Trustee agree that once any proceeds of Collateral are credited to the General Fund, the Rebate Fund and/or the Transfer Fund (collectively, the “Excluded Funds”) in accordance with the terms of the Indenture, the lien and security interest of the Trustee in those proceeds of Collateral which are so credited to any of the Excluded Funds shall terminate and the Authority shall have such rights with respect to such Excluded Funds as are provided in the Indenture. In addition, the Authority and the Trustee agree and acknowledge that nothing in the Security Agreement shall be deemed to create a lien on or security interest in any leases, licenses, tenancies, income, accounts, contracts, agreements or other instruments for the use, occupancy, operation or management of any Dedicated Parking Facility for purposes not related to the parking of motor vehicles (for example, the lease of air rights above any of the Dedicated Parking Facilities for the operation of a hotel, office space or other retail establishment), except for the Rental Space.

Events of Default (*Section 9*)

Any one or more of the following shall constitute an “Event of Default” under the Security Agreement:

(A) The failure of the Trustee to have a valid, perfected, first priority lien on any of the Collateral affecting the Quackenbush Square Project Facility, or a valid, perfected, second priority lien on any of the Collateral affecting the Green-Hudson Project Facility and/or the Columbia Street Project Facility;

(B) The occurrence of an Event of Default under the Security Agreement, under the Indenture or any other Financing Document (beyond any grace periods set forth in said agreements, if any).

(C) The breach, in any material respect, of any warranty or the untruth or inaccuracy, in any material respect, of any representation of the Authority contained in the Security Agreement.

(D) The failure of the Authority to observe or perform any other agreements, covenants or representations under the Security Agreement for a period of thirty (30) days after notice by the Trustee to the Authority of such failure.

Possession of Collateral; Appointment of Receiver (*Section 10*)

(A) Whenever an Event of Default shall have occurred, the Trustee may, at its option, without (i) notice to the Authority, (ii) regard to the adequacy of the security for the Initial Bonds, (iii) proof of depreciation of the value of the Collateral, or (iv) regard to the financial condition of the Authority:

(1) By itself or by agent, with or without bringing any action, suit, or proceeding, immediately enter upon and take possession and control of the Collateral with those rights and powers more particularly set forth in item (C) below.

(2) Make application to a court of competent jurisdiction for and obtain the immediate ex parte appointment of a receiver authorized to immediately enter upon and take possession and control of the Collateral with those rights and powers more particularly set forth in item (C) below.

(3) Without taking possession and control of any of the Collateral: collect directly all Property Income, Accounts and sums due under any Contracts; notify any tenant, licensee, or operator that payment

is to be made directly to the Trustee; commence action to collect directly all Property Income, Accounts and sums under any Contracts which are due to the Authority; and sue for or otherwise collect and receive all Property Income, Accounts and other sums due under any Contracts.

(B) The Authority waives to the fullest extent permitted by law all rights to prior notice or court hearing in connection with any action by the Trustee of the types set forth in item (A) above, and the Authority further waives any requirement that the Trustee provide any bond, surety, or other security in connection with any said action.

(C) In the event the Trustee, the Trustee's agent and/or a receiver enters upon and takes possession and control of any of the Collateral after the occurrence of an Event of Default pursuant to item (A) above, said person or entity shall have all of the Authority's respective rights and powers with respect to the Collateral, in addition to such other rights and powers as may subsequently be authorized, including without limitation the right and power to:

(1) manage and operate the Dedicated Parking Facilities and the business conducted therefrom and exercise all the rights and powers of the Authority in their respective names or otherwise with respect to the same;

(2) obtain such insurance with respect to the Dedicated Parking Facilities, the Rental Space and the business operations conducted therefrom as may be determined necessary;

(3) enter into agreements with others to exercise the powers granted in the Security Agreement, all as the Trustee, its agents or a receiver from time to time may determine;

(4) collect and receive all Property Income, Accounts and other sums due under any Contracts;

(5) enforce all terms of existing Leases and Contracts at the Dedicated Parking Facilities and the Rental Space and all other contracts or agreements pertaining to the Dedicated Parking Facilities, the Rental Space or the business operations conducted therefrom, including, without limitation, the Dedicated Parking Facilities Agreements; and

(6) enter into such new or additional Leases and Contracts and such other contracts or agreements pertaining to the Dedicated Parking Facilities, the Rental Space, or the business operations conducted at or from the Dedicated Parking Facilities and the Rental Space from time to time as the Trustee, its agents, or the receiver may determine necessary in its sole discretion.

(D) All Property Income collected by the Trustee, the Trustee's agent or a receiver pursuant to item (A) above shall be applied to in accordance with the terms of the Indenture.

(E) The Trustee, its agents, or any receiver acting pursuant to item (A) above shall in no event be liable or accountable for more moneys than actually are received from the Dedicated Parking Facilities and the Rental Space during the period which the Trustee, its agent or any receiver actually is in possession and control of the Dedicated Parking Facilities and/or the Rental Space. Neither the Trustee, its agents or any receiver shall be liable or accountable in any manner for the failure to collect Property Income, Accounts or other sums due under any Leases or Contracts for any reason whatsoever.

(F) All reasonable costs, expenses and liabilities incurred by the Trustee in managing, operating and maintaining any of the Dedicated Parking Facilities and/or the Rental Space, not paid from Property Income shall constitute and be treated as Trustee advances pursuant to Section 12 of the Security Agreement.

(G) Unless caused by its own gross negligence or willful misconduct, the Trustee, its agents or the receiver shall incur no liability for, nor shall the Authority assert any claim or setoff as a result of, any action taken while the Trustee, its agent or a receiver is: (1) in possession of any of the Collateral; or (2) is managing, operating or otherwise using any of the Dedicated Parking Facilities and/or the Rental Space.

Trustee Expenses and Advances (*Section 12*)

The Authority shall pay, indemnify, and hold the Trustee harmless from all reasonable costs and expenses incurred with respect to enforcing and administering the Trustee's right to take possession of the Collateral and to operate the Dedicated Parking Facilities and/or the Rental Space under Section 10 of the Security Agreement. Upon the occurrence of an Event of Default, the Trustee may, but without any obligation to do so and without notice or demand, pay any amount which the Authority has failed to pay, or perform any act which the Authority has failed to perform under the Security Agreement, including, without limitation, the payment of costs attendant to the Trustee's possession as set forth in subsection 10(F) of the Security Agreement and the payment of amounts for which the Trustee has been indemnified under subsection 4(F) of the Security Agreement. In such event the costs, disbursements, expenses and reasonable attorney's fees thereof shall be (1) added to the bond debt, (2) payable on demand to the Trustee and (3) secured by the lien of the Security Agreement, prior to any right, title, interest, lien or claim attaching or accruing to the Collateral subsequent to the lien created by the Security Agreement.

Limitations on Authority Liability (*Section 16*)

The obligations and agreements of the Authority contained in the Security 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, shall be deemed the obligations and agreements of the Authority, and not of any member, officer, director, agent or employee of the Authority in his or her individual capacity, and the members, officers, directors, agents and employees of the Authority shall not be liable personally thereon or be subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby. No recourse shall be had for the payment of the principal or premium, if any, or the interest on any Parking System Revenue Obligation (including any Initial Bond) against any member, officer, Affiliate, employee or agent of the Authority.

The Parking System Revenue Obligations, including the Initial Bonds shall be special revenue obligations of the Authority payable solely out of the revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture and the Security Agreement. In no event shall Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture and the Security Agreement. Notwithstanding anything in the Indenture or in the Parking System Revenue Obligations contained, the Authority shall not be liable thereon or required to advance any moneys derived from any source other than the Net Revenues pledged under the Indenture and the Security Agreement for any of the purposes in the Indenture or the Security Agreement, whether for the payment of the Principal Requirements of or the Redemption Price, if any, or Interest Requirements on the Parking System Revenue Obligations or for any other purpose of the Indenture or the Security Agreement. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes.

The Parking System Revenue Obligations (including the Initial Bonds) do not and shall not constitute a pledge of the faith and credit of the City of Albany, New York (the "City"), the Authority, the State of New York (the "State") or any political subdivision thereof, and neither the City, the Authority, the State nor any political subdivision thereof shall be liable thereon nor in any event shall the Parking System Revenue Obligations be payable out of any funds or property of the Authority, except to the extent pledged under the Indenture and the Security Agreement.

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by Albany Parking Authority (the “Authority”) and Manufacturers and Traders Trust Company, as Trustee (the “Trustee”) in connection with the issuance of the Authority's \$_____ aggregate principal amount of Parking System Revenue Bonds, Series 2023A (Federally Tax-Exempt) (the “Series 2023A Bonds”) and \$_____ aggregate principal amount of Parking System Revenue Bonds, Series 2023B (Federally Taxable) (the “Series 2023B Bonds” which, together with the Series 2023A Bonds, are collectively referred to herein as the “Series 2023 Bonds”). The Series 2023 Bonds are being issued pursuant to a Trust Indenture, dated as of June 1, 2001 (the “Indenture”), between the Authority and the Trustee, as supplemented by a Supplemental Indenture dated as of [October __, 2023]. In order to permit the Underwriter (defined below) to comply with the provisions of Rule 15c2-12 in connection with the public offering of the Series 2023 Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Series 2023 Bond holders as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority and the Trustee for the benefit of the holders and Beneficial Owners of the Series 2023 Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

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 any annual report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has, or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2023 Bonds for Federal income tax purposes.

“Dissemination Agent” shall mean the Fiscal Advisors and Marketing, Inc., acting in its capacity as the initial Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such Rule may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Underwriter” shall mean Roosevelt & Cross Incorporated, the original underwriter of the Series 2023 Bonds required to comply with the Rule in connection with the offering of the Series 2023 Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than six (6) months after the end of the Authority's fiscal year (presently December 31) commencing with the report for the 2022 fiscal year, provide to the MSRB through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Authority shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Authority and the Dissemination Agent to determine if the Authority is in compliance with the first sentence of this subsection (b).

(c) The Authority shall provide to the MSRB, in a timely manner, notice of any failure to provide by the date set forth in paragraph (a) of this Section 3 any Annual Information required by Section 4 hereof, in the form attached as Exhibit A.

(d) The Dissemination Agent shall file a report with the Authority and (if the Dissemination Agent is not the Trustee) the Trustee acknowledging that, based on the receipt of notice of filing from the Authority, the applicable Annual Report has been filed with EMMA pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. Content of Annual Reports. (a) The Authority's Annual Report shall contain or include by reference the following:

- (1) The audited financial statements of the Authority for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement (as defined below), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (2) An update of the information contained in the Official Statement, dated [October __, 2023] relating to the Series 2023 Bonds (the "Official Statement") under the heading "THE AUTHORITY" and in Appendices A, A1 and A2.
- (3) A narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning the Authority and in judging the financial and operating condition of the Authority.

(b) The requirements set forth in paragraph (a) of this Section 4 are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of this subparagraph call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

(c) Any or all of the items listed in paragraph (a) of this Section 4 may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an “obligated person” (as defined by the Rule) which have been filed with EMMA. If the document included by reference is a final official statement, it must be available from EMMA. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds, to EMMA, in a timely manner, not in excess of the (10) business days of the occurrence of any of such event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the IRS 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 2023 Bonds, or other material events affecting the tax-exempt status of the Series 2023 Bonds;
- (7) modifications to the rights of the holders of the Series 2023 Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2023 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Authority;
- (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material principal and interest payment delinquencies;
- (15) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect holders of the Series 2023 Bonds, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Authority from providing notice of the occurrence of certain other events, in addition to those listed above, if the Authority determines that any such other event is material with respect to the Series 2023 Bonds; but the Authority does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

(c) Each notice of an event hereunder shall indicate that it is a notice of an event and shall include the CUSIP number of the Authority or the CUSIP numbers of the Series 2023 Bonds.

(d) Unless otherwise required by law and, in the Authority's sole determination, subject to technical and economic feasibility, the Authority shall employ such methods of information and notice transmission as shall be requested or recommended by the recipients of the Authority's information and notices.

SECTION 6. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds. If the Authority's obligations under the Indenture 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 Authority and the Authority shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2023 Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be Fiscal Advisors & Marketing, Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Authority) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be 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 Authority or the type of business conducted by the Authority;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders of the Series 2023 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Series 2023 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles,

on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority 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 Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority or the Trustee to comply with any provision of this Disclosure Agreement, the Dissemination Agent or the Trustee may (and, at the request of the Underwriter or the holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2023 Bonds, shall), or any holder or Beneficial Owner of the Series 2023 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority and 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 and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder and to defend, indemnify and save the Trustee and 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 attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2023 Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Authority: Albany Parking Authority
25 Orange Street
Albany, NY 12207
Attention: Executive Director

With copies to: Allan O'Brien, Esq.
25 Orange Street
Albany, New York 12207

and

Hodgson Russ LLP
677 Broadway, Ste. 401
Albany, New York 12207
Attention: A. Joseph Scott, III, Esq.

To the Trustee: Manufacturers and Traders Trust Company
285 Delaware Avenue, 3rd Floor
Buffalo, New York 14202
Attention: Corporate Trust Administration

With a copy to: Bond, Schoeneck & King, PLLC
One Lincoln Center
Syracuse, New York 13202
Attention: Matthew N. Wells, Esq.

To the Dissemination
Agent: Fiscal Advisors & Marketing, Inc.
Capital Region Office
63 Putnam Street, Suite 202
Saratoga Springs, New York 12866

and

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202

Any person may, by written notice to the other persons noted above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Underwriter and holders and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

SECTION 14. 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.

[Signature Page Follows]

[Signature Page to Continuing Disclosure Agreement]

Dated: [October __, 2023]

ALBANY PARKING AUTHORITY

By: _____
Authorized Officer

**MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee**

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB VIA EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Albany Parking Authority

Name of Bond Issue: Albany Parking Authority
Parking System Revenue Bonds, Series 2023A (Federally Tax-Exempt)
Parking System Revenue Bonds, Series 2023B (Federally Taxable)

Date of Issuance: [October __, 2023]

CUSIP #: _____

NOTICE IS HEREBY GIVEN that the Albany Parking Authority has not provided an Annual Report with respect to the above-named Bonds as required by the Continued Disclosure Agreement, dated as of [October __, 2023] between the Authority and the Dissemination Agent. [The Authority anticipates that an Annual Report will be filed by _____.]

Dated: _____ Albany Parking Authority

ALBANY PARKING AUTHORITY

FINANCIAL REPORT

December 31, 2022 and 2021

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.



(A Component Unit of the City of Albany, New York)

Financial Report

December 31, 2022 and 2021

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Financial Report

December 31, 2022 and 2021

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Independent Auditor's Report

Board of Directors
Albany Parking Authority
Albany, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Albany Parking Authority (Authority), a component unit of the City of Albany, New York, as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in its financial position and its 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 (GAAS) 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1I to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 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 Responsibility 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 opinion. 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.

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 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 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 management's discussion and analysis and the information listed under Required Supplementary Information 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of revenues and expenses by operating department and capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues and expenses by operating department and capital assets are 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 March 24, 2023, on our consideration of the 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 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 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 Authority's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
March 24, 2023



Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2022 and 2021

The Albany Parking Authority (Authority) is pleased to present its Financial Report for the years ended December 31, 2022 and 2021. We encourage readers to consider the information on pages 16 to 34 in conjunction with the Authority's financial statements and supplementary information (presented on pages 35 to 40) to enhance their understanding of the Authority's financial performance.

RESPONSIBILITY AND CONTROLS

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on the recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Authority's system of internal accounting controls is evaluated on an ongoing basis by the Authority's internal financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Authority's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

AUDIT ASSURANCE

The unmodified (i.e., clean) opinion of our independent external auditors, BST & Co. CPAs, LLP, is included on pages 1 to 3 of this report.

FINANCIAL HIGHLIGHTS

- Garage occupancy increased by 13 parkers since December 31, 2021, primarily due to increases in individual monthly pass holders. Occupancy is currently 110% at Riverfront Garage, 111% at Greenhudson Garage and 43% at Quackenbush Garage.
- The Authority reported a net position of \$524,442, comprising of \$16.5 million in total assets and \$3.9 million in deferred outflows, less \$15.2 million in total liabilities and \$4.7 million in deferred inflow.
- The Authority's activities had total revenues of \$9.2 million, which exceed total expenses of \$8.8 million for a net income of \$375 thousand.
- The Authority continues to maintain a compliant debt coverage ratio, with a 1.71 ratio in 2022.
- The total bond debt outstanding at year-end was \$5.6 million, comprising of \$5.0 million in principal outstanding and \$551 thousand in interest outstanding. Current bond obligations are set to expire in 2025.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2022 and 2021

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority report information about the Authority's operations using accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The statement of net position includes all of the Authority's assets, liabilities, and deferred outflows and inflows of resources, and provides information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its parking garage and meter fees.

The final required financial statement is its statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operating, investing, and financing activities, and the change in cash and cash equivalents during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

SUMMARY OF ORGANIZATION AND BUSINESS

The Authority was established in 1983 as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York by the Albany Parking Authority Act (the enabling act). The Act, as amended by Chapter 244 of the Laws of 2021, authorizes the Authority to construct, operate, and maintain parking facilities in the City of Albany (City) and to issue bonds and notes for the purpose of acquiring, constructing, reconstructing and repairing property related to its operations, including property proximate to parking facilities and property that facilitates increased supply or demand for parking. Pursuant to Chapter 244 of the Laws of 2021, the aggregate outstanding principal amount of bonds issued by the Authority may not exceed \$75 million at any one time.

The Authority Board of Directors is composed of a chairperson and four other members appointed by the Mayor of the City with the advice and consent of the City Common Council. The members serve until reappointed or replaced at the pleasure of the Mayor. The Authority has a budgeted staff of 54, of which 49 are full-time positions and 5 are part-time positions (less than 30 hours a week).

The Authority generates income from on-street parking meters, 3 parking garages, and 9 surface lots located along Central Avenue and Montgomery Street. Although the Authority does not receive State or federal subsidies, the Authority is eligible to apply for and receive grant monies. Previously, the Authority has been awarded grant monies to conduct feasibility studies and complete construction projects. In 2022 the Authority completed a state grant from the NYS DRI to enhance Quackenbush Square. In addition, the Authority was awarded ARPA funds from the City of Albany to improve public safety in the Central Ave and Quackenbush lots which is expected to be completed in 2023.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2022 and 2021

SUMMARY OF ORGANIZATION AND BUSINESS - CONTINUED

The on-street parking meter system is authorized by the City under a licensing agreement which permits the Authority to install and operate parking meters for an annual licensing fee. The licensing agreement also designates enforcement of on-street parking violations as a function of the Authority, but retains that salaries and costs related to enforcement operations are reimbursable to the Authority. Further, all revenue from fines and penalties related to violations remain the property of the City.

The Authority manages over 2,000 metered parking spaces using single-space and multi-space meters, which accept payment by cash or coin, credit card or payment through the on-street parking phone app. Metered parking spaces are structured into different zones with various rates tailored to improve and maximize curb access, promote turnover and increase parking availability. Meter regulations are in effect on non-holidays, Monday – Friday.

The three parking garages operated by the Authority provide 2,557 parking spaces, including of 53 handicap or ADA accessible spaces and 19 EV charging spaces. Garage revenue is generated from daily customers that pay by hour for parking services, monthly customers that pay a monthly rate for 24/7 access and special event pricing. The Authority is dedicated to making sure all garages are open for use on a 24/7 basis and all three garages met that goal in 2022.

In total, the Authority manages 9 surface parking lots in downtown Albany that provide 357 parking spaces including 18 handicap or ADA accessible spaces. Surface parking lot revenue is generated from daily customers that pay by hour for parking services Monday through Saturday and monthly customer that pay a monthly rate for 24/7 or daytime access.

In its mission, the Authority is dedicated to helping to sustain and create economic development opportunities through parking for the City of Albany. To this end, the Authority continues efforts to make business and residential living feasible in downtown Albany by providing adequate parking options and promoting events occurring in the area.

GENERAL AUTHORITY INFORMATION

Selected Data (parking revenue only):

Parking Facilities	Average Monthly Revenue		Difference	% Change
	2022	2021		
Riverfront	\$ 103,821	\$ 96,221	\$ 7,600	7.90%
Green-Hudson	126,140	105,349	20,791	19.74%
Quackenbush	62,097	46,337	15,760	34.01%
Parking Meters	201,633	168,137	33,496	19.92%
Q Lots and C Lots	16,398	13,091	3,307	25.26%

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2022 and 2021

FINANCIAL ANALYSIS

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, monitoring, and planning:

	December 31,				
	2022	2022 vs. 2021	(As Restated) 2021	2021 vs. 2020	2020
Current assets and investments	\$ 4,575,098	5.5%	\$ 4,336,877	22.4%	\$ 3,544,067
Noncurrent assets, net	11,926,175	1.8%	11,710,415	-6.1%	12,476,241
Total assets	16,501,273	2.8%	16,047,292	0.2%	16,020,308
Deferred outflows of resources, net	3,883,088	-15.7%	4,608,099	29.7%	3,552,131
Current liabilities	2,246,631	11.3%	2,018,678	4.2%	1,937,898
Long-term liabilities	13,054,181	-2.1%	13,328,599	-22.2%	17,131,991
Total liabilities	15,300,812	-0.3%	15,347,277	-19.5%	19,069,889
Deferred inflows of resources	4,692,896	-9.0%	5,158,654	410.2%	1,011,195
Net position, capital	5,376,837	-4.2%	5,612,534	0.8%	5,569,586
Net position, restricted	354,494	-24.9%	472,149	16.5%	405,107
Net position, unrestricted	(5,340,678)	-10.0%	(5,935,223)	-8.5%	(6,483,338)
Net position	<u><u>\$ 390,653</u></u>	<u><u>161.4%</u></u>	<u><u>\$ 149,460</u></u>	<u><u>-129.4%</u></u>	<u><u>\$ (508,645)</u></u>

	Years Ended December 31,				
	2022	2022 vs. 2021	2021	2021 vs. 2020	2020
Operating revenue	\$ 9,162,424	37.0%	\$ 6,690,010	5.3%	\$6,351,705
Nonoperating revenue	24,447	1079.3%	2,073	-84.0%	12,917
Total revenues	9,186,871	37.3%	6,692,083	5.1%	6,364,622
Depreciation expense	1,056,058	-1.4%	1,071,468	-8.9%	1,176,322
Amortization expense	48,049	0.0%	48,048	0.0%	48,048
Other operating expenses	7,515,842	62.8%	4,617,046	-20.5%	5,808,435
Nonoperating expense	325,729	9.5%	297,416	-17.8%	361,739
Total expenses	8,945,678	48.3%	6,033,978	-18.4%	7,394,544
Change in net position	241,193		658,105		(1,029,922)
NET POSITION, <i>beginning of year</i>	149,460		(508,645)		521,277
NET POSITION, <i>end of year</i>	<u><u>\$ 390,653</u></u>		<u><u>\$ 149,460</u></u>		<u><u>\$ (508,645)</u></u>

GENERAL TRENDS AND SIGNIFICANT EVENTS

The COVID-19 public health crisis continues to have a causal impact on revenue. All revenue streams experienced significant recovery in spring, summer, and fall months, however, began to decline at the onset of the Omicron variant which delayed the full-time return to offices. In 2021, the Albany Parking Authority awarded a contract for the installation of new exit and entry equipment for all three garages. The new equipment will enhance the ability to develop targeted business strategies, improve customer experience, expand special event revenue, and improve reporting and analytical capabilities. The new exit and entry equipment was installed and is operational as of third quarter 2022.

The Authority has advanced a number of marketing efforts to accelerate downtown economic development in the City, including marketing specialized monthly passes for co-working spaces, restaurants, and residents. Further, the Authority continues to promote activities and events occurring in the Downtown area to improve awareness and advertise Authority operated facilities.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Management's Discussion and Analysis
December 31, 2022 and 2021

GENERAL TRENDS AND SIGNIFICANT EVENTS - CONTINUED

Lastly, the Skyway Park, which is located adjacent to Quackenbush Garage and Quackenbush Lot, has been completed and is expected to open in late spring of 2022. The Skyway Park, in addition to the Quackenbush Square project, opened in 2022, and has begun to transform the area into an activity hub, connecting visitors to art, music, entertainment venues, local restaurants, businesses and the Albany waterfront. The Skyway Park is anticipated to draw 100,000 visitors annually which will likely correlate to increases in daily and special event customers at Quackenbush Garage and Quackenbush lot. In addition, a new hotel is scheduled to be open in 2023 adjacent to Quackenbush Square and the Quackenbush Garage and a contract to provide parking to the new hotel was signed by the APA in first quarter 2022.

FINANCIAL CONDITION

Compared to 2021, parking revenues increased by \$1 million in 2022. Revenue improvements were primarily due to increases in daily garage and lot revenue, meter revenue and special event revenue. Monthly pass revenue decreased from 2020, due to cancellations that occurred in late 2020 and early 2021. However, despite the continuation of the COVID-19 public health crisis and the ensuing Omicron variant, monthly pass revenue experienced positive revenue growth for 7 consecutive months between June and December of 2021.

Expenses totaled \$8.5 million, increasing compared to \$5.7 million in 2021. The increase in operating costs was primarily due to \$1.6 million in project cost incurred on behalf of the City of Albany. The Authority received \$1.4 million in cost reimbursements and a state grant to fund these project costs. The Authority also saw a \$303 thousand increase in salaries and benefits and \$325 thousand increase in repairs and maintenance.

The meter licensing fee, which is subordinate to debt service payments, has been suspended since March 2020. The suspension of the meter licensing fee will continue until revenues and cash flow can support reinstatement which is expected to start in 2023 contingent on financial recovery.

The 2018 bonds issued along with the 2011 issue will be fully retired in 2025.

RESULTS OF OPERATIONS

Revenue

Total revenue, excluding state operating grants and enforcement and project cost reimbursements, was \$6,165,019, compared to \$5,151,695 in 2021. Monthly parking revenue increased by \$214,937. However, all other operating revenue experienced year-over-year increases. Daily garage and lot revenue increased by \$201,571; meter revenue increased by \$407,336; and special event revenue increased by \$206,957.

Expenses

Total operating expenses for 2022, excluding depreciation, bond issue costs, amortization, uncollectible accounts, and interest, was \$7.4 million compared to \$4.6 million in 2021, an increase of \$2.8 million. Of these expenses \$3.0 million were reimbursable by the City under the enforcement management agreement and project cost agreement, and a state grant; in 2022 the City parking enforcement reimbursement totaled \$1.6 million, a \$100 thousand increase. The meter licensing fee, which totaled \$162,867 in 2020, was suspended for all of 2021 and 2022, resulting in no payment to the City.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

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LONG-TERM OBLIGATIONS

As of December 31, 2022, the Authority had \$5,025,000 outstanding related to refunding bonds issued during 2011 and 2018.

In addition, the Authority has approximately \$812,000 in purchase finance agreements that were issued to pay for multi-space and single space parking meters. These obligations will be fully repaid in 2026.

More detailed information about the Authority's long-term obligations is presented in the Notes to the Financial Statements on pages 22 through 24.

FINAL COMMENTS

The Authority periodically is requested by institutional or commercial interests to review options for expansion of the parking system. The Trust Indenture requires such expansion to be financially feasible and to have no material effect on the Authority's ability to make current debt payments. The Authority closely monitors downtown parking inventory and parking demand among other factors in determining feasibility of additional facilities.

Under terms of the Trust Indenture, the Authority has agreed to adopt rates which shall be sufficient to produce net revenue for each fiscal year: (i) to pay Authority expenses; (ii) to pay debt service on outstanding parking system obligations; and (iii) to produce a debt service coverage ratio of 1.50 to 1 in each fiscal year.

To prevent neglect of maintenance and deterioration of Authority facilities over time, the 2001 bond issue provided a requirement for a Renewal and Replacement Reserve Fund to be held by the Trustee. The amount required is equal to \$50,000 for each structured parking facility, payable annually into the fund. As of year-end, the fund balance was \$354,493.

Given the current public policy debate regarding state benefits, the Authority is carefully reviewing past practice and policies related to this area. Each Authority employee receives the New York State defined benefit program based upon their tier and New York State definitions and is required to be a member of the New York State retirement system. Regarding health insurance, current employees determine their needs and contribute based on no coverage, single coverage, coverage for 2 qualified individuals, or a family plan. In order to carry these benefits into retirement, the employee must be retired from the NYS Retirement System and have 10 years of continuous employment with the Authority upon retirement. The retiree then continues to provide their contribution on the same terms and conditions as during their final year of employment. When the Authority retiree passes, no health insurance coverage remains for any surviving members, even if they were previously covered under the health insurance plan.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGER

This financial report is intended to provide a general overview of the Authority's financial position and to illustrate the Authority's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, contact the Director of Administration, Albany Parking Authority, P.O. Box 799, Albany, New York 12201-0799, or on the internet at www.parkalbany.com.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

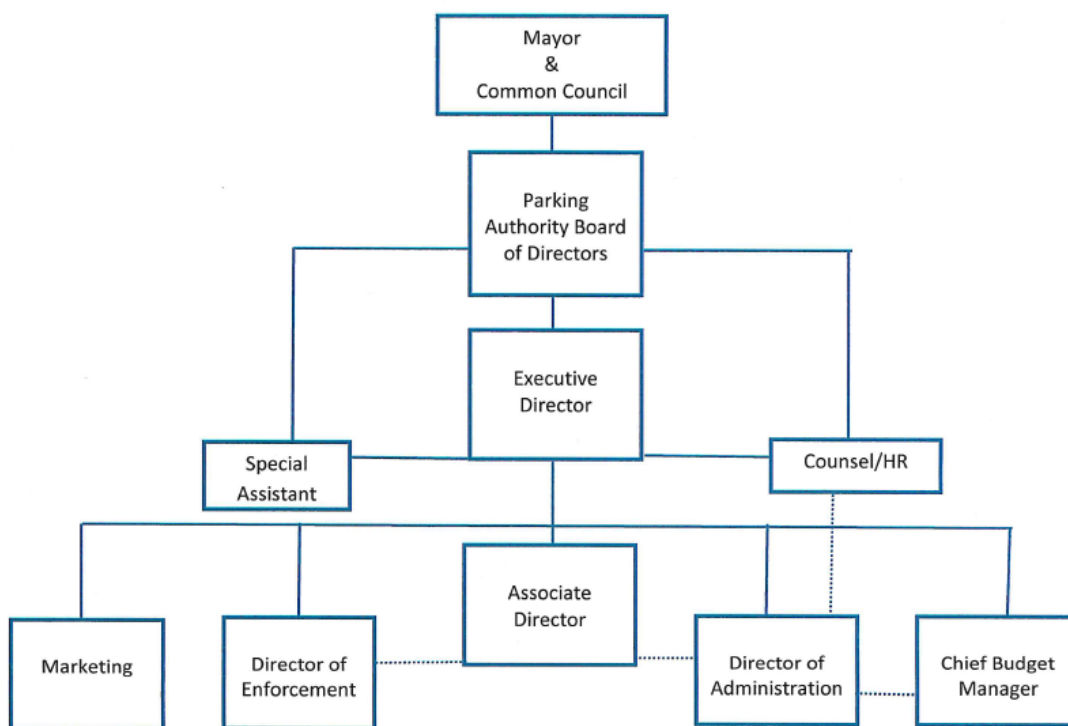
Management's Discussion and Analysis
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PRINCIPAL OFFICIALS

The Authority's Board of Directors, appointed by the Mayor with consent of the Common Council, is as follows:

<u>Name</u>	<u>Board Office</u>	<u>Term Expiration</u>
Jeff Sperry	Chair	January 2, 2026
Christopher Burke	Vice Chair	January 2, 2024
Jordine Jones	Secretary	January 2, 2025
William O. Pettit, III	Treasurer	January 2, 2027
Jennifer Ceponis	Asst. Secretary/Treasurer	January 2, 2023

ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022

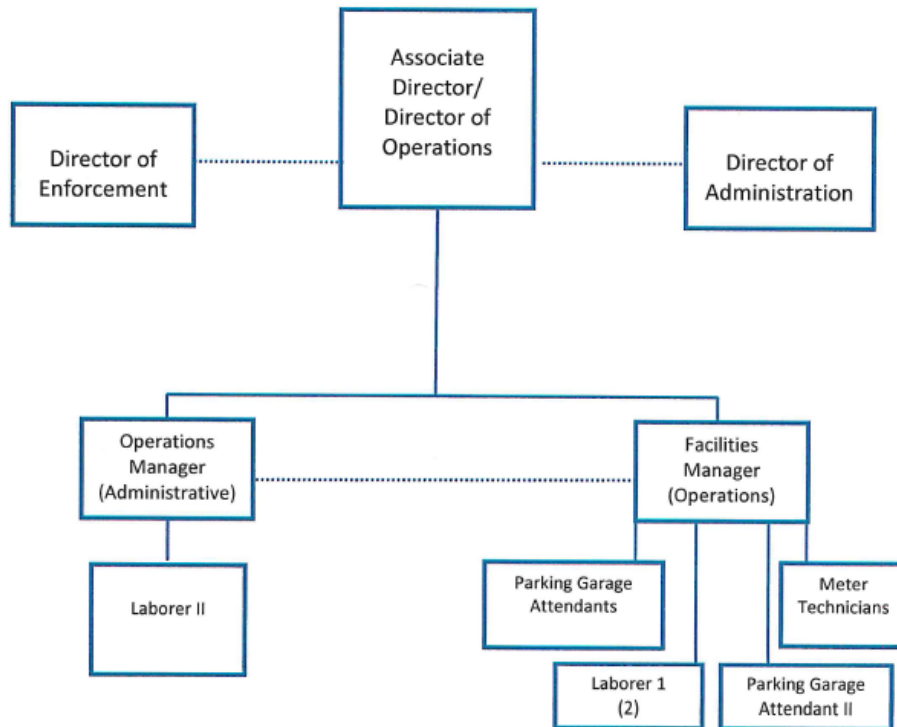


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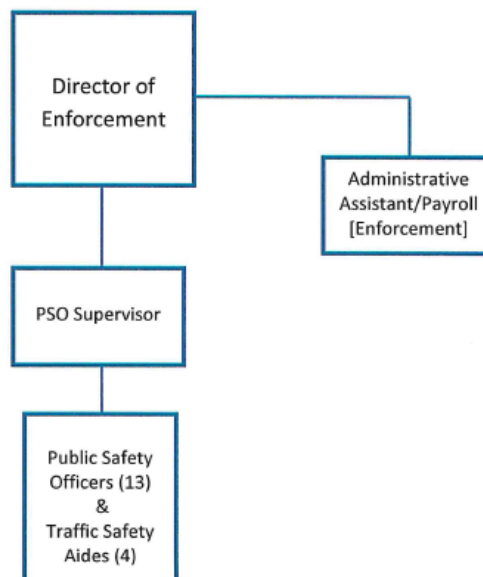
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PRINCIPAL OFFICIALS - CONTINUED

ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022- Operations



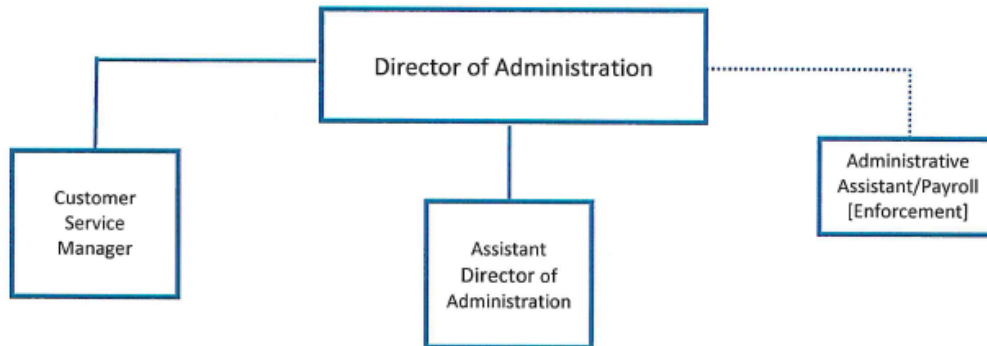
ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022- Enforcement



Albany Parking Authority
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ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022- Administration



Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Statements of Net Position

	December 31,	
	2022	2021 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,463,411	\$ 2,421,181
Cash and cash equivalents, restricted	1,180,269	1,289,937
Investments	-	150,405
Parking revenues receivable, net	45,164	62,942
Lease receivable	114,462	111,105
Due from the City of Albany, New York	863,914	253,994
Due from New York State	866,052	-
Prepaid expenses and other	41,826	47,313
Total current assets	<u>4,575,098</u>	<u>4,336,877</u>
NON-CURRENT ASSETS		
Lease receivable, less current portion	58,522	172,984
Net pension asset	623,352	-
Capital assets, not being depreciated	3,774,681	3,774,681
Capital assets, net of accumulated depreciation	7,469,620	7,762,750
Total non-current assets	<u>11,926,175</u>	<u>11,710,415</u>
 Total assets	 <u>16,501,273</u>	 <u>16,047,292</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,883,088</u>	<u>4,608,099</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	412,355	140,880
Accrued interest	116,684	148,374
Unearned parking revenues	90,115	92,844
Current maturities of long-term debt	1,355,000	1,365,000
Current installments of purchase finance agreements	222,474	221,577
Current portion of accrued postemployment health benefits	50,003	50,003
Total current liabilities	<u>2,246,631</u>	<u>2,018,678</u>
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	3,846,101	5,270,388
Purchase finance agreements, less current installments	589,829	171,108
Accrued postemployment health benefits, less current maturities	8,618,251	7,879,829
Net pension liability	-	7,274
Total non-current liabilities	<u>13,054,181</u>	<u>13,328,599</u>
 Total liabilities	 <u>15,300,812</u>	 <u>15,347,277</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,692,896</u>	<u>5,158,654</u>
NET POSITION		
Net investment in capital assets	5,376,837	5,612,534
Restricted	354,494	472,149
Unrestricted deficit	<u>(5,340,678)</u>	<u>(5,935,223)</u>
TOTAL NET POSITION	<u><u>\$ 390,653</u></u>	<u><u>\$ 149,460</u></u>

See accompanying Notes to Financial Statements.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2022	2021
OPERATING REVENUES		
Parking revenues	\$ 6,121,072	\$ 5,149,622
Reimbursement from the City of Albany, New York		
Parking enforcement	1,641,821	1,529,425
Project cost reimbursement	510,494	-
State operating grant	889,037	10,963
	<u>9,162,424</u>	<u>6,690,010</u>
OPERATING EXPENSES		
Salaries and benefits expense	3,584,027	3,281,474
Repairs and maintenance	824,650	373,024
Utilities	93,133	67,731
Professional fees	107,699	73,373
Depreciation	1,056,058	1,071,468
Meter supplies and equipment	38,033	18,993
Bad debt	26,077	-
Insurance	192,724	117,613
Computerization	312,008	211,754
Credit card fees	231,645	171,942
Project costs	1,595,214	28,323
Miscellaneous	510,632	272,819
	<u>8,571,900</u>	<u>5,688,514</u>
Operating income	<u>590,524</u>	<u>1,001,496</u>
NONOPERATING REVENUE (EXPENSES)		
Interest income	24,447	2,073
Amortization of bond insurance premiums and deferred losses	(48,049)	(48,048)
Other income (expense)	(85,109)	820
Interest expense	(240,620)	(298,236)
Total nonoperating revenue (expenses)	<u>(349,331)</u>	<u>(343,391)</u>
Change in net position	241,193	658,105
NET POSITION, <i>beginning of year</i>	<u>149,460</u>	<u>(508,645)</u>
NET POSITION, <i>end of year</i>	<u>\$ 390,653</u>	<u>\$ 149,460</u>

See accompanying Notes to Financial Statements.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Statements of Cash Flows

	Years Ended December 31,	
	2022	2021 (Restated)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 6,136,121	\$5,120,531
Cash received from City of Albany, New York	1,542,395	1,697,371
Cash received from state operating grant	22,985	10,963
Cash paid to suppliers and other vendors	(3,654,853)	(1,416,197)
Cash paid for salaries, payroll taxes, and employee benefits	(3,153,922)	(2,849,193)
	892,726	2,563,475
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Interest income	24,447	2,073
Proceeds from sale of investments	150,405	152,845
	174,852	154,918
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(868,141)	(132,658)
Proceeds from sale of capital assets	20,104	820
Proceeds from purchase finance agreements	795,344	172,656
Payments of long-term debt and purchase finance agreements	(1,810,013)	(1,422,452)
Interest paid	(272,310)	(396,313)
	(2,135,016)	(1,777,947)
Net increase (decrease) in cash and cash equivalents	(1,067,438)	940,446
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	3,711,118	2,770,672
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 2,643,680	\$ 3,711,118
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 590,524	\$ 1,001,496
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	1,056,058	1,071,468
Bad debts	26,077	-
(Increase) decrease in		
Parking revenues receivable	(8,299)	(22,053)
Prepaid expenses and other	5,487	(39,997)
Due from City of Albany, New York	(609,920)	167,946
Due from New York State	(866,052)	-
Deferred outflows of resources	676,962	(1,104,016)
Lease receivable	111,105	107,845
Increase (decrease) in		
Accounts payable, accrued expenses, and unearned parking revenues	268,746	(47,666)
Net pension asset/liability	(630,626)	(1,826,181)
Deferred inflows of resources	(465,758)	3,755,525
Accrued postemployment health benefits	738,422	(500,892)
	\$ 892,726	\$ 2,563,475

See accompanying Notes to Financial Statements.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

The Albany Parking Authority (Authority) is a public benefit corporation of the State of New York. It is a discretely presented component unit of the City of Albany, New York (City) that was created by New York State legislation under Section 1493 during 1983. The Authority will exist until all of its liabilities have been met, and its bonds have been discharged. All rights and properties shall pass to the City upon the cessation of the Authority's existence.

The Authority owns and operates various parking facilities and parking meters throughout the City. The Authority's operating budget is subject to the approval of the City Common Council. The Common Council is also required to approve proposed capital improvements to the Authority's facilities.

b. Basis of Accounting and Financial Statement Presentation

The Authority's financial statements are prepared using the accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (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 accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows and inflows of resources associated with the operations are included on the statements of net position.

Revenues are recognized when earned, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing parking services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Operating revenues include fees from parking garages and parking meters, lease revenue, and reimbursement from the City for costs associated with parking enforcement (Note 9).

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of purchase, whether unrestricted or restricted.

Unrestricted and restricted cash equivalents are fully collateralized by either federal depository insurance or securities held by the pledging bank's trust department in the Authority's name.

Restricted cash, cash equivalents consist of amounts held by trustees in reserve funds established in connection with various bond issues.

e. Parking Revenues Receivable and Other Receivables

The Authority determines the allowance for doubtful accounts based on management's evaluation of anticipated collectability of outstanding accounts and past collection experience. During 2022, the Authority settled a past due balance resulting in a write off of approximately \$20,500. Additionally, the Authority has established an allowance for doubtful accounts of approximately \$5,600 related to parking revenue receivables.

The Authority entered into a \$900,000 Downtown Revitalization Initiative (DRI) grant agreement with the State of New York for improvements to be made in Quackenbush Square. Project costs during 2022 and 2021 totaled \$1,083,738 and \$20,210, respectively, of which \$33,948 was reimbursed through December 31, 2022. The Authority recorded amounts due from the State of New York under the DRI grant of \$866,052, which it anticipates collecting during 2023.

The Authority also entered into an agreement with the City of Albany (City) to construct and maintain a public restroom on behalf of the City. See Note 9 for additional information on this agreement.

The Authority has recorded a receivable and corresponding deferred inflow of resources for the net present value of future payments under a rental space agreement with the U.S. Post Office. See Note 6 for additional information on this agreement.

f. Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives (3-40 years). When capital assets are retired or have been fully depreciated, their cost and the related accumulated depreciation are eliminated from the respective accounts. Gains or losses arising from the depositions are reported as non-operating revenue or expense. Routine maintenance and repairs are expensed as incurred.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value.

g. Unearned Parking Revenues

The Authority recognizes revenue from parking fees in the time period over which the parking space is provided. All payments received prior to the time period in which the parking space is provided are accounted for as unearned parking revenues.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Pensions

The Authority is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Authority's financial position and results of operations due to its participation in the System is more fully disclosed in Note 7.

i. Other Postemployment Benefits

The Authority recognizes in its financial statements the financial impact of other postemployment benefits, principally employer funded health care costs. The impact on the Authority's financial position and results of operations is more fully disclosed in Note 8.

j. Deferred Outflows and Deferred Inflows of Resources

The Authority reports deferred outflows of resources and deferred inflows of resources on its statement of net position. Pension related deferred outflows of resources and deferred inflows of resources are more fully disclosed in Note 7. Other postemployment benefits related deferred outflows of resources and deferred inflows of resources are more fully disclosed in Note 8.

Gains or losses on the refunding of bonds are reported as deferred inflows or outflows in the statements of net position and are amortized over the shorter of the remaining maturities of the refunded bonds or the newly issued bonds, utilizing the effective interest rate method. Amortization of deferred losses on refunded bonds is reported as amortization expense in the statements of revenues, expenses, and changes in net position.

The net present value of amounts to be received under a lessor agreement is reported as deferred inflow of resources. See Note 6 for additional information on this agreement.

A summary of deferred outflows and inflows of resources as of December 31, 2022 and 2021 is presented as follows:

	2022	2021
Deferred Outflows		
Pension related	\$ 1,339,230	\$ 1,733,056
OPEB related	2,421,735	2,704,871
Debt refunding	122,123	170,172
	<u>\$ 3,883,088</u>	<u>\$ 4,608,099</u>
Deferred Inflows		
Pension related	\$ 2,255,583	\$ 2,233,770
OPEB related	2,264,329	2,640,795
Lease receivable	172,984	284,089
	<u>\$ 4,692,896</u>	<u>\$ 5,158,654</u>

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Net Position

Net position is classified as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- Restricted net position has externally placed constraints on use.
- Unrestricted net position consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "net investment in capital assets" or "restricted net position."

l. Adoption of New Accounting Standard

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases* (GASB 87). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Authority applied the provisions of GASB 87 retroactively and restated certain balances as follows:

	As Originally Stated 12/31/2021	Adoption of GASB 87	As Restated 12/31/2021
Lease receivable, current	\$ -	\$ 111,105	\$ 111,105
Lease receivable, non-current	\$ -	\$ 172,984	\$ 172,984
Deferred inflows of resources	\$ 4,874,565	\$ 284,089	\$ 5,158,654

m. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 24, 2023, the date the financial statements were available to be issued.

Note 2 - Investments

Investments are measured at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. The Authority had the following investments and maturities as of December 31, 2021:

	Amount	Investment Maturities (In Years)	
		Less than 1	1 to 5
Certificates of Deposit	\$ 150,405	\$ 150,405	\$ -

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 2 - Investments - Continued

a. Credit Risk

All of the Authority's investment related deposits with financial institutions were either covered by FDIC insurance or fully collateralized by authorized investments of the pledging financial institution.

The Authority's investment policy limits investments to deposits in savings, checking, and/or money market type accounts of banks that are fully collateralized or fully insured by the FDIC, certificates of deposit fully collateralized or fully insured by the FDIC, securities issued by or guaranteed by the U.S. Government or one of its agencies, and obligations of New York State or obligations in which the principal and interest are guaranteed by New York State.

b. Custodial Credit Risk

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held either by: (a) the counterparty; or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the custodian.

c. Interest Rate Risk

The fair value of the Authority's fixed maturity investments fluctuates in response to changes in market interest rates. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, the liquidity of the instrument, and other general market conditions. The Authority plans to hold its investments to maturity, which minimizes the occurrence of loss on investments.

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. At December 31, 2021, certificates of deposit held at one financial institution accounted for 100% of investments. All certificates of deposit were fully collateralized.

e. Fair Value of Financial Instruments

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Notes to Financial Statements
December 31, 2022 and 2021

Note 2 - Investments - Continued

e. Fair Value of Financial Instruments - Continued

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value at December 31, 2021:

Certificates of deposits: Valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The method described above may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Authority believes its valuation method is 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.

A summary of investments measured at fair value on a recurring basis is summarized below:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 150,405	\$ -	\$ 150,405

Note 3 - Capital Assets

A summary of year-end balances and changes in capital assets subject to depreciation is as follows:

	December 31, 2022 and 2021						
	Balance January 1, 2021	2021 Additions (adjusted)	2021 Disposals	Balance December 31, 2021 (adjusted)	2022 Additions	2022 Disposals	Balance December 31, 2022
Non-depreciable							
Land	\$ 3,774,681	\$ -	\$ -	\$ 3,774,681	\$ -	\$ -	\$ 3,774,681
Depreciable							
Garages and improvements	22,057,772	-	-	22,057,772	-	-	22,057,772
Furniture and equipment	1,887,286	-	-	1,887,286	743,656	(1,020,340)	1,610,602
Meters and other equipment	1,225,995	132,658	-	1,358,653	-	(2)	1,358,651
Intangible assets	-	-	-	-	124,485	-	124,485
Total capital assets, depreciable	25,171,053	132,658	-	25,303,711	868,141	(1,020,342)	25,151,510
Accumulated depreciation	(16,469,493)	(1,071,468)	-	(17,540,961)	(1,056,058)	915,129	(17,681,890)
Net value of capital assets, depreciable	8,701,560	(938,810)	-	7,762,750	(187,917)	(105,213)	7,469,620
Total capital assets, net of accumulated depreciation	\$ 12,476,241	\$ (938,810)	\$ -	\$ 11,537,431	\$ (187,917)	\$ (105,213)	\$ 11,244,301

The Authority determined that a \$40,000 prepaid warranty had been included in the 2021 additions column. The Authority has reclassified this amount to prepaid expense. There was no income statement impact as a result of this reclassification.

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Note 4 - Financing and Deferred Amounts

A summary of year-end balances and changes in financing and deferred amounts and related accumulated amortization is as follows:

	December 31, 2022 and 2021					
	Balance January 1, 2021	2021 Additions	2021 Amortization/ Deletions	Balance December 31, 2021	2022 Additions	2022 Amortization/ Deletions
Deferred loss on bond refunding, net (a)	\$ 218,220	\$ -	\$ (48,048)	\$ 170,172	\$ -	\$ (48,049)
						122,123

- (a) The difference between the net carrying amount of the defeased bonds (1992A, 2001A, and 2007A), and reacquisition price of the bonds is deferred and amortized over the shorter of the life of the defeased bonds or the new bond using the straight-line method, which approximates the effective interest method. Amortization of deferred amounts totaled approximately \$48,000 for both of the years ended December 31, 2022 and 2021.

Note 5 - Long-Term Debt

A summary of long-term debt ending balances and transactions for the years ended December 31, 2022 and 2021, is as follows:

	Balance January 1, 2021	2021 Additions	2021 Reductions	Balance December 31, 2021	2022 Additions	2022 Reductions	Balance December 31, 2022
Bonds Payable							
Series 2011	\$ 3,735,000	\$ -	\$ (605,000)	\$ 3,130,000	\$ -	\$ (660,000)	\$ 2,470,000
Series 2018 A & B	3,895,000	-	(635,000)	3,260,000	-	(705,000)	2,555,000
Total	7,630,000	-	(1,240,000)	6,390,000	-	(1,365,000)	5,025,000
Unamortized bond discount	(25,852)	-	5,693	(20,159)	-	5,691	(14,468)
Unamortized bond premium	340,526	-	(74,979)	265,547	-	(74,978)	190,569
Total bonds payable	7,944,674	-	(1,309,286)	6,635,388	-	(1,434,287)	5,201,101
Purchase finance agreements	402,481	172,656	(182,452)	392,685	795,344	(375,726)	812,303
Total long-term debt	\$ 8,347,155	\$ 172,656	\$ (1,491,738)	\$ 7,028,073	\$ 795,344	\$ (1,810,013)	\$ 6,013,404

Bonds Payable

A summary of the Authority's bonds payable are as follows:

	December 31,	
	2022	2021
Parking revenue refunding bonds, Series 2011, interest at 5.135%, payable semi-annually, principal due in various installments amortized through 2025, collateralized by a first lien on parking revenues	\$ 2,470,000	\$ 3,130,000
Parking revenue refunding bonds, Series 2018A and 2018B, interest at 5.000% and 2.650% to 3.000%, respectively, payable semiannually, principal due in various installments, through July 2025, collateralized by a first lien on property	2,555,000	3,260,000
	5,025,000	6,390,000
Less current maturities	(1,355,000)	(1,365,000)
Less bond discounts	(14,468)	(20,159)
Add bond premiums	190,569	265,547
Long-term debt, less current maturities	\$ 3,846,101	\$ 5,270,388

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Note 5 - Long-Term Debt - Continued

Bonds Payable - Continued

Interest expense incurred on bonds payable totaled approximately \$277,000 and \$337,000 for the years ended December 31, 2022 and 2021, respectively.

Future aggregate principal and interest payments under long-term debt obligations are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2023	\$ 1,355,000	\$ 254,585	\$ 1,609,585
2024	1,495,000	185,950	1,680,950
2025	2,175,000	110,228	2,285,228
	<u>\$ 5,025,000</u>	<u>\$ 550,763</u>	<u>\$ 5,575,763</u>

The bonds and other obligations of the Authority are not considered to be a debt of the State of New York (State) or of the City, and neither the State nor the City is liable thereon.

Purchase Finance Agreements

The Authority finances various pieces of equipment and projects through lease arrangements, whereby the Authority takes title to the assets at the commencement of the arrangement or upon the final payment. These arrangements are excluded from lease accounting and reported as financed purchases of the underlying asset due to the underlying transfer of ownership.

A summary of the Authority's purchase financing arrangements are as follows:

	December 31,	
	2022	2021
Financing for the purchase of multi-space meters, monthly payments of \$16,019 including interest of 3.06%, and maturity date of February 2023	\$ 32,037	\$ 224,260
Financing for the purchase of single-space meters, monthly payments of \$2,993 including interest of 1.56%, and maturity date of December 2026.	805,497	179,589
	<u>837,534</u>	<u>403,849</u>
Less amount representing interest	<u>25,231</u>	<u>11,164</u>
Present value of long-term obligation under capital lease	<u>\$ 812,303</u>	<u>\$ 392,685</u>

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Note 5 - Long-Term Debt - Continued

Purchase Finance Agreements - Continued

A summary of the Authority's future maturities under purchase financing arrangements is as follows:

	Principal	Interest	Totals
For the year ending December 31,			
2023	\$ 222,474	\$ 10,939	\$ 233,413
2024	193,553	7,821	201,374
2025	196,594	4,780	201,374
2026	199,682	1,691	201,373
	<u>\$ 812,303</u>	<u>\$ 25,231</u>	<u>\$ 837,534</u>

Interest expense on purchase financing arrangements for the years ended December 31, 2022 and 2021 was approximately \$17,870 and 9,800, respectively.

Note 6 - Leases

Lessor Transactions

On June 15, 2019, the Authority entered into a 60-month lease as Lessor for the use of a portion of Garage #2 with the United States Postal Service. An initial lease receivable and deferred inflow of resources were recorded in the amount of \$547,798. As of December 31, 2022 and 2021, the value of the lease receivable and deferred inflow of resource is \$172,984 and \$284,089. The lessee is required to make semi-annual fixed payments of \$59,400. The lease did not contain a provision for interest; accordingly, the Authority estimated its incremental borrowing rate at the time the lease commenced to be 3.0%. The Authority recognized lease revenue and related interest of \$118,800 during the years ended December 31, 2022 and 2021. There are no options to extend this lease.

Future minimum annual rentals receivable under the lease at December 31, 2022 are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2023	\$ 114,462	\$ 4,338	\$ 118,800
2024	58,522	878	59,400
	<u>\$ 172,984</u>	<u>\$ 5,216</u>	<u>\$ 178,200</u>

Note 7 - Pension Plans

a. Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (System), which is a cost-sharing, multiple-employer retirement system. The System 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. The System 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.

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Notes to Financial Statements
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Note 7 - Pension Plans - Continued

a. Plan Description and Benefits Provided - Continued

The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

b. Contributions

Employees in Tier I through IV are noncontributory 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. Contributions made to the System for the current and the two preceding years were as follows:

2022	\$ 201,514
2021	264,812
2020	228,851

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

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

At December 31, 2022 and 2021, the Authority reported a net pension asset of approximately \$623,000 and a net pension liability of \$7,300, for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension asset/liability was determined by actuarial valuations as of April 1, 2021 and 2020, respectively. The Authority's proportion of the net pension asset/liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022 and 2021, the Authority's proportion was .0076255% and 0.0073052%, respectively.

For the years ended December 31, 2022 and 2021, the Authority recognized pension income of \$13,472 and pension expense of \$142,025, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31, 2022 and 2021:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,207	\$ 61,231	\$ 88,836	\$ -
Changes of assumptions	1,040,305	17,554	1,337,468	25,225
Net differences between projected and actual investment earnings on pension plan investments	-	2,041,217	-	2,089,544
Changes in proportion and differences between employer contributions and proportionate share of contributions	50,204	135,581	41,940	119,001
Authority contributions subsequent to the measurement date	201,514		264,812	-
Total	<u>\$ 1,339,230</u>	<u>\$ 2,255,583</u>	<u>\$ 1,733,056</u>	<u>\$ 2,233,770</u>

Albany Parking Authority
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Notes to Financial Statements
December 31, 2022 and 2021

Note 7 - Pension Plans - Continued

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

Deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. 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,	
2023	\$ (194,460)
2024	(255,412)
2025	(546,961)
2026	<u>(121,034)</u>
Total	<u>\$ (1,117,867)</u>

d. Actuarial Assumptions

The total pension liability at March 31, 2022 and 2021 was determined by using an actuarial valuation as of April 1, 2021 and April 1, 2020, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2022 and March 31, 2021. The actuarial valuation used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

Actuarial Cost Method	Entry Age Normal
Inflation rate	2.7%
Salary scale	4.4%, indexed by service
Investment rate of return, including inflation	5.9%, compounded annually, net of investments
Cost of living adjustment	1.4%
Decrement	
2022	Based on FY 2016-2020 experience
2021	Based on FY 2015-2020 experience
Mortality improvement	
2022	System Experience and SOA Scale MP-2020
2021	System Experience and SOA Scale MP-2018

The long-term expected 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Notes to Financial Statements
December 31, 2022 and 2021

Note 7 - Pension Plans - Continued

e. Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class and the System'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%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.58%
Fixed Income	23.00%	0.00%
Cash	1.00%	-1.00%
	100.00%	

f. Discount Rate

The discount rate projection of cash flows assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System'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.

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

The following presents the Authority's proportionate share of the net pension liability (asset) as of December 31, 2022 calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be as of December 31, 2022, if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Authority's proportionate share of the net pension liability (asset)	\$ 1,604,501	\$ (623,352)	\$ (2,486,844)

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Notes to Financial Statements
December 31, 2022 and 2021

Note 7 - Pension Plans - Continued

h. Pension Plan Fiduciary Net Position

The components of the net pension liability (asset) of the New York State and Local Employees' Retirement System as of March 31 were as follows (amounts in thousands):

	2022	2021
Employers' total pension liability	\$ 223,874,888	\$ 220,680,157
Plan net position	<u>(232,049,473)</u>	<u>(220,580,583)</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585)</u>	<u>\$ 99,574</u>
Ratio of plan net position to the employers' total pension liability	<u>103.65%</u>	<u>99.95%</u>

Note 8 - Postemployment Benefits Other Than Pensions (OPEB)

a. Benefit Description

The Authority provides health care insurance benefit programs for most retired Authority employees and, in certain instances, their spouses and dependents. Those Authority employees determined to be eligible by the Authority receive such benefits when they attain a certain age and service requirements while employed by the Authority. A summary of active employees and retirees and survivors covered under this benefit program as of December 31, 2022 and 2021 (using measurement dates of January 1, 2022 and 2021, respectively) is as follows:

	2022	2021
Active employees	39	39
Retirees and survivors	<u>7</u>	<u>7</u>
Total	<u>46</u>	<u>46</u>

b. Funding Policy

The contribution requirements of benefit plan members and the Authority are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Authority is not required to fund the benefit plan other than on the pay-as-you-go amount necessary to provide current benefits to retirees. For the years ended December 31, 2021 and 2020, the Authority paid approximately \$52,400 and \$49,300, respectively, on behalf of plan members. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

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Notes to Financial Statements
December 31, 2022 and 2021

Note 8 - Postemployment Benefits Other Than Pensions (OPEB)

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

At December 31, 2022 and 2021, the Authority reported an OPEB liability of approximately \$8,668,000 and \$7,930,000, respectively. The OPEB liability was measured as of December 31, 2022 and 2021 by actuarial valuations as of January 1, 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021, the Authority recognized OPEB expense of approximately \$735,000 and \$635,100, respectively. The Authority reported the following deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31st:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 1,853,953	\$ -	\$ 2,141,206
Differences between expected and actual experience	2,332,269	410,376	2,625,841	499,589
Authority contributions subsequent to the measurement date	89,466	-	79,030	-
Total	<u>\$ 2,421,735</u>	<u>\$ 2,264,329</u>	<u>\$ 2,704,871</u>	<u>\$ 2,640,795</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2022. Other 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,	
2023	\$ 18,361
2024	18,361
2025	18,361
2026	18,361
2027	49,113
Thereafter	<u>(54,617)</u>
Total	<u>\$ 67,940</u>

d. Methods and Assumptions

The total OPEB liability in the December 31, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	January 1, 2021
Measurement date	January 1, 2022 and January 1, 2021
Actuarial cost method	Entry age normal - level percent of pay (2022 and 2021)
Discount rate	2.06% (2022) 2.12% (2021) Source: Bond Buyer Weekly 20-Bond GO Index
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model (2021 and 2020)
Salary scale	2.75% (2022 and 2021)
Rate of inflation	2.50% (2022) 2.40% (2021)

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Notes to Financial Statements
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Note 8 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

d. Methods and Assumptions - Continued

Mortality - actives	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2022 and 2021)
Mortality - retirees	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2022 and 2021)
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation June 2019 (2022 and 2021)
Election percentage	100% - retiree (2022 and 2021) 90% - retiree's spouse (2022 and 2021) 0% - surviving spouse (2022 and 2021)
Marriage rate	70% of retirees estimated to be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female (2022 and 2021)

e. Changes in the OPEB Liability

	2022	2021
Balance, beginning of the year	\$ 7,929,832	\$ 8,430,724
Changes for the year		
Service cost	537,527	386,395
Interest	178,670	240,871
Differences between expected and actual experience	-	(2,145,005)
Changes in assumptions and other inputs	101,255	1,069,235
Benefit payments	(79,030)	(52,388)
Balance, end of the year	<u>\$ 8,668,254</u>	<u>\$ 7,929,832</u>

f. Sensitivity to the Employer's Proportionate Share of the OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate

The following presents the OPEB liability as of December 31, 2022 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower and 1% higher than the current rate:

	1% Decrease	Current Rates	1% Increase
Accrued postemployment health benefits	\$ 6,833,208	\$ 8,668,254	\$ 11,169,578

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Notes to Financial Statements
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Note 8 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

f. Sensitivity to the Employer's Proportionate Share of the OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate - Continued

The following presents the OPEB liability as of December 31, 2022 calculated using the discount rate of 2.06%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 1.06%	Current Discount 2.06%	1% Increase 3.06%
Accrued postemployment health benefits	\$ 10,601,399	\$ 8,668,254	\$ 7,160,942

Note 9 - Transactions with the City

On January 1, 2015, the Authority entered into an agreement with the City, which transferred 20 employees to the Authority who were previously employed by the City. These employees are responsible for enforcement of parking regulations throughout the City. The employees are collectively bargained through the Communication Workers of America, Local 1118, AFL-CIO, with an agreement on behalf of the Authority, which expires December 31, 2025. The employees who were transferred to the Authority maintained their titles, seniority, accrued vacation, and sick leave time previously earned while employed by the City.

The agreement also requires the City to annually pay the costs incurred by the Authority associated with enforcement (capital and operating) arising from the employment of personnel, as well as associated plant and equipment utilized by the Authority for enforcement of parking rules. In addition, the Authority may annually pay a licensing fee to the City for the easement and license of the parking meters within the City, which will be agreed upon each year by the City and the Authority. The costs incurred by the Authority under this agreement during 2022 and 2021, net of the licensing fee, if any, amounted to \$1,848,624 and \$1,795,286, respectively. The City owed the Authority approximately \$353,420 and \$254,000 at December 31, 2022 and 2021, respectively.

The Authority's obligations under the agreement are subject and subordinate to the Authority's obligations to pay scheduled debt service on its bond obligations (Note 5) as defined in the agreement. The terms of this agreement will continue through April 6, 2030.

In December 2021, the City and Authority signed an agreement whereby the Authority would construct and maintain a public restroom to accommodate visitors to the Skyway, Quackenbush Square and Container Park. Under the terms of the agreement, the Authority is to be fully reimbursed for all project costs. During 2022 and 2021, project costs incurred totaled \$511,476 and \$8,113, respectively. The Authority has recorded a receivable from the City in the amount of \$510,494 for the project costs reimbursements.

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December 31, 2022 and 2021

Note 10 - Accounting Pronouncement Issued But Not Yet Implemented

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for

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Notes to Financial Statements
December 31, 2022 and 2021

Note 10 - Accounting Pronouncement Issued But Not Yet Implemented - Continued

(1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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 noncash 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 noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not yet estimated the extent of the potential impact of these statements on the Authority's financial statements.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Local Government's Proportionate Share of the Net Pension Liability/Asset

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability/asset	0.0076255%	0.0073052%	0.0069238%	0.0069919%	0.0070730%	0.0063876%	0.0047966%	0.0035951%
Authority's proportionate share of the net pension liability (asset)	\$ (623,352)	\$ 7,274	\$ 1,833,455	\$ 495,395	\$ 228,276	\$ 600,192	\$ 769,869	\$ 121,453
Authority's covered-employee payroll	\$ 1,962,532	\$ 1,868,723	\$ 1,725,760	\$ 1,672,895	\$ 1,565,631	\$ 1,550,338	\$ 1,493,836	\$ 1,561,158
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-31.76%	0.39%	106.24%	29.61%	14.58%	38.71%	51.54%	7.78%
Plan fiduciary net position as a percentage of the total pension liability	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.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Local Government Pension Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 201,514	\$ 264,812	\$ 228,851	\$ 228,096	\$ 219,121	\$ 212,994	\$ 211,462	\$ 223,476	\$ 143,412	\$ 146,011
Contributions in relation to the contractually required contribution	201,514	264,812	228,851	228,096	219,121	212,994	211,462	223,476	143,412	146,011
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	1,962,532	1,868,723	1,725,760	1,672,895	1,565,631	1,550,338	1,493,836	1,561,158	798,234	837,275
Contribution as a percentage of covered-employee payroll	10.27%	14.17%	13.26%	13.63%	14.00%	13.74%	14.16%	14.31%	17.97%	17.44%

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2022	2021	2020	2019	2018
Balance, beginning of the year	\$ 7,929,832	\$ 8,430,724	\$ 6,089,727	\$ 6,751,494	\$ 5,861,854
Changes for the year					
Service cost	537,527	386,395	275,441	290,903	271,212
Interest	178,670	240,871	259,960	241,271	230,865
Changes in assumptions and other inputs	101,255	1,069,235	-	(767,228)	438,618
Differences between expected and actual experience	-	(2,145,005)	1,854,943	(369,348)	-
Benefit payments	(79,030)	(52,388)	(49,347)	(57,365)	(51,055)
Net changes for the year	738,422	(500,892)	2,340,997	(661,767)	889,640
Balance, end of the year	\$ 8,668,254	\$ 7,929,832	\$ 8,430,724	\$ 6,089,727	\$ 6,751,494
Covered payroll	1,930,265	1,835,346	1,670,844	1,586,614	1,587,911
Liability as a percentage of covered payroll	449.07%	432.06%	504.58%	383.82%	425.18%

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

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2022							
	Garage #1	Garage #2	Garage #3	Parking Meters	Surface Lots	Office/ Administration	Enforcement	Total
OPERATING REVENUES	\$ 1,245,848	\$ 1,513,684	\$ 1,255,659	\$ 2,419,594	\$ 196,781	\$ 889,037	\$ 1,641,821	\$ 9,162,424
OPERATING EXPENSES								
Salaries and benefits expense	1,018	2,749	13,236	123,223	-	1,799,349	1,644,452	3,584,027
Repairs and maintenance	334,201	187,476	93,210	1,091	4,509	89,288	114,875	824,650
Utilities	22,296	23,095	47,742	-	-	-	-	93,133
Professional fees	-	-	-	-	-	105,144	2,555	107,699
Depreciation	197,207	263,121	292,410	270,453	-	29,626	3,241	1,056,058
Meter supplies and equipment	-	-	-	38,033	-	-	-	38,033
Bad debt	-	-	20,484	5,593	-	-	-	26,077
Insurance	-	-	-	-	-	192,724	-	192,724
Computerization	2,939	8,400	-	162,252	6,170	132,247	-	312,008
Credit card fees	13,472	9,888	7,773	194,354	6,158	-	-	231,645
Project costs	-	-	511,476	-	-	1,083,738	-	1,595,214
Miscellaneous	6,927	11,810	11,525	12,200	78,206	306,463	83,501	510,632
Total operating expenses	578,060	506,539	997,856	807,199	95,043	3,738,579	1,848,624	8,571,900
Operating income (loss)	667,788	1,007,145	257,803	1,612,395	101,738	(2,849,542)	(206,803)	590,524
NONOPERATING REVENUE (EXPENSES)								
Interest income	5,584	13,279	5,584	-	-	-	-	24,447
Amortization of bond insurance premiums and deferred losses	(16,017)	(16,016)	(16,016)	-	-	-	-	(48,049)
Interest expense	(78,018)	(78,019)	(78,019)	(6,564)	-	-	-	(240,620)
Gain on disposal of capital assets	(25,177)	(38,303)	(21,735)	106	-	-	-	(85,109)
Allocation of administration expenses	(508,220)	(516,366)	(524,514)	(656,221)	(408,755)	2,614,076	-	-
Total nonoperating revenue (expenses)	(621,848)	(635,425)	(634,700)	(662,679)	(408,755)	2,614,076	-	(349,331)
Excess (deficiency) of revenues over expenses	\$ 45,940	\$ 371,720	\$ (376,897)	\$ 949,716	\$ (307,017)	\$ (235,466)	\$ (206,803)	\$ 241,193

See Independent Auditor's Report.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2021							
	Garage #1	Garage #2	Garage #3	Parking Meters	Surface Lots	Office/ Administration	Enforcement	Total
OPERATING REVENUES	\$ 1,154,650	\$ 1,264,193	\$ 556,041	\$ 2,017,648	\$ 157,090	\$ 10,963	\$ 1,529,425	\$ 6,690,010
OPERATING EXPENSES								
Salaries and benefits expense	1,450	673	-	85,084	-	1,630,624	1,563,643	3,281,474
Repairs and maintenance	70,794	65,907	79,021	6,601	2,981	39,180	108,540	373,024
Utilities	17,564	18,851	31,316	-	-	-	-	67,731
Professional fees	-	-	-	-	-	71,108	2,265	73,373
Depreciation	197,258	266,858	289,963	239,624	3,431	25,218	49,116	1,071,468
Meter supplies and equipment	-	-	-	18,993	-	-	-	18,993
Insurance	-	-	-	-	-	117,613	-	117,613
Computerization	2,940	8,400	-	104,068	3,969	91,908	469	211,754
Credit card fees	9,534	9,553	7,026	141,700	4,129	-	-	171,942
Project costs	-	-	28,323	-	-	-	-	28,323
Miscellaneous	132	1,079	1,064	5,948	85,858	107,485	71,253	272,819
Total operating expenses	299,672	371,321	436,713	602,018	100,368	2,083,136	1,795,286	5,688,514
Operating income (loss)	854,978	892,872	119,328	1,415,630	56,722	(2,072,173)	(265,861)	1,001,496
NONOPERATING REVENUE (EXPENSES)								
Interest income	690	692	691	-	-	-	-	2,073
Amortization of bond insurance premiums and deferred losses	(16,016)	(16,016)	(16,016)	-	-	-	-	(48,048)
Interest expense	(96,155)	(96,155)	(96,155)	(9,771)	-	-	-	(298,236)
Gain on disposal of capital assets	150	150	150	370	-			820
Allocation of administration expenses	(420,630)	(425,404)	(426,824)	(482,488)	(348,000)	2,103,346	-	-
Total nonoperating revenue (expenses)	(531,961)	(536,733)	(538,154)	(491,889)	(348,000)	2,103,346	-	(343,391)
Excess (deficiency) of revenues over expenses	\$ 323,017	\$ 356,139	\$ (418,826)	\$ 923,741	\$ (291,278)	\$ 31,173	\$ (265,861)	\$ 658,105

See Independent Auditor's Report.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Supplementary Information – Schedule of Capital Assets

December 31, 2022								
	<u>Garage #1</u>	<u>Garage #2</u>	<u>Garage #3</u>	<u>Parking Meters/ Other Equipment</u>	<u>Surface Lots</u>	<u>Office/ Administration</u>	<u>Enforcement</u>	<u>Total</u>
Land	\$ -	\$ 2,537,493	\$ 1,237,188	\$ -	\$ -	\$ -	\$ -	\$ 3,774,681
Garages and improvements	5,295,356	7,301,849	9,460,567	-	-	-	-	22,057,772
Furniture and equipment	443,389	347,686	263,421	-	22,872	231,394	301,840	1,610,602
Meters and other equipment	-	-	-	1,358,651	-	-	-	1,358,651
Intangible assets	39,838	51,039	33,608	-	-	-	-	124,485
	5,778,583	10,238,067	10,994,784	1,358,651	22,872	231,394	301,840	28,926,191
Less accumulated depreciation	4,845,231	6,371,864	4,918,335	1,125,947	22,872	119,299	278,342	17,681,890
Net capital assets	\$ 933,352	\$ 3,866,203	\$ 6,076,449	\$ 232,704	\$ -	\$ 112,095	\$ 23,498	\$ 11,244,301

December 31, 2021								
	<u>Garage #1</u>	<u>Garage #2</u>	<u>Garage #3</u>	<u>Parking Meters/ Other Equipment</u>	<u>Surface Lots</u>	<u>Office/ Administration</u>	<u>Enforcement</u>	<u>Total</u>
Land	\$ -	\$ 2,537,493	\$ 1,237,188	\$ -	\$ -	\$ -	\$ -	\$ 3,774,681
Garages and improvements	5,295,356	7,301,849	9,460,567	-	-	-	-	22,057,772
Furniture and equipment	557,146	477,547	362,575	-	22,872	165,306	301,840	1,887,286
Meters and other equipment	-	-	-	1,358,653	-	-	-	1,358,653
	5,852,502	10,316,889	11,060,330	1,358,653	22,872	165,306	301,840	29,078,392
Less accumulated depreciation	4,946,759	6,471,438	4,879,621	855,497	22,872	89,673	275,101	17,540,961
Net capital assets	\$ 905,743	\$ 3,845,451	\$ 6,180,709	\$ 503,156	\$ -	\$ 75,633	\$ 26,739	\$ 11,537,431



**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**

Board of Directors
Albany Parking Authority
Albany, New York

We have audited, in accordance with the 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, the financial statements of the Albany Parking Authority (Authority), a component unit of the City of Albany, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 24, 2023.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

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, including *Investment Guidelines for Public Authorities*, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result 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.

BST+Co.CPAs, LLP

Albany, New York
March 24, 2023



Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Schedule of Findings and Responses
Year Ended December 31, 2022 and 2021

2022-001. Financial Reporting

Criteria: The Authority is required to maintain its accounting records on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

Condition/Cause: Due to transition within the accounting function towards the end of the fiscal year, the Authority's financial statements required material adjustments to comply with U.S. GAAP. These adjustments included amounts due from the City of Albany, amounts due from the State of New York, accounting for purchase finance agreements and capital assets, and the adoption of GASB 87, *Leases*.

Effect or Potential Effect: As noted above, audit procedures identified a number of correcting adjustments to the original trial balance presented at the commencement of the audit.

Recommendation: Those responsible for financial reporting should undergo additional training to help ensure a thorough understanding of U.S. GAAP and the preparation of the financial statements.

Views of Responsible Officials: The Authority understands the recommendation and will pursue training for its personnel relative to U.S. GAAP for governments and financial statement preparation.

FORM OF APPROVING OPINION OF BOND COUNSEL

EXHIBIT E

FORM OF APPROVING OPINION OF BOND COUNSEL

On the date of issuance of the Series 2023 Bonds, Hodgson Russ LLP, Albany, New York, Bond Counsel, proposes to issue its approving opinion as to the Series 2023 Bonds in substantially the following form:

_____, 2023

Albany Parking Authority
25 Orange Street
Albany, New York 12207

Re: Albany Parking Authority
Parking System Revenue Bonds, Series 2023A
in the aggregate principal amount of \$ _____

Albany Parking Authority
Parking System Revenue Bonds, Series 2023B
in the aggregate principal amount of \$ _____

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by Albany Parking Authority (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, created and existing under and by virtue of the City of Albany Parking Authority Act, Title 4-A of Article 7 of the Public Authorities Law of the State of New York, as amended (the "Act"), in connection with the issuance of its (A) Parking System Revenue Bonds, Series 2023A (Federally Tax-Exempt) in the aggregate principal amount of \$ _____ (the "Series 2023A Bonds") and (B) Parking System Revenue Bonds, Series 2023B (Federally Taxable) in the aggregate principal amount of \$ _____ (the "Series 2023B Bonds," and collectively with the Series 2023A Bonds, the "Series 2023 Bonds"). The Series 2023 Bonds are authorized to be issued under (A) the Act, (B) a resolution duly adopted by the members of the Authority on July 31, 2023 (the "Bond Resolution") and (C) a trust indenture dated as of June 1, 2001 by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), as supplemented by a certain supplemental indenture dated as of October 1, 2023 (collectively, the "Indenture"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2023 Bonds are being issued for the purposes of financing the following (collectively, the "Project"): (A)(1) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, signage and other finishes (collectively, the "Equipment") and the undertaking of various interior infrastructure, recreation and other improvements (collectively, the "Improvements") (the Equipment and the Improvements being collectively referred to as the "Facility") to certain existing public parking lots, garages and related real property areas owned and/or operated by the Authority and located within the City (the "Existing Parking Facilities"), (2) the reconstruction and renovation of the Existing Parking Facilities (the Equipment, the Improvements and the Existing Parking Facilities being collectively referred to as the "Project Facility"), (B) the funding of a debt service reserve account and a capitalized interest account, if required, for the Series 2023 Bonds (as hereinafter defined), and (C) the payment of certain costs of issuance of the Series 2023 Bonds.

The Series 2023 Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein and in the Indenture. The Series 2023 Bonds are subject to (1) mandatory redemption and (2) acceleration prior to maturity, all as set forth in the Indenture and in the Series 2023 Bonds. The Series 2023A Bonds are not subject to optional redemption prior to maturity. The Series 2023B Bonds are subject to

optional redemption prior to maturity pursuant to the terms set forth in the Indenture and in the Series 2023B Bonds. As security for the Series 2023 Bonds and any additional parking system revenue obligations (the “Additional Parking System Revenue Obligations,” and collectively with the Series 2023 Bonds, the “Parking System Revenue Obligations”) issued by the Authority pursuant to the terms of the Indenture, the Issuer has executed and delivered to the Trustee the Security Agreement.

We have examined (A) such portions of the Constitution and statutes of the State of New York, (B) such portions of the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department thereunder (collectively the “Code”), and (C) such applicable court decisions, regulations and published rulings as we have deemed necessary or relevant for the purposes of the opinions set forth below. We have also examined the Series 2023 Bonds as executed by the Authority and the transcript of proceedings of the Authority relating to the authorization and issuance of the Series 2023 Bonds and related matters (the “Transcript of Proceedings”), which Transcript of Proceedings includes executed counterparts of the Indenture, the Security Agreement, and a certain tax regulatory agreement regarding the Series 2023A Bonds (the “Series 2023A Tax Regulatory Agreement”) and a certain arbitrage certificate regarding the Series 2023A Bonds (the “Series 2023A Arbitrage Certificate,” and collectively with the Series 2023A Tax Regulatory Agreement, the “Series 2023A Tax Documents”), each dated the date hereof and executed by the Authority.

As to questions of fact material to our opinions, we have relied upon the Transcript of Proceedings of the Authority furnished to us without undertaking to verify the same by independent investigation. In our examination, we have assumed the genuineness of all signatures, the authenticity, and completeness of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained in the concluding paragraphs hereof, we are of the opinion under existing law that:

(A) The Series 2023 Bonds have been duly authorized and issued in accordance with the Constitution and the statutes of the State of New York, including the Act, and constitute legal, valid and binding special limited obligations of the Authority enforceable in accordance with their terms, payable, on a parity with all other Parking System Revenue Obligations hereafter issued under the Indenture, from, and secured equally and ratably with such other Parking System Revenue Obligations by, the Net Revenues pledged to the payment thereof by the Indenture.

(B) The Indenture and the Security Agreement have been duly authorized, executed, and delivered by the Authority and are valid and binding special obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as provided below.

(C) The Series 2023 Bonds have been duly authorized, executed and delivered by the Authority and, assuming due authentication thereof by the Trustee, are valid and binding special obligations of the Authority payable solely from the Net Revenues pledged by the Authority pursuant to the Indenture and the other revenues derived by the Trustee from the sale or other disposition of the Collateral.

(D) Except as set forth below, interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Moreover, interest on the Series 2023A Bonds may be subject to a branch profits tax when held by certain foreign corporations. Furthermore, the United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on the Series 2023A Bonds held by “S corporations” in certain cases.

(E) Except as set forth below, the Series 2023A Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code.

(F) Interest on the Series 2023 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 Series 2023 Bonds do not constitute a debt 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 is liable thereon.

The opinions set forth in paragraphs (D) and (E) above are subject to the condition that the Authority comply with all requirements of the Series 2023A Tax Documents and of the Code that must be satisfied subsequent to the issuance of the Series 2023A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes, including covenants and requirements regarding use, expenditure of proceeds and timely payment of certain investment earnings to the United States Treasury. The Authority has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2023A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2023A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2023A Bonds.

We express no opinion regarding the federal tax consequences arising with respect to the Series 2023B Bonds.

We also express no opinion regarding any other federal or state tax consequences with respect to the Series 2023 Bonds nor as to the taxability of the Series 2023 Bonds or the income therefrom under the laws of any state other than the State of New York.

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 Collateral, (B) the priority of any liens, charges, security interests or encumbrances affecting the Collateral or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Collateral 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 Dedicated Parking Facilities or with respect to the requirements of filing or recording of any of the Financing Documents, or (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.

The scope of our engagement has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. We have not been requested to examine and have not examined any documents or information other than specifically hereinabove referred to, and no opinion is expressed as to any other documents or any other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2023 Bonds.

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,