



Tuesday, April 23, 2013
21 Lodge Street 8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting
Agenda

1. Review of Minutes from the Regular Meeting of March 26, 2013
2. Governance/Nominating Committee Update
 - a. Dr. Robert Jones Nomination - Resolution 9-2013
 - b. Bylaw Amendment Removing Director Term Limits – Resolution 10-2013
3. Finance & Investment Committee Update
 - a. Quarterly Financial Report
4. Downtown Tactical Plan Update
 - a. Consultant Selection
 - b. Fundraising
5. Membership 2013
6. ACDA/CDBG Funding
7. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

April 23, 2013

Agenda Item #1: Review of Minutes from the Regular Board Meeting of March 26, 2013

Materials:

- 3/26/13 Capitalize Albany Corporation Board Minutes

DRAFT – NOT APPROVED

**Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, March 26, 2013**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, March 26, 2013 at 21 Lodge Street.

The following were in attendance:

Board of Directors:

| | | |
|--------------------|-----------------|---------------|
| Michael Castellana | Michael Fancher | John Harris |
| Mark Sullivan | Michele Vennard | James Linnan |
| Dorsey Whitehead | Lee McElroy | Nancy Zimpher |
| David Parente | John Vero | |
| Jeff Sperry | Robert Curley | |

Other:

Thomas M. Owens, Esq.

Staff:

Michael Yevoli, Erik Smith, Sarah Reginelli, Mark Opalka, Brad Chevalier, Katherine Newcombe, Amanda Vitullo and Amy Gardner.

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation Board to order at 8:05 a.m.

Approval of Minutes for January 22, 2013 Board Meeting

The Board reviewed the minutes of the January 22, 2013 meeting. Jeff Sperry made a motion for approval. Michele Vennard seconded. The Board agreed unanimously to approve the minutes.

Downtown Tactical Plan Update

Staff reviewed the projected funds available for the tactical plan and advised the Board that they are continuing with their fund raising efforts. Staff advised the Board the Request for Proposal (RFP) generated seven responses. Staff reviewed the responses they judged to be the top three responses with the Board. Staff also reviewed the tactical plan timeline with the Board. The Board advised staff that they concurred with the three finalists selected by the staff and directed staff to schedule interviews with the three firms. The format of the interviews was discussed.

245 Lark Street Resolution 5-2013

Staff advised the Board that the current tenant, the Lark Street Neighborhood District Management Association, would like to vacate their lease and have reported to staff that they cannot perform their lease obligations. The viability of the current tenant and their ability to maintain the building was discussed.

Following a discussion about the benefits/costs associated with pursuing legal action against the BID and negotiating a mutual termination to the lease agreement, a motion to adopt the

DRAFT – NOT APPROVED

resolution was made by Mark Sullivan and seconded by Dorsey Whitehead. A vote being taken, the motion passed unanimously.

IDA/CRC Professional Services Agreement Resolution 6-2013

Staff reviewed the agreement with the Board. The Corporation will provide professional economic development, management and administrative support services to the City of Albany Industrial Development Agency (IDA) and the City of Albany Capital Resource Corporation (CRC). Staff advised the Board that the agreement had not changed from the previous year. Following Board discussion about the value of the compensation vs. the amount of staff time spend on the services, a motion to adopt the resolution was made by Mark Sullivan and seconded by Jeff Sperry. A vote being taken, the motion passed unanimously.

IDA Economic Development Grant Resolution 7-2013

Staff reviewed the agreement with the Board. The IDA will grant \$250,000 to assist the Corporation with economic development. Staff advised the Board that the agreement had not changed from the previous year. The IDA voted in favor of the agreement.

A motion to adopt the resolution was made by Jeff Sperry and seconded by Bob Curley. A vote being taken, the motion passed unanimously.

Audit Committee Update

Review 2012 Audit and Draft 2012 Audited Financial Statements

Michael Fancher, Chairman of the Audit Committee gave a brief update on the topics discussed at the most recent Audit Committee meeting and reported the results of the audit. The results of the audit were positive. No deficiencies were identified in regards to the internal controls related to the financial reporting of the Corporation. The audit did not find any external weaknesses.

Review Draft 2012 Annual Report/Procurement Report/Investment Report

Staff reviewed the report with the Board. Staff advised the Board that to maintain PAAA compliance these reports must be submitted annually by March 31st.

PAAA Update

ABO Operational Review Update

Staff advised the Board that the review of the Corporation by the Authorities Budget Office (ABO) continues. Staff continues to work with them to ensure they have all the information they need.

Mission Statement Measurement Report Resolution 8-2013

Staff advised the Board that PAAA requires that authorities adopt metrics to measure their success in achieving their mission. Staff is currently working on creating a metric for the Corporation. Fine-tuning the current mission statement of the Corporation was discussed.

A motion to adopt the resolution was made by Jim Linnan and Nancy Zimpher. A vote being taken, the motion passed unanimously.

DRAFT – NOT APPROVED

Executive Session

A motion to enter into executive session was made by Jim Linnan, seconded by Dorsey Whitehead and passed unanimously to discuss the potential acquisition of real estate. The Board entered into executive session at 9:24am. Staff remained in the room and the following Directors were present: Michael Castellana, Mark Sullivan, Dorsey Whitehead, David Parente, Michele Vennard, Lee McElroy, Michael Fancher, Jeff Sperry, Robert Curley, John Harris, Nancy Zimpher, John Vero and James Linnan. The Board left executive session at 10:15am. No actions were taken during executive session.

There being no further business the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 10:16 a.m.

Capitalize Albany Corporation Board Meeting

April 23, 2013

Agenda Item #3: Governance/Nominating Committee Update

Materials:

- Dr. Robert Jones Nomination – Resolution 9-2013
- Biography of Dr. Robert Jones
- Bylaw Amendment Removing Director Term Limits – Resolution 10-2013
- Bylaws

**RESOLUTION 9-2013
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany Corporation (CAC) provide for the election of Directors; and

WHEREAS, the Nominating & Governance Committee has considered Robert Jones as a candidate for election to the Board of Directors and recommends his appointment;

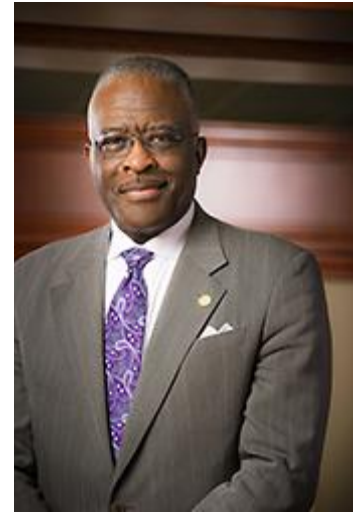
NOW, therefore be it resolved that the Capitalize Albany Corporation hereby nominates and appoints Robert Jones as a member of the CAC Board of Directors until the next annual meeting of the CAC membership.

Signed: _____
Michael J. Yevoli
President

Date of Authorization: April 23, 2013
Prepared by Erik J. Smith

Robert J. Jones

Dr. Robert J. Jones was appointed by the State University of New York (SUNY) Board of Trustees on September 12, 2012 as the 19th president of the University at Albany. Previously, Dr. Jones had served as senior vice president for academic administration at the University of Minnesota System since 2004. Prior, Dr. Jones spent more than 15 years in key administrative leadership positions at the University of Minnesota-Twin Cities, including vice president and executive vice provost for faculty and academic programs, vice president for campus life and vice provost for faculty and academic personnel, interim vice president for student development and president of the University of Minnesota Outreach, Research and Education (UMore) Park Development, LLC.



Dr. Robert J. Jones

A native of Dawson, Georgia, Dr. Jones has more than three decades of higher education leadership experience as well as academic expertise spanning plant physiology and urban and international development. He earned a bachelor's degree in agronomy from Fort Valley State College, a Master of Science degree in crop physiology from the University of Georgia, and a doctorate in crop physiology from the University of Missouri, Columbia. After earning the Ph.D., he joined the University of Minnesota faculty as a professor of agronomy and plant genetics. He is an internationally recognized authority on plant physiology and has published numerous scientific papers, manuscripts and abstracts. His research focuses on the role of cytokinins in stabilizing grain yields of maize against environmental stresses and global climate change. Over his career, he has trained many students who have gone on to leading careers in higher education and the private and not-for-profit sectors.

Dr. Jones currently serves as Regional Council Co-Chair for the Capital Region Economic Development Council (CREDC) alongside Albany Medical Center President James J. Barba. He is a fellow of both the American Society of Agronomy and the Crop Science Society of America. He has been a visiting professor and featured speaker in North America, Europe, Asia and Africa, and from 1984 to 1994 served as an academic and scientific consultant for Archbishop Desmond Tutu's South African Education Program. In 2010, he was awarded a University of Minnesota endowed chair in urban and international development; he was also named a recipient of the Michael P. Malone International Leadership Award by the Association of Public and Land-Grant Universities (APLU).

Dr. Jones held a gubernatorial appointment as a commissioner of the Midwestern Higher Education Compact and served on the board of directors for the Midwest Universities Consortium for International Activities. Currently, he serves on the boards of the Coalition of Urban Serving Universities and the Bush Foundation, among other leadership roles. He was also a member of the Grammy award-winning Sounds of Blackness, a Twin Cities-based choral ensemble.

Dr. Jones and his spouse, Lynn Hassan Jones, M.D., have five children and two grandchildren

**RESOLUTION 10-2013
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Article III, Section 2 of the bylaws of the Capitalize Albany Corporation (CAC) establishes the Board of Directors “Number, Qualifications, Election and Term of Office”; and

WHEREAS, Article IX of the bylaws provides that the By-laws may be amended at any meeting of the Board by a vote of a majority of the Entire Board; and

WHEREAS, Governance Committee has reviewed the term of office limitation in the bylaws and recommends its elimination;

NOW, therefore be it resolved that the CAC’s bylaws are amended to remove the term of office limitation.

Signed: _____
Michael Yevoli
President

Date of Authorization: April 23, 2013
Prepared by Erik J. Smith

BY-LAWS
OF THE
CAPITALIZE ALBANY CORPORATION
AS RESTATED and AMENDED TO ~~October 23, 2012~~ April 23, 2013

ARTICLE 1

Section 1. **Principal Office.** The Principal office of the Corporation shall be located at 21 Lodge Street in the City of Albany, County of Albany, and State of New York, or such place in said City as the Board of Directors may from time to time determine.

Section 2. **Other Offices.** The Corporation may have offices at any place or places within the City of Albany, County of Albany, State of New York, as the Board of Directors may from time to time determine.

Section 3. **Books.** There shall be kept at the principal office of the Corporation, correct books of account of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these By-Laws, and all minutes of meetings of Members and of the Board of Directors.

ARTICLE II

MEMBERS

Section 1. **Membership.** There is no limitation on the number of members. Members shall consist of such persons as may become Members in accordance with the By-Laws. The Members of the Corporation shall be the persons who elect to become members upon invitation by the Board of Directors and who reside or do business in the City of Albany. The Board of Directors may establish membership terms and membership dues. Any member may terminate his membership by notice in writing to the Board of Directors, President, or other acting head of the Corporation. The membership of any member may be terminated at any time, with or without cause, at a special meeting of members called for that purpose, by a vote of a majority of all members. Membership shall not be transferable.

Section 2. **Annual Meeting of Members.** The annual meeting of the members of the Corporation shall be held at the principal office of the Corporation, or at any such other time or place, as the Board of Directors shall designate. The Board shall designate an officer to preside at all meetings of Members. The Secretary of the Corporation shall act as Secretary at all meetings of Members. In the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting. At such meeting, the Members shall elect Directors and transact such other business as is within the power of the Members. The Board may provide by resolution, additional meetings of the members.

Section 3. **Notice of Annual Meetings of Members.** Notice of the time and place of such annual meeting shall be given by the secretary by mailing a copy thereof or delivering the same to each Member not

less than ten (10) nor more than fifty (50) days before such meeting. Specific notice shall be given when the business of or the proposals to be acted upon at such meeting include one or more of the following:

- (a) A proposal to amend the Certificate of Incorporation.
- (b) A proposal to merge or consolidate with another Corporation, domestic or foreign.
- (c) A proposal to lease, sell, transfer, convey, exchange or otherwise dispose of all or substantially all of the assets of the Corporation.
- (d) A proposal to dissolve the Corporation.

Section 4. **Special Meetings of Members.** Special meetings of Members may be held at the principal office of the Corporation or at such other place as may be designated in the notice of such meeting, upon the call of the Chairperson, or of the Directors, or the written request of ten percent of the Members.

Section 5. **Notice of Special Meetings of Members.** Notice of the time, place and purpose of any special meeting of members shall be given by the Secretary by mailing a copy thereof or delivering the same to each Member, not less than ten (10) nor more than fifty (50) days before such meeting.

Section 6. **Quorum: Adjournments of Meetings of Members.** At all meetings of Members, a majority of the Members, present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Members so present or represented may, without giving notice other than by announcement at the meeting, adjourn the meeting from time to time for a period not greater than twenty days at any one time until a quorum is obtained. At any such adjourned meeting at which a

quorum is present, except as otherwise provided herein, all matters shall be decided by the vote of a majority of the Members present in person or by proxy.

Section 7. **Voting.** At any meeting of Members, each Member in good standing, present in person, or by proxy, shall be entitled to one vote. Any vote for Director or upon any questions before the meeting shall be by ballot.

Section 8. **Proxies.** At all meetings of Members, any member in good standing and entitled to vote thereat may vote by proxy. Every proxy must be appointed by an instrument in writing executed and dated by such member or by his duly authorized attorney and delivered to the Secretary of the Corporation. Any proxy shall be revocable at the will of the member executing such proxy and shall become invalid after the expiration of three months from the date of its execution unless such member shall have otherwise specified its duration therein.

ARTICLE III

BOARD OF DIRECTORS

Section 1. **Powers and Duties.** The Board of Directors shall have general power to control and manage the affairs and property of the Corporation, and shall have full power, by majority vote, to adopt rules and regulations governing the action of the Board of Directors and shall have full and complete authority with respect to the payment and distribution of the moneys received by the Corporation; and shall have the full and complete authority to form committees. The Board of Directors shall set general policy direction of the Corporation, ensure overall financial accountability, and hire staff to implement policy and manage the day-to-day affairs of the Corporation.

Section 2. **Number, Qualifications, Election and Term of Office.** A Director must be a Member of the Corporation. The number of Directors shall not exceed fifteen (15) unless changed by amendment of the By-Laws. The Directors shall be elected as terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal. ~~A person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity.~~ A person who is outgoing Chairperson may, at the request of the Board of Directors, be elected to ~~an additional special one (1) year term to serve in the capacity of Immediate Past Chairperson. An appointment to fill a vacancy pursuant to Section 5 below shall not count toward the two (2) term limitation.~~ Any Director may be removed, with or without cause, at any meeting of the Members called for that purpose, by majority of all Members or by a majority of the entire

Board of Directors. Directors must attend a minimum of two-thirds of the meetings during a calendar year and not miss more than three consecutive meetings due to unexcused absences. Non-compliance with the above requirement will result in the termination of a Director's term unless a motion is passed by the Board of Directors stating otherwise.

Section 3. **Chairperson of the Board.** At the time of the election of the Officers of the Corporation pursuant to Article IV, Section 2, the Board of Directors shall elect one of its Members to be the Chairperson of the Board who shall have the primary duty of consulting with and advising the President and Vice President. He or she shall preside over all meetings of the Board and be an ex-officio member of all committees.

Section 3.1 **Vice Chairperson of the Board.** At the time of the election of the Officers of the Corporation pursuant to Article IV, Section 2, the Board of Directors shall elect one of its Members to be the Vice Chairperson of the Board. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in the case of the resignation or death of the Chairperson, the Vice Chairperson shall act in the full capacity of the Chairperson until such time as the Board of Directors elects a new Chairperson.

Section 4. **Immediate Past Chairperson.** Following completion of a Board of Director's term as Chairperson, such director may be asked to serve as Immediate Past Chairperson.

Section 5. **Vacancies.** Any vacancy in the Board of Directors arising at any time and from any cause, including an increase in the number of Directors by amendment of the Certificate of Incorporation or the

By-Laws, may be filled at any meeting by the Board of Directors by majority of the remaining Directors or the Directors then in office, as the case may be, or thereafter, by the Members at the annual meeting or a special meeting of Members called for that purpose. Each Director so elected shall hold office until the next annual election of Directors and until the qualification of his successor.

Section 6. **Regular Meetings of the Board of Directors.** Regular meetings of the Board of Directors shall be held monthly and at such time and place as the Board may determine. The Chairperson of the Board shall preside at all meetings of the Board of Directors or, in the absence of the Chairperson, a presiding officer shall be chosen by the Directors present. The Secretary of the Corporation shall act as Secretary at all meetings of the Board of Directors. In the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting. Attendance or voting at meetings will be pursuant to applicable open meeting laws.

Section 7. **Special Meetings of the Board of Directors Notice.** Special meetings of the Board of Directors may be held at such place as may be designated in the notice of such meeting, upon the call of the Chairperson or of any two Directors. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by the Secretary by mailing a copy thereof or delivering the same to each Director at least seventy-two hours before such meeting, or pursuant to waiver of notice signed before or after such meeting by all the Directors.

Section 8. **Quorum: Adjournments of Meetings of the Board of Directors.** At all meetings of the Board of Directors, a majority of Directors in office must be present to constitute a quorum for the transaction

of business. In the absence of a quorum, a majority of the Directors present may, without giving notice other than by announcement at the meeting, adjourn the meeting from time to time for a period not greater than twenty days at any one time until a quorum is obtained. At any such adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting as was originally called. At all meetings at which a quorum is present, except as otherwise provided herein, all matters shall be decided by the vote of a majority of the Directors present.

Section 9. **Compensation of the Board of Directors.** All Directors are to be compensated for services as a Director as may be determined by the Board of Directors pursuant to a resolution of the Board of Directors.

Section 10. **Resignation of the Board of Directors.** Any Director may resign at any time by giving written notice to the Chairperson of the Corporation. Such resignation shall take effect at any time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV

OFFICERS

Section 1. **Number and Qualifications of Officers.** The Officers of the Corporation shall be a President, a Vice President, and Secretary, a Treasurer and such other officers, if any, including one or more Vice-Presidents, and one or more Assistant Secretaries as the Board of Directors may appoint. One person may hold more than one office in the Corporation, except that one person may not hold both the offices of the President and Secretary. No instrument required to be signed by more than one officer shall be signed by one person in more than one capacity.

Section 2. **Election: Term of Office and Removal of Officers.** The officers of the Corporation shall be elected annually at the annual meeting of the Board of Directors, and each shall continue in office until his successor shall have been elected and qualified or until death, resignation or removal. Any officer of the Corporation may be removed, with or without cause, by the vote of a majority of the entire Board of Directors.

Section 3. **Other Agents.** The Board of Directors may appoint such agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board of Directors, and shall have such authority, perform such duties and receive such reasonable compensation, if any, as the Board of Directors may from time to time determine.

Section 4. **Vacancies.** In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board of Directors at its regular meeting or at a special meeting called for the purpose.

Section 5. **President: Powers and Duties.** The President shall be the chief executive officer of the Corporation who reports to the Board of Directors. He or she shall generally manage and supervise the affairs of the Corporation. He or she shall keep the Board of Directors fully informed, and shall freely consult with them concerning the activities of the Corporation. He or she shall have the power to sign alone, unless the Board of Directors shall specifically require an additional signature, in the name of the Corporation all contracts authorized either generally or specifically by the Board of Directors. The President shall be an ex-officio member of all committees. He or she shall perform all duties incident to the office of President, subject, however, to the control of the Board of Directors, and such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section. 6. **Vice President: Powers and Duties.** The Vice President shall have such powers and duties as may be assigned to him or her by the Board of Directors. In the absence of the President, the Vice-President shall in general have the powers and perform the duties of the President.

Section 7. **Secretary: Powers and Duties.** The Secretary shall be a member of the Board or appointed to the Board of Directors upon election as Secretary and shall act as secretary of all meetings of Members and the Board of Directors and shall keep the minutes of all such meetings in the books proper for the purpose. He or she shall attend to the giving and serving of all notices of the Corporation. He or she shall perform all duties incidental to the office of the Secretary, subject, however, to the control of the Board of Directors, and such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section 8. **Treasurer: Powers and Duties.** The Treasurer shall review the accounting practices, financial reporting, investment schedule and annual audit of Corporate funds; submit a financial report at each Board meeting; and perform other duties incident to the office.

Section 9. **Committees.** The Board may authorize any committees it deems necessary. Members of these committees shall be members in good standing and appointed by the Chairperson of the Board of Directors. There shall be established five standing committees, namely the Executive committee, the Audit committee, the Nominating/Governance committee, the Membership committee, and the Finance and Investment committee. The Chairperson of the Board and President shall be ex-officio members of all committees and any staff membership on the Audit committee would serve in an advisory capacity only, and be non-voting members.

ARTICLE V

CONTRACTS, CHECKS, BANK ACCOUNTS, INVESTMENTS, ETC.

Section 1. **Checks, Notes, Contracts.** The Board of Directors is authorized to select such banks or depositories, as it shall deem proper for the funds of the Corporation. The Board of Directors shall determine who, if anyone, in addition to the Chairperson and President, shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts, or to execute and deliver other documents and instruments.

Section 2. **Investments.** The fund of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board of Directors in its discretion may deem desirable, and within its adopted investment policy.

ARTICLE VI

INDEMNIFICATION AND INSURANCE

Section 1. Indemnification.

(a) Directors and Officers. The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify each director, officer, employee or agent against any person against any claim made or threatened to be made and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by or imposed upon such person in connection with any action, suit, investigation or proceeding (or any claim or other matter therein), whether civil, criminal, administrative or otherwise in nature, including any settlements thereof or any appeals therein, with respect to which such person is named or otherwise becomes or is threatened to be made a party by reason of being, or at any time having been a director or officer of the Corporation, or by reason of being, or at any time having been, while such a director or officer, an employee or other agent of the Corporation or, at the direction or request of the Corporation, a director, officer, administrator, manager, employee, adviser or other agent of or fiduciary for any other, partnership, trust, venture or other entity or enterprise, including any employee benefit plan against any and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by or imposed upon such person.

(b) Misconduct. Notwithstanding anything to the contrary in these Bylaws, no person shall be indemnified, to the extent, if any, it is determined by the Board of Directors or by written opinion of legal counsel designated by the

Board of Directors for such purpose, for any act or failure to act, constituting malfeasance, willful misconduct or gross negligence.

Section 2. Insurance.

(a) The Corporation shall purchase and maintain such insurance on behalf of any person who is or at any time has been a director, officer, employee or other agent of, or in a similar capacity with, the Corporation, or who is or at any time has been, at the direction or request of the Corporation, a director, officer, President, manager, employee, adviser of or other agent of or fiduciary for any other corporation, partnership, trust, venture or other entity or enterprise, including any employee benefit plan, insuring them to the extent permitted by law, against any liability asserted against and or incurred by such person in connection with any such service to or on behalf of the Corporation.

(b) In the event of a lawsuit against an officer or Director, which suit is related to the duties and actions of said officer's or Director's office, the Corporation will advance legal costs and expenses to said officer or Director, if necessary, prior to the time that the Corporation or the individual is advanced said sum by the insurance carrier. If the insurance carrier subsequently advances said sum covering the defense of an officer or Director directly to said officer or Director, that person will reimburse the Corporation to the extent of the Corporation's advance from recovery or to the extent of the Corporation's recovery from the carrier, if less than the advance.

ARTICLE VII

CORPORATE SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the Corporation and words and figures showing that it was incorporated in the State of New York in 1979.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board of Directors.

ARTICLE IX

AMENDMENTS

The By-Laws of the Corporation may be amended at any meeting of the Members of the Corporation or at any meeting of the Board of Directors by a vote of a majority of the Members or a majority of the entire Board of Directors.

Capitalize Albany Corporation Board Meeting

April 23, 2013

Agenda Item #3: Finance & Investment Committee Update

Materials:

Quarterly Financial Report

- Memo
- YTD Budget Performance
- Pre-audited financial statements
- Portfolio Report
- Short Term Investment Services Report

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: CAC Finance & Investment Committee
FROM: Erik Smith
RE: Capitalize Albany Corporation 1st Quarter Financial Reports
DATE: April 12, 2013

BUDGET PERFORMANCE

On a pre-audit basis, through March 31, 2013, the Capitalize Albany Corporation (CAC) generated a net loss of approximately \$82,000. This position compares favorably to the year-to-date (YTD) budgeted net loss of approximately \$128,000. CAC incurred a net loss of \$50,000 during the first quarter of 2012.

The significant variances between total budgeted revenue and expense activity through March 31, 2013 and total actual revenue and expense activity is being driven primary by NYS Mainstreet Grant activity, which consists of pass-through transactions that have been carried over from 2012 although not budgeted in 2013. These variances are arrayed in the Program Support and Program Expense categories.

My comments below address those remaining categories that deviate in excess of 5% from the YTD budget.

- ***YTD 2013 revenue is \$431,000 and \$211,000 above the 2013 budget. Excluding the NYS Mainstreet Grant pass-through revenue activity, YTD 2013 revenue is \$260,000 and \$40,000 (18%) above the 2013 budget.***
 - ***Interest and Investment Income.*** YTD 2013 income derived from interest and investments is approximately \$46,000 or \$31,000 over budget. The positive variance to the budget is primary due to the performance of CAC's investments under HJA management. There is approximately \$26,000 of recorded FMV adjustments to CAC's investments. Changes in unrealized gains and losses contribute to or detract from investment income and these amounts are not budgeted. The remaining amount of the variance is comprised of higher-than-budgeted interest and dividend income.
 - ***Rental Income.*** Rental income is \$4,900 or 17% over budget. This variance is attributable to the final rental payment for the Riverfront Bar & Grill's 2012 season. The final 2012 payment due was not determined or received in time to be recorded in 2012. Excluding this activity, Rental Income activity is performing as budgeted.
 - ***Loan Income.*** For 2013 YTD loan income is \$26,000 and \$2,300 (8 %) under budget. This variance is primarily attributable to the early payoff of two loans (39 Sheridan Realty, LLC and Adirondack Environmental Services) offset by past due amounts received on other loans. The anticipated 2013

loss of interest income on the two loans that paid early is \$22,000. At this time new loans have not been identified to mitigate a portion of this projected loss.

- ***YTD 2013 expenses are \$513,000 and \$165,000 above the 2013 budget. Excluding the NYS Mainstreet Grant pass-through expense activity, YTD 2013 expense is \$351,000 and \$2,400 (1%) under the 2013 budget.***
 - ***21 Lodge Street Expenses.*** This category is over budget by approximately \$1,100. This is attributable to higher utility costs
 - ***Rental Property Expenses.*** This category is over budget by approximately \$1,500 or 18%. The Corporation has incurred an expense to appraise 245 Lark Street to assist in developing a plan of reuse or disposition in anticipation of the Lark Street BID vacating their lease. As that plan becomes more definitive certain costs related to the building might be capitalized.

LOANS

- There are not any additional loans that have deteriorated to non-performing status during the first quarter of 2013. During April 2013, CAC received a recovery of \$25,000 in bad debt expense related to the Center For Medical Science loan.

BALANCE SHEET

- As of March 31, 2013, compared to December 31, 2012, unrestricted cash has increased by approximately \$315, 000. This is primarily attributable to the early payoff of two loans offset by payments of budgeted operation costs.
- Restricted cash has increased due to loan repayments.
- Net investment in direct financing leases have been reduced by approximately \$168,000. This is due to scheduled lease payments, the largest of which are the payments from ACDA and the recording of scheduled activity related to the financing for construction of a warehouse at the Port of Albany. The ACDA payments are applied to the principal amount of bonds outstanding for 200 Henry Johnson Boulevard.
- Liabilities have been reduced primarily by principal payments applied against CAC's bond indebtedness.

CASH FLOW STATEMENT

- Projected 2013 cash flow provided by operational activities reflect scheduled project grants activity, receipt of payment under the CAIDA Professional Service Agreement, scheduled lease and rental receipts, and payment of various administrative expenses.
- Cash used in capital and financing activities reflects scheduled debt service payments during 2013.

Projected 2013 cash flow from investing activities reflects projected loan repayment activity, direct finance lease payments, and investment activity.

CAPITALIZE ALBANY CORPORATION
Revenue and Expense Summary
YTD Through March 2013

| | January 1, 2013 - December 31, 2013 | | | | | | | | |
|-----------------------------|-------------------------------------|--------------------|---------------------|-------------------|--------------|--------------------------|---------------------|---------------------|-------------------------------|
| | 1st Qtr Ending 3/31/13 | YTD Actual | YTD Budget | Variance - \$ | Variance - % | 4/1 to 12/31 Forecast | 2013 Projection | Original Budget | Projected Variance from |
| <u>REVENUE</u> | | | | | | | | | |
| Investment Income | \$ 20,716 | \$ 20,716 | \$ 15,802 | \$ 4,914 | 31% | \$ 55,376 | 76,092 | \$ 63,209 | \$ 12,883 |
| FMV Adj on Fidelity Inv | 25,678 | 25,678 | - | 25,678 | 0% | - | 25,678 | - | 25,678 |
| G/L on Sale/Redemption | - | - | - | - | 0% | - | - | - | - |
| Rental Income | 34,377 | 34,377 | 29,474 | 4,903 | 17% | 339,612 | 373,989 | 360,742 | 13,247 |
| Loan Income | 25,843 | 25,843 | 28,155 | (2,312) | -8% | 56,356 | 82,198 | 111,157 | (28,959) |
| Fee Income | 80,575 | 80,575 | 71,165 | 9,410 | 13% | 347,714 | 428,289 | 426,378 | 1,911 |
| Capitalized Lease Income | 13,352 | 13,352 | 13,352 | - | 0% | 113,179 | 126,531 | 133,979 | (7,448) |
| Grant Income | 62,500 | 62,500 | 62,500 | - | 0% | 430,300 | 492,800 | 492,800 | - |
| Program Support | 162,500 | 162,500 | - | 162,500 | 0% | 125,000 | 287,500 | 125,000 | 162,500 |
| Other Income | 5,545 | 5,545 | - | 5,545 | 0% | - | 5,545 | - | 5,545 |
| TOTAL REVENUE | \$ 431,085 | \$ 431,085 | \$ 220,448 | \$ 210,637 | 96% | \$ 1,467,537 | \$ 1,898,622 | \$ 1,713,265 | \$ 185,357 |
| <u>EXPENSE</u> | | | | | | | | | |
| Salaries & Fringe Benefits | \$ 142,914 | \$ 142,914 | \$ 146,556 | \$ (3,642) | -2% | \$ 519,659 | \$ 662,573 | \$ 689,000 | \$ (26,427) |
| Capitalized Lease Expense | 34,207 | 34,207 | 34,207 | - | 0% | 57,995 | 92,202 | 92,202 | - |
| Administrative Expenses | 155,055 | 155,055 | 152,175 | 2,880 | 2% | 364,343 | 519,396 | 496,345 | 23,051 |
| 21 Lodge Street Expenses | 7,960 | 7,960 | 6,898 | 1,062 | 15% | 45,287 | 53,247 | 51,743 | 1,504 |
| Rental Property Expenses | 9,729 | 9,729 | 8,229 | 1,500 | 18% | 67,107 | 76,836 | 54,521 | 22,315 |
| Program Expense | 162,500 | 162,500 | - | 162,500 | 0% | 250,000 | 412,500 | 250,000 | 162,500 |
| Bad Debt Expense (recovery) | - | - | - | - | 0% | (25,000) | (25,000) | - | (25,000) |
| Project Expenses | 791 | 791 | 1,045 | (254) | -24% | 173,049 | 173,840 | 174,094 | (254) |
| TOTAL EXPENSE | \$ 513,156 | \$ 513,156 | \$ 349,110 | \$ 164,046 | 47% | \$ 1,452,440 | \$ 1,965,594 | \$ 1,807,905 | \$ 157,689 |
| Net Income | \$ (82,071) | \$ (82,071) | \$ (128,662) | \$ 46,591 | | \$ 15,097 | \$ (66,973) | \$ (94,640) | \$ 27,668 |

CAPITALIZE ALBANY CORPORATION
Comparative Balance Sheets
Pre-Audited Draft

| | March 31, 2013 | Projected December 31, 2013 | December 31, 2012 | Projected 2013 \$ Change |
|---|----------------------|-----------------------------|----------------------|--------------------------|
| Assets | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 3,156,832 | \$ 3,384,212 | \$ 2,842,349 | \$ 541,863 |
| Investments | 2,784,006 | 2,853,905 | 2,745,164 | 108,741 |
| Restricted cash | 406,530 | 445,845 | 387,719 | 58,126 |
| Mortgage notes receivable, net | 2,268,500 | 2,106,581 | 2,748,701 | (642,120) |
| Net investment in direct financing leases | 1,923,039 | 1,898,026 | 2,091,218 | (193,192) |
| Accrued interest receivable | 78,738 | 81,589 | 74,205 | 7,384 |
| Grants receivable | 62,500 | 62,500 | 62,500 | - |
| Receivables from the City of Albany and City agencies | 100,000 | - | 100,000 | (100,000) |
| Other receivables, net | 157,761 | 91,180 | 91,221 | (41) |
| Property held for investment and lease, net | 3,371,656 | 3,196,174 | 3,371,656 | (175,482) |
| Property and equipment, net | 457,819 | 426,435 | 457,819 | (31,384) |
| Other assets | 648,935 | 648,582 | 645,066 | 3,516 |
| Total assets | \$ 15,416,316 | \$ 15,195,029 | \$ 15,617,618 | \$ (422,589) |
| Deferred Outflows of Resources | \$ - | \$ - | \$ - | \$ - |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 94,187 | \$ 80,358 | \$ 102,941 | \$ (22,583) |
| Due to the City of Albany | 99,448 | 99,472 | 99,448 | 24 |
| Unearned grant and other income | 881,916 | 873,691 | 856,373 | 17,318 |
| Bonds payable, current portion | 4,072,337 | 3,857,965 | 4,208,436 | (350,471) |
| Revolving loan fund liability | 701,953 | 701,970 | 701,875 | 95 |
| Unearned program support | 81,447 | 81,447 | 81,447 | - |
| Total liabilities | \$ 5,931,288 | \$ 5,694,904 | \$ 6,050,520 | \$ (355,616) |
| Deferred Inflows of Resources | \$ - | \$ - | \$ - | \$ - |
| Net Position | | | | |
| Net invested in capital assets | \$ 1,454,474 | \$ 1,454,474 | \$ 1,454,474 | \$ - |
| Restricted for: | | | | |
| Debt service | 171,401 | 171,401 | 171,401 | - |
| CDBG eligible activities | 115,074 | 115,074 | 115,074 | - |
| Other program specific activities | 6,562 | 6,562 | 6,562 | - |
| Unrestricted | 7,737,516 | 7,752,614 | 7,819,587 | (66,973) |
| Total net position | \$ 9,485,027 | \$ 9,500,125 | \$ 9,567,098 | \$ (66,973) |

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
Pre-Audited Draft

| | Year to Date March 31, 2013 | Projected December 31, 2013 | Year Ended December 31, 2012 | Projected 2013 \$ Change |
|---|--------------------------------|--------------------------------|---------------------------------|-----------------------------|
| Revenues | | | | |
| Grant income | \$ 225,000 | \$ 780,300 | \$ 792,800 | \$ (12,500) |
| Rental income | 34,377 | 373,989 | 356,918 | 17,071 |
| Other interest and investment income | 59,745 | 228,300 | 271,521 | (43,221) |
| Interest income on mortgage notes | 25,843 | 82,199 | 91,436 | (9,237) |
| Gain on sale of properties | - | - | - | - |
| Fees and other income | 86,120 | 433,833 | 321,867 | 111,966 |
| Total revenues | \$ 431,085 | 1,898,621 | \$ 1,834,542 | \$ 64,079 |
| Expenses | | | | |
| Salaries and fringe benefits | \$ 142,914 | \$ 662,573 | \$ 508,527 | \$ 154,046 |
| Program and project costs | 173,020 | 663,176 | 523,399 | 139,777 |
| Interest expense | 34,207 | 92,202 | 100,568 | (8,366) |
| Bad debt expenses (recovery) | - | (25,000) | (51,225) | 26,225 |
| Administrative Expenses | 163,015 | 572,643 | 507,989 | 64,654 |
| Total expenses | \$ 513,156 | \$ 1,965,594 | \$ 1,589,258 | \$ 376,336 |
| Excess of (expenses over revenues) revenues over expenses | (82,071) | (66,973) | 245,284 | (312,257) |
| Net Position, Beginning of Year | 9,321,814 | 9,567,098 | 9,321,814 | 245,284 |
| Net Position, End of Month | \$ 9,239,743 | \$ 9,500,125 | \$ 9,567,098 | \$ (66,973) |

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

| | March 31, 2013 | Projected December 31, 2013 | December 31, 2012 |
|---|----------------|-----------------------------|-------------------|
| Cash Flows From Operating Activities | | | |
| Cash received from customers | \$ 548 | \$ 572,886 | \$ 607,547 |
| Cash received from grantors | 250,621 | 797,714 | 672,506 |
| Other operating cash receipts | 86,120 | 433,833 | 321,867 |
| Cash payments to suppliers and grantees | (344,790) | (951,511) | (846,493) |
| Cash payments to employees | (142,914) | (662,573) | (508,527) |
| Net cash provided by operating activities | (150,416) | 190,348 | 246,900 |
| Cash Flows From Capital and Related Financing Activities | | | |
| Proceeds from sale of property held for sale | - | - | - |
| Purchase of property held for investment and lease | - | - | - |
| Purchase of property and equipment | - | - | (16,950) |
| Purchase of other assets including purchase options | - | - | (525) |
| Principal payments on bonds payable | (136,099) | (350,471) | (322,112) |
| Interest paid on bonds payable | (34,207) | (93,228) | (102,772) |
| Net cash used in capital and related financing activities | (170,306) | (443,699) | (442,359) |
| Cash Flows From Investing Activities | | | |
| Interest on cash and cash equivalents and investments | 18,801 | 76,092 | 75,380 |
| Net decrease (increase) in restricted cash | (18,811) | (58,126) | (66,685) |
| Proceeds from sales and maturities of investments | 6,306 | 2,020,077 | 2,323,619 |
| Purchase of investments | (19,471) | (2,103,142) | (2,381,617) |
| Issuance of mortgage notes receivable | - | - | (900,000) |
| Repayments received on mortgage notes receivable | 480,201 | 667,120 | 233,098 |
| Principal payments received under direct financing leases | 168,179 | 193,192 | 181,993 |
| Net cash used in investing activities | 635,205 | 795,214 | (534,212) |
| Change in cash and cash equivalents | 314,483 | 541,863 | (729,671) |
| Cash and cash equivalents: | | | |
| Beginning of year | 2,842,349 | 2,842,349 | 3,572,020 |
| End of year | \$ 3,156,832 | \$ 3,384,212 | \$ 2,842,349 |

| | March 31, 2013 | Projected December 31, 2013 | December 31, 2012 |
|--|----------------|-----------------------------|-------------------|
| Reconciliation of Excess of (Expenses Over Revenues) Revenues Over Expenses to Net Cash Provided by Operating Activities | | | |
| Excess of (expenses over revenues) revenues over expenses | \$ (82,070) | \$ (66,973) | \$ 245,284 |
| Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities: | | | |
| Depreciation and amortization | - | 206,867 | 208,265 |
| Adjustment for losses on mortgage notes and other receivables | - | (25,000) | (51,225) |
| Gain on sale of property | - | - | - |
| Net realized and unrealized losses (gains) on investments | (25,677) | (25,677) | (42,360) |
| Interest income on cash and cash equivalents and investments | (4) | (76,092) | (78,162) |
| Interest expense on bonds payable | 34,207 | 93,228 | 100,568 |
| Changes in: | | | |
| Grants receivable | - | - | (62,500) |
| Other receivables, accrued interest receivable and other assets | (93,739) | (10,859) | 8,194 |
| Accounts payable and accrued expenses | (8,755) | (22,584) | 13,431 |
| Due to the City of Albany | - | 100,024 | (36,800) |
| Unearned grant and other income | 25,544 | 17,318 | (54,425) |
| Revolving loan fund liability | 78 | 95 | (3,370) |
| Net cash provided by operating activities | \$ (150,416) | \$ 190,348 | \$ 246,900 |

Short Term Investment Services
 Capitalize Albany Corporation

As of March 31, 2013

Portfolio



| Issue Description | Coupon | Maturity | Par Amount | Market Price | Market Value | Purchase Yield | Market Yield | % of Portfolio |
|---------------------------------|---------------|-----------------|---------------------|---------------|---------------------|----------------|--------------|----------------|
| <u>Money Market</u> | | | | | | | | |
| Fidelity Cash (FCASH) | <u>0.010%</u> | <u>04/01/13</u> | <u>163,649.89</u> | <u>100.00</u> | <u>163,649.89</u> | <u>0.01%</u> | <u>0.01%</u> | <u>6.70%</u> |
| | 0.010% | 04/01/13 | 163,649.89 | 100.00 | 163,649.89 | 0.01% | 0.01% | 6.70% |
| <u>Certificate of Deposits</u> | | | | | | | | |
| Safra National Bank | 0.400% | 06/14/13 | 100,000.00 | 100.00 | 100,000.00 | 0.71% | 0.15% | 4.09% |
| Wachovia Bank FSB | 5.050% | 09/19/13 | 50,000.00 | 101.93 | 50,964.00 | 1.33% | 0.30% | 2.09% |
| Goldman Sachs Bank USA | 5.000% | 10/08/13 | 75,000.00 | 102.34 | 76,758.00 | 1.38% | 0.35% | 3.14% |
| Capital One Bank USA | 4.900% | 10/15/13 | 90,000.00 | 102.38 | 92,140.20 | 0.72% | 0.35% | 3.77% |
| Capital One Bank NA | 4.900% | 10/15/13 | 90,000.00 | 102.38 | 92,140.20 | 0.72% | 0.35% | 3.77% |
| GE Capital Retail Bank | 4.850% | 10/23/13 | 88,000.00 | 102.45 | 90,153.36 | 1.87% | 0.35% | 3.69% |
| GE Capital Retail Bank | 5.000% | 10/30/13 | 99,000.00 | 102.62 | 101,589.84 | 0.72% | 0.35% | 4.16% |
| Morgan Stanley Bank | 4.250% | 12/26/13 | 61,000.00 | 102.74 | 62,672.62 | 1.33% | 0.35% | 2.57% |
| Barclays Bank DE | 3.150% | 09/16/14 | 140,000.00 | 103.49 | 144,880.40 | 1.91% | 0.45% | 5.93% |
| Barclays Bank DE | 3.200% | 10/14/14 | 60,000.00 | 103.71 | 62,227.20 | 1.91% | 0.45% | 2.55% |
| Ally Bank | 1.850% | 08/17/16 | 198,000.00 | 102.69 | 203,318.28 | 1.62% | 1.00% | 8.32% |
| Goldman Sachs Bank USA | 1.850% | 04/25/17 | 100,000.00 | 101.71 | 101,710.00 | 1.85% | 1.25% | 4.16% |
| Discover Bank | 1.750% | 05/16/17 | 180,000.00 | 101.69 | 183,043.80 | 1.53% | 1.25% | 7.49% |
| American Exp Cent Bank | 1.550% | 10/04/17 | 99,000.00 | 101.07 | 100,062.27 | 1.63% | 1.30% | 4.10% |
| American Exp Cent Bank | <u>3.750%</u> | <u>07/15/19</u> | <u>30,000.00</u> | <u>113.48</u> | <u>34,044.00</u> | <u>2.73%</u> | <u>1.50%</u> | <u>1.39%</u> |
| | 3.088% | 05/14/15 | 1,460,000.00 | 102.48 | 1,495,704.17 | 1.44% | 0.70% | 61.22% |
| <u>Corporate Notes</u> | | | | | | | | |
| US Bancorp Bank | 2.000% | 06/14/13 | 100,000.00 | 100.36 | 100,362.00 | 1.91% | 0.21% | 4.11% |
| Bank of New York Mellon | 1.500% | 01/31/14 | 100,000.00 | 100.93 | 100,931.00 | 1.56% | 0.36% | 4.13% |
| Wells Fargo Co | 3.750% | 10/01/14 | 100,000.00 | 104.72 | 104,716.00 | 3.78% | 0.59% | 4.29% |
| Goldman Sachs Group | 5.500% | 11/15/14 | 100,000.00 | 107.09 | 107,087.00 | 3.87% | 1.05% | 4.38% |
| Credit Suisse USA | 4.875% | 01/15/15 | 100,000.00 | 107.30 | 107,300.00 | 3.67% | 0.72% | 4.39% |
| JPMorgan Chase & Co | 3.700% | 01/20/15 | 100,000.00 | 104.99 | 104,987.00 | 3.70% | 0.89% | 4.30% |
| General Elec Cap Corp | <u>4.375%</u> | <u>09/21/15</u> | <u>100,000.00</u> | <u>108.37</u> | <u>108,366.00</u> | <u>4.37%</u> | <u>0.94%</u> | <u>4.44%</u> |
| | 3.706% | 09/23/14 | 700,000.00 | 104.90 | 733,749.00 | 3.29% | 0.69% | 30.03% |
| <u>Taxable Municipal</u> | | | | | | | | |
| Mississippi St Dev Bk Spl Oblg | <u>1.375%</u> | <u>09/01/15</u> | <u>50,000.00</u> | <u>99.87</u> | <u>49,935.00</u> | <u>1.39%</u> | <u>1.04%</u> | <u>2.04%</u> |
| | 1.375% | 09/01/15 | 50,000.00 | 99.87 | 49,935.00 | 1.39% | 1.04% | 2.04% |
| Total | 3.032% | 01/14/15 | 2,373,649.89 | 102.99 | 2,443,038.06 | 1.90% | 0.66% | 100.00% |
| Market Value of Equity Holdings | | | | | <u>340,967.95</u> | | | 12.25% |
| Total Market Value of Portfolio | | | | | 2,784,006.01 | | | |

PERFORMANCE SUMMARY
NET OF FEES
Capitalize Albany Corporation A/C# 636-788813
March 31, 2013

| PORTFOLIO COMPOSITION | | | | CHANGE IN PORTFOLIO | |
|-----------------------|---------------------|----------------|---------------|-----------------------------|---------------------|
| | Market Value | Pct. Assets | Cur. Yield | | |
| Cash and Equivalents | 1,674,164.86 | 59.7 | 2.7 | Portfolio Value on 12-31-12 | 2,745,227.12 |
| Equities | 340,967.95 | 12.2 | 2.1 | Accrued Interest | 17,860.17 |
| Fixed Income | 790,419.53 | 28.2 | 3.4 | Net Additions/Withdrawals | 0.00 |
| Other | 0.00 | 0.0 | - | Realized Gains | 0.00 |
| | | | | Unrealized Gains | 25,614.03 |
| | | | | Income Received | 15,608.44 |
| | | | | Management Fees | -2,402.13 |
| | | | | Change in Accrued Interest | 3,644.72 |
| | | | | Portfolio Value on 03-31-13 | 2,784,047.46 |
| | | | | Accrued Interest | 21,504.88 |
| Total | 2,805,552.35 | 100.0 | 2.8 | | 2,805,552.35 |
| | | | | Total Fees | -2,402.13 |

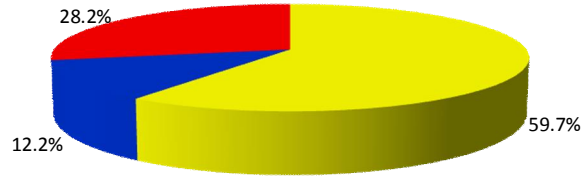
TIME WEIGHTED RETURN

| | Quarter To Date | Year To Date | Last 12 Months | Annualized 09-23-09 To Date |
|----------------------------------|--------------------|-----------------|-------------------|-----------------------------------|
| Account | 1.54 | 1.54 | 2.97 | 3.09 |
| 7% SP500/93% 1-3Y Gov Corp | 0.90 | 0.90 | 1.98 | 2.60 |
| Equities | 10.71 | 10.71 | 13.51 | 10.29 |
| S&P 500 TR | 10.61 | 10.61 | 13.96 | 14.16 |
| Fixed Income | 0.32 | 0.32 | 2.02 | 2.48 |
| Barclays Bond Fund 1-3 Govt/Cred | 0.20 | 0.20 | 1.10 | 1.78 |

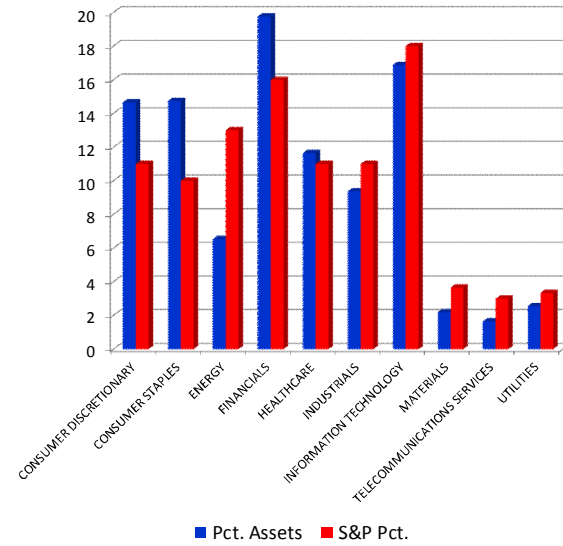
Portfolio Summary
Capitalize Albany Corporation A/C# 636-788813
 March 31, 2013

Asset Summary

Sector Analysis

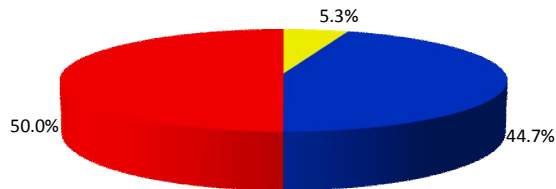


■ Cash and Equivalents 1,674,164.86
■ Equities 340,967.95
■ Fixed Income 790,419.53

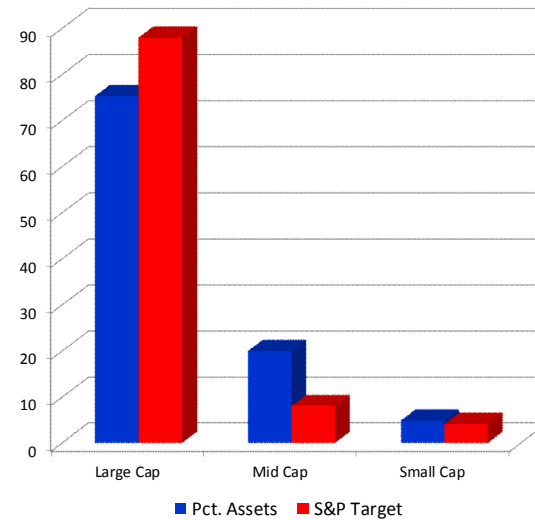


Investment Allocation:

Capitalization Allocation:



■ Blend 14,335.60 ■ Growth 120,017.20 ■ Value 134,284.65



PORTFOLIO APPRAISAL
Capitalize Albany Corporation A/C# 636-788813
 March 31, 2013

| Quantity | Security Description | Unit Cost | Total Cost | Price | Market Value | Unit Income | Annual Income | Cur. Yield | Pct. Assets |
|-------------------------------------|---|-----------|--------------|--------|--------------|-------------|---------------|------------|-------------|
| Cash and Equivalents | | | | | | | | | |
| CASH AND EQUIVALENTS | | | | | | | | | |
| | Cash | | 163,649.89 | | 163,649.89 | 0.050 | 81.82 | 0.0 | 5.8 |
| | Cash Account Balance | | 41.40 | | 41.40 | 0.050 | 0.02 | 0.0 | 0.0 |
| CERTIFICATES OF DEPOSIT | | | | | | | | | |
| 198,000 | Ally Bank Midvale Utah 1.850% Due 08-17-16 | 100.95 | 199,871.20 | 102.69 | 203,319.07 | 1.850 | 3,663.00 | 1.8 | 7.2 |
| 99,000 | American Express Centurion 1.550% Due 10-04-17 | 99.64 | 98,647.57 | 101.07 | 100,062.07 | 1.550 | 1,534.50 | 1.5 | 3.6 |
| 30,000 | American Express Centurion Bank 3.750% Due 07-15-19 | 106.68 | 32,004.49 | 113.48 | 34,044.09 | 3.750 | 1,125.00 | 3.3 | 1.2 |
| 140,000 | Barclays Bank Del 3.150% Due 09-16-14 | 104.71 | 146,595.11 | 103.49 | 144,879.70 | 3.150 | 4,410.00 | 3.0 | 5.2 |
| 60,000 | Barclays Bank Del 3.200% Due 10-14-14 | 105.23 | 63,136.00 | 103.71 | 62,227.38 | 3.200 | 1,920.00 | 3.1 | 2.2 |
| 90,000 | Capital One Bank USA NA 4.900% Due 10-15-13 | 104.40 | 93,961.00 | 102.38 | 92,140.02 | 4.900 | 4,410.00 | 4.8 | 3.3 |
| 90,000 | Capital One NA VA 4.900% Due 10-15-13 | 104.40 | 93,961.00 | 102.38 | 92,140.02 | 4.900 | 4,410.00 | 4.8 | 3.3 |
| 180,000 | Discover Bank 1.750% Due 05-16-17 | 100.99 | 181,782.48 | 101.69 | 183,043.62 | 1.750 | 3,150.00 | 1.7 | 6.5 |
| 99,000 | GE Capital Retail Bank Draper Utah 5.000% Due 10-30-13 | 104.68 | 103,632.31 | 102.62 | 101,590.04 | 5.000 | 4,950.00 | 4.9 | 3.6 |
| 88,000 | GE Money Bank Salt Lake City UT 4.850% Due 10-23-13 | 108.65 | 95,611.86 | 102.45 | 90,153.45 | 4.850 | 4,268.00 | 4.7 | 3.2 |
| 75,000 | Goldman Sachs Bank USA NY 5.000% Due 10-08-13 | 107.01 | 80,257.50 | 102.34 | 76,758.22 | 5.000 | 3,750.00 | 4.9 | 2.7 |
| 100,000 | Goldman Sachs Bank USA NY 1.850% Due 04-25-17 | 100.01 | 100,010.00 | 101.71 | 101,710.00 | 1.850 | 1,850.00 | 1.8 | 3.6 |
| 61,000 | Morgan Stanley Bank NA Utah 4.250% Due 12-26-13 | 106.29 | 64,836.90 | 102.74 | 62,672.44 | 4.250 | 2,592.50 | 4.1 | 2.2 |
| 100,000 | Safra Natl Bank New York NY 0.400% Due 06-14-13 | 99.71 | 99,710.00 | 100.00 | 99,999.70 | 0.400 | 400.00 | 0.4 | 3.6 |
| 50,000 | Wachovia Bank FSB Houston TX 5.050% Due 09-19-13 | 107.01 | 53,505.00 | 101.93 | 50,963.80 | 5.050 | 2,525.00 | 5.0 | 1.8 |
| | Cash and Equivalents Total | | 1,671,213.71 | | 1,674,164.86 | | 45,039.85 | 2.7 | 59.7 |
| Equities | | | | | | | | | |
| AMERICAN DEPOSITORY RECEIPTS | | | | | | | | | |
| CONSUMER STAPLES | | | | | | | | | |
| 70.00 | Anheuser-Busch InBev SA NV Sp ADR | 70.49 | 4,934.63 | 99.55 | 6,968.50 | 1.851 | 129.58 | 1.9 | 0.2 |
| | CONSUMER STAPLES Total | | 4,934.63 | | 6,968.50 | | 129.58 | 1.9 | 0.2 |
| COMMON STOCKS | | | | | | | | | |
| CONSUMER DISCRETIONARY | | | | | | | | | |
| 150.00 | Coach Inc | 36.54 | 5,481.62 | 49.99 | 7,498.50 | 1.200 | 180.00 | 2.4 | 0.3 |
| 165.00 | DirecTV | 37.55 | 6,196.25 | 56.59 | 9,337.35 | 0.000 | 0.00 | 0.0 | 0.3 |

PORTFOLIO APPRAISAL
Capitalize Albany Corporation A/C# 636-788813
 March 31, 2013

| Quantity | Security Description | Unit Cost | Total Cost | Price | Market Value | Unit Income | Annual Income | Cur. Yield | Pct. Assets |
|------------------------------------|---------------------------------------|-----------|------------------|--------|------------------|-------------|---------------|------------|-------------|
| 250.00 | Disney Walt Co Disney | 35.56 | 8,889.45 | 56.80 | 14,200.00 | 0.750 | 187.50 | 1.3 | 0.5 |
| 190.00 | Hasbro Inc | 41.64 | 7,911.19 | 43.94 | 8,348.60 | 1.600 | 304.00 | 3.6 | 0.3 |
| | CONSUMER DISCRETIONARY Total | | 28,478.51 | | 39,384.45 | | 671.50 | 1.7 | 1.4 |
| CONSUMER STAPLES | | | | | | | | | |
| 240.00 | Church & Dwight Inc | 32.59 | 7,820.73 | 64.63 | 15,511.20 | 1.120 | 268.80 | 1.7 | 0.6 |
| 145.00 | Colgate Palmolive Co | 78.29 | 11,352.61 | 118.03 | 17,114.35 | 2.720 | 394.40 | 2.3 | 0.6 |
| | CONSUMER STAPLES Total | | 19,173.34 | | 32,625.55 | | 663.20 | 2.0 | 1.2 |
| ENERGY | | | | | | | | | |
| 100.00 | ConocoPhillips | 42.09 | 4,208.68 | 60.10 | 6,010.00 | 2.640 | 264.00 | 4.4 | 0.2 |
| 95.00 | Ensco PLC Class A | 41.82 | 3,973.25 | 60.00 | 5,700.00 | 1.625 | 154.37 | 2.7 | 0.2 |
| 65.00 | Exxon Mobil Corp | 61.54 | 3,999.93 | 90.11 | 5,857.15 | 2.280 | 148.20 | 2.5 | 0.2 |
| | ENERGY Total | | 12,181.86 | | 17,567.15 | | 566.57 | 3.2 | 0.6 |
| FINANCIALS | | | | | | | | | |
| 120.00 | American Express Co | 45.03 | 5,404.11 | 67.46 | 8,095.20 | 0.800 | 96.00 | 1.2 | 0.3 |
| 565.00 | Fifth Third Bancorp | 13.28 | 7,500.81 | 16.31 | 9,215.15 | 0.440 | 248.60 | 2.7 | 0.3 |
| 175.00 | First Republic Bank San Fran Cali New | 33.78 | 5,910.97 | 38.62 | 6,758.50 | 0.480 | 84.00 | 1.2 | 0.2 |
| 70.00 | Franklin Resources Inc | 100.27 | 7,019.15 | 150.81 | 10,556.70 | 1.160 | 81.20 | 0.8 | 0.4 |
| 230.00 | JPMorgan Chase & Co | 40.58 | 9,334.45 | 47.46 | 10,915.80 | 1.200 | 276.00 | 2.5 | 0.4 |
| 90.00 | Travelers Companies Inc | 68.46 | 6,161.21 | 84.19 | 7,577.10 | 1.840 | 165.60 | 2.2 | 0.3 |
| | FINANCIALS Total | | 41,330.70 | | 53,118.45 | | 951.40 | 1.8 | 1.9 |
| HEALTHCARE | | | | | | | | | |
| 135.00 | Abbott Laboratories | 23.84 | 3,217.91 | 35.32 | 4,768.20 | 0.560 | 75.60 | 1.6 | 0.2 |
| 135.00 | Abbvie Inc | 25.85 | 3,489.55 | 40.78 | 5,505.30 | 1.600 | 216.00 | 3.9 | 0.2 |
| 115.00 | Baxter Intl Inc | 60.16 | 6,918.52 | 72.64 | 8,353.60 | 1.800 | 207.00 | 2.5 | 0.3 |
| 130.00 | Merck & Co Inc | 45.55 | 5,921.61 | 44.20 | 5,746.00 | 1.720 | 223.60 | 3.9 | 0.2 |
| 240.00 | Pfizer Inc | 25.11 | 6,026.56 | 28.86 | 6,926.40 | 0.960 | 230.40 | 3.3 | 0.2 |
| | HEALTHCARE Total | | 25,574.15 | | 31,299.50 | | 952.60 | 3.0 | 1.1 |
| INDUSTRIALS | | | | | | | | | |
| 315.00 | General Electric Co | 16.19 | 5,098.95 | 23.12 | 7,282.80 | 0.760 | 239.40 | 3.3 | 0.3 |
| 70.00 | Union Pacific Corp | 75.10 | 5,257.25 | 142.41 | 9,968.70 | 2.760 | 193.20 | 1.9 | 0.4 |
| 85.00 | United Technologies Corp | 71.61 | 6,086.51 | 93.43 | 7,941.55 | 2.140 | 181.90 | 2.3 | 0.3 |
| | INDUSTRIALS Total | | 16,442.71 | | 25,193.05 | | 614.50 | 2.4 | 0.9 |
| INFORMATION TECHNOLOGY | | | | | | | | | |
| 85.00 | Harris Corp | 45.76 | 3,889.90 | 46.34 | 3,938.90 | 1.480 | 125.80 | 3.2 | 0.1 |
| 75.00 | International Business Machines | 128.67 | 9,650.53 | 213.30 | 15,997.50 | 3.400 | 255.00 | 1.6 | 0.6 |
| 440.00 | Oracle Corp | 24.32 | 10,699.23 | 32.33 | 14,225.20 | 0.240 | 105.60 | 0.7 | 0.5 |
| 315.00 | Texas Instruments Inc | 24.97 | 7,866.70 | 35.48 | 11,176.20 | 1.120 | 352.80 | 3.2 | 0.4 |
| | INFORMATION TECHNOLOGY Total | | 32,106.36 | | 45,337.80 | | 839.20 | 1.9 | 1.6 |
| TELECOMMUNICATIONS SERVICES | | | | | | | | | |

TELECOMMUNICATIONS SERVICES

PORTFOLIO APPRAISAL
Capitalize Albany Corporation A/C# 636-788813
 March 31, 2013

| Quantity | Security Description | Unit Cost | Total Cost | Price | Market Value | Unit Income | Annual Income | Cur. Yield | Pct. Assets |
|-----------------------------------|---|-----------|---------------------|--------|---------------------|-------------|------------------|------------|--------------|
| 90.00 | Verizon Communications Inc | 29.15 | 2,623.80 | 49.15 | 4,423.50 | 2.060 | 185.40 | 4.2 | 0.2 |
| | TELECOMMUNICATIONS SERVICES Total | | 2,623.80 | | 4,423.50 | | 185.40 | 4.2 | 0.2 |
| EXCH TRADED FUNDS - EQUITY | | | | | | | | | |
| EXCH TRADED FUNDS | | | | | | | | | |
| 185.00 | iShares Tr S&P Small Cap 600 | 75.11 | 13,896.22 | 87.06 | 16,106.10 | 1.296 | 239.85 | 1.5 | 0.6 |
| 150.00 | Select Sector SPDR Tr SBI Materials | 37.27 | 5,590.99 | 39.18 | 5,877.00 | 0.876 | 131.40 | 2.2 | 0.2 |
| 175.00 | Select Sector SPDR Tr SBI Utilities | 32.24 | 5,641.67 | 39.10 | 6,842.50 | 1.453 | 254.24 | 3.7 | 0.2 |
| 160.00 | SPDR S&P Mid Cap 400 ETF Tr | 175.72 | 28,115.89 | 209.72 | 33,555.20 | 2.234 | 357.37 | 1.1 | 1.2 |
| 210.00 | Vanguard Emerg Mkt ETF | 45.94 | 9,647.01 | 42.89 | 9,007.95 | 1.033 | 216.93 | 2.4 | 0.3 |
| 375.00 | Vanguard Tax-Managed Fund Europe Pac ETF | 35.75 | 13,405.77 | 36.43 | 13,661.25 | 1.196 | 448.50 | 3.3 | 0.5 |
| | EXCH TRADED FUNDS Total | | 76,297.55 | | 85,050.00 | | 1,648.29 | 1.9 | 3.0 |
| | Equities Total | | 259,143.60 | | 340,967.95 | | 7,222.24 | 2.1 | 12.2 |
| Fixed Income | | | | | | | | | |
| CORPORATE BONDS | | | | | | | | | |
| 100,000 | Bank New York MTN BE 1.500% Due 01-31-14 | 99.84 | 99,840.00 | 100.93 | 100,931.30 | 1.500 | 1,500.00 | 1.5 | 3.6 |
| 100,000 | Credit Suisse USA Inc 4.875% Due 01-15-15 | 105.75 | 105,746.00 | 107.30 | 107,300.00 | 4.875 | 4,875.00 | 4.5 | 3.8 |
| 100,000 | GE Capital Corp MTN BE 4.375% Due 09-21-15 | 100.01 | 100,010.00 | 108.37 | 108,366.00 | 4.375 | 4,375.00 | 4.0 | 3.9 |
| 100,000 | Goldman Sachs Group Inc 5.500% Due 11-15-14 | 107.49 | 107,494.00 | 107.09 | 107,086.90 | 5.500 | 5,500.00 | 5.1 | 3.8 |
| 100,000 | JPMorgan Chase & Co 3.700% Due 01-20-15 | 100.01 | 100,010.00 | 104.99 | 104,987.00 | 3.700 | 3,700.00 | 3.5 | 3.7 |
| 100,000 | US Bancorp MTNS BE 2.000% Due 06-14-13 | 100.28 | 100,282.00 | 100.36 | 100,362.20 | 2.000 | 2,000.00 | 2.0 | 3.6 |
| 100,000 | Wells Fargo Co MTN BE 3.750% Due 10-01-14 | 99.88 | 99,885.00 | 104.72 | 104,716.20 | 3.750 | 3,750.00 | 3.6 | 3.7 |
| MUNICIPAL BONDS | | | | | | | | | |
| 50,000 | Mississippi Dev Bank Spl Oblig 1.375% Due 09-01-15 | 99.98 | 49,989.00 | 99.87 | 49,935.00 | 1.375 | 687.50 | 1.4 | 1.8 |
| | Fixed Income Total | | 763,256.00 | | 790,419.53 | | 26,387.50 | 3.4 | 28.2 |
| TOTAL PORTFOLIO | | | 2,693,613.31 | | 2,805,552.35 | | 78,649.59 | 2.8 | 100.0 |

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PURCHASE AND SALE
Capitalize Albany Corporation A/C# 636-788813
From 12-31-2012 To 03-31-2013

| <u>Trade Date</u> | <u>Settle Date</u> | <u>Quantity</u> | <u>Security</u> | <u>Unit Price</u> | <u>Amount</u> |
|-----------------------|------------------------|-----------------|-----------------|-----------------------|---------------|
|-----------------------|------------------------|-----------------|-----------------|-----------------------|---------------|

No transactions were found!

Capitalize Albany Corporation Board Meeting
April 23, 2013

Agenda Item #4: Downtown Tactical Plan Update

Materials:

- No materials are included

Capitalize Albany Corporation Board Meeting
April 23, 2013

Agenda Item #5: Membership 2013

Materials:

- No materials are included

Capitalize Albany Corporation Board Meeting
April 23, 2013

Agenda Item #6: ACDA/CDBG Funding

Materials:

- No materials are included

Capitalize Albany Corporation Board Meeting
April 23, 2013

Agenda Item #7: Executive Session (if necessary)

Materials:

- No materials are included