



BOARD OF DIRECTORS MEETING*

April 3, 2020

3:30 PM

VIA Teleconference

AGENDA

1. Call to order
2. Finance Committee
FRMC Resolution No. 169 – Corporate Debt Extension Matters
3. New Business
4. Public Comment
5. Next Board of Directors meeting: TBD
6. Adjournment

*This includes the joint meetings of the Board of Directors of the Fuller Road Management Corporation and Fort Schuyler Management Corporation.

TO: New York Center for Research, Economic Advancement, Technology, Engineering and Science Corporation (“NY CREATES”) Board of Directors

RE: Authorizing the Engagement of Manufacturers and Traders Trust Company and KeyBank National Association for a One-Year Extension of the Corporation’s Debt and an Increase to the Corporation’s Line of Credit

Background:

Fuller Road Management Corporation (the “Corporation”) has approximately \$259,933,422 (as of April 29, 2020) that is scheduled to either mature or has a mandatory tender in early May 2020 (the “Prior Indebtedness”). The Prior Indebtedness consists of three borrowings made up of bonds and bank loans, the proceeds of which were used to finance the construction of specific buildings and improvements on the Fuller Road campus as follows:

Series 2014A&B Bonds – by its Resolution No. 119, adopted on October 24, 2014, the Board of Directors authorized interim and permanent financing of the construction of the Zero Energy Nanotechnology (“Zen”) building in the amount of \$185,373,000 of which approximately \$177,056,422 remains outstanding as of April 29, 2020 (the “Series 2014A&B Bonds”); and

2012 NFX Credit Facility - by its Resolution No. 92, adopted on October 6, 2011, the Board of Directors authorized interim and permanent financing of the construction of the NanoFab Xtension (“NFX”) building in the amount of \$251,400,000 of which approximately \$39,657,000 remains outstanding as of April 29, 2020 (the “2012 NFX Credit Facility”); and

Series 2007 Bonds - by its Resolution No. 59, adopted on March 12, 2007, the Board of Directors authorized permanent financing of the construction of the NanoFab East (“NFE”) building in the amount of \$52,300,000 of which approximately \$43,220,000 remains outstanding as of April 29, 2020 (the “Series 2007 Bonds”); and

The Corporation by Resolution No. 166 adopted on March 19, 2020, approved and authorized the issuance of taxable municipal bonds through the New York State Transportation Development Corporation to refinance the Prior Indebtedness as well as the Corporation’s Series 2005 bonds and all or a portion of the Corporation’s line of credit (the “Series 2020 Bonds”). However due to current unprecedented market conditions, the public offering and sale of the Series 2020 Bonds has been delayed. Given the mandatory tender and maturity dates in early May 2020 for the Prior Indebtedness, the Corporation determined to engage its existing lenders, Manufacturers and Traders Trust Company (“M&T Bank”) and KeyBank National Association (“Key Bank” and collectively with M&T Bank, the “Lenders”) for a one-year extension of the Prior Indebtedness (the “Extension”).

M&T Bank has offered engagement letters for the Series 2014A&B Bonds and the 2012 Credit Facility (“Engagement Letters”) and Key Bank has offered a term sheet for the Series 2007 Bonds (“Term Sheet”), each setting forth certain extension and arrangement fees in addition to other annual administrative fees. M&T Bank has established an extension fee of \$158,628, an arrangement fee of \$198,285 and an annual administrative fee of \$26,800 for the extension of the 2012 Credit Facility of which 50% is due and considered earned upon execution of the Engagement Letter with the balance paid and considered earned at the closing of the Extension (the “Extension Closing”). It has also established an extension fee of \$1,416,451.38, an arrangement fee of \$1,770,564 and an annual administrative fee of \$26,800 for the extension of the Series 2014A&B Bonds of which 50% is due upon execution of the Engagement Letter with the balance paid at the Extension Closing. Lastly, Key Bank has established an extension fee of \$151,270 and an arrangement fee of \$172,880 for the extension of the Series 2007 Bonds of which 50% is due and considered earned upon execution of the Term Sheet with the balance paid and considered earned at the Extension Closing.

The approval and execution of the Engagement Letters and Term Sheet together with the payment of the portion of the extension and arrangement fees due at the time of execution, will allow the Lenders to commence the underwriting process to refine the terms and conditions of the Extension and obtain credit and other required approvals. Upon completion of the underwriting, credit and other required approvals, and the drafting of the definitive documents containing the specific terms and conditions, the proposed Extension will be brought to the Corporation’s Board of Directors for approval prior to the Extension Closing.

The Corporation has a \$15 million unsecured line of credit pursuant to a Credit Agreement dated as of March 30, 2012 by and between the Corporation and M&T Bank as amended by an Amended and Restated Credit Agreement dated May 27, 2014 (the “Line of Credit”). M&T Bank has offered to increase the Line of Credit to accommodate the Lender’s fees and other closing costs associated with the Extension.

Following extensive deliberations, including taking into account the current unprecedented market conditions, and upon the advice and recommendation of the Corporation’s financial advisers, the Finance Committee approved (1) proposed Board Resolution No. 169 (A) approving and authorizing the engagement of M&T Bank and Key Bank for a one-year extension of the Corporation’s Prior Indebtedness, including the payment of the Lenders’ fees in an amount not to exceed the amounts as presented herein, (B) increasing the Line of Credit up to \$5 million and (C) authorizing the execution and delivery of the Engagement Letters, Term Sheet and Line of Credit amendment, and (2) recommending that the Board approve the same actions.

Action Requested:

Approve Resolution No. 169.

RESOLUTION OF THE BOARD OF DIRECTORS
OF FULLER ROAD MANAGEMENT CORPORATION

APRIL 3, 2020

RESOLUTION NO: 169

APPROVING AND AUTHORIZING THE (I) ENGAGEMENT OF MANUFACTURERS AND TRADERS TRUST COMPANY AND KEYBANK NATIONAL ASSOCIATION FOR A ONE YEAR EXTENSION OF THE CORPORATION'S PRIOR INDEBTEDNESS, (II) INCREASE TO THE CORPORATION'S LINE OF CREDIT AND (III) EXECUTION AND DELIVERY OF ENGAGEMENT LETTERS, TERM SHEETS AND AMENDMENTS IN CONNECTION THEREWITH

WHEREAS, the Fuller Road Management Corporation (the "Corporation") through its incorporation is duly authorized to (i) construct, own, operate and lease facilities, and (ii) borrow money, issue notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein; and

WHEREAS, by its Resolution No. 119, adopted on October 24, 2014, the Board of Directors authorized interim and permanent financing of the construction of the Zero Energy Nanotechnology ("Zen") building in an amount of \$185,373,000 of which approximately \$177,056,422 remains outstanding as of April 29, 2020 (the "Series 2014A&B Bonds"); and

WHEREAS, by its Resolution No. 92, adopted on October 6, 2011, the Board of Directors authorized interim and permanent financing of the construction of the NanoFab Xtension ("NFX") building in the amount of \$251,400,000 of which approximately \$39,657,000 remains outstanding as of April 29, 2020 (the "2012 Credit Facility"); and

WHEREAS, by its Resolution No. 59, adopted on March 12, 2007, the Board of Directors authorized permanent financing of the construction of the NanoFab East ("NFE") building in the amount of \$52,300,000 of which approximately \$43,220,000 remains outstanding as of April 29, 2020 (the "Series 2007 Bonds" and collectively with Series 2014A&B Bonds, 2012 Credit Facility and the Series 2007 Bonds, the "Prior Indebtedness"); and

WHEREAS, the outstanding principal balances of the Series 2014A&B Bonds and the 2012 Credit Facility are due and payable on May 8, 2020 and the outstanding principal balance of the Series 2007 Bonds are due and payable on May 1, 2020, totaling in the aggregate amount of approximately \$259,933,422; and

WHEREAS, by Resolution No. 166 adopted on March 19, 2020, the Corporation, approved and authorized the issuance of taxable municipal bonds through the New York State Transportation Development Corporation to refinance the Prior Indebtedness as well as the Corporation's Series 2005 bonds and all or a portion of the Corporation's line of credit (the "Series 2020 Bonds"); and

WHEREAS, as a result of current unprecedented market conditions the public offering and sale of the Series 2020 Bonds has been delayed; and

WHEREAS, as a result of the delay in the public offering and sale of the Series 2020 Bonds and the mandatory tender and maturity dates in early May 2020 for the Prior Indebtedness, the Corporation determined to engage its existing lenders, Manufacturers and Traders Trust Company (“M&T Bank”) and KeyBank National Association (“Key Bank” and collectively with M&T Bank, the “Lenders”) for a one-year extension of the Prior Indebtedness (the “Extension”); and

WHEREAS, M&T Bank has offered engagement letters for the Series 2014A&B Bonds and the 2012 Credit Facility (“Engagement Letters”) and Key Bank has offered a term sheet for the Series 2007 Bonds (“Term Sheet”), each setting forth certain extension and arrangement fees in addition to other annual administrative fees; and

WHEREAS, M&T Bank has established an extension fee of \$158,628, an arrangement fee of \$198,285, and an annual administrative fee of \$26,800 for the extension of the 2012 Credit Facility of which 50% is due and considered earned upon execution of the Engagement Letter with the balance paid and considered earned at the closing of the Extension (the “Extension Closing”); and

WHEREAS, M&T Bank has established an extension fee of \$1,416,451.38, an arrangement fee of \$1,770,564.22, and an annual administrative fee of \$26,800 for the extension of the Series 2014A&B Bonds of which 50% is due and considered earned upon execution of the Engagement Letter with the balance paid and considered earned at the Extension Closing; and

WHEREAS, Key Bank has established an extension fee of \$151,270 and an arrangement fee of \$172,880 for the extension of the Series 2007 Bonds of which 50% is due and considered earned upon execution of the Term Sheet with the balance paid and considered earned at the Extension Closing; and

WHEREAS, upon approval and execution of the Engagement Letters and Term Sheet and the payment of the portion of the extension and arrangement fees due at such time, the Lenders will commence the underwriting process to refine the terms and conditions of the Extension and obtain credit and other required approvals; and

WHEREAS, upon completion of the underwriting, credit and other required approvals and the drafting of the definitive documents, the proposed Extension will be brought to the Corporation’s Board of Directors for approval prior to the Extension Closing; and

WHEREAS, the Corporation has a \$15 million unsecured line of credit pursuant to a Credit Agreement dated as of March 30, 2012 by and between the Corporation and M&T Bank as amended by an Amended and Restated Credit Agreement dated May 27, 2014 (the “Line of Credit”); and

WHEREAS, M&T Bank has offered to increase the Line of Credit to accommodate the Lender’s fees and other closing costs associated with the Extension; and

WHEREAS, following extensive deliberations, including taking into account the current unprecedented market conditions, and upon the advice and recommendation of the Corporation's financial advisors, it is now in the best interest of the Corporation to engage the Lenders to undertake the Extension and to increase the Line of Credit.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION AS FOLLOWS:

SECTION 1. APPROVAL OF ENGAGEMENT AND PAYMENT OF FEES. The Board of Directors hereby approves and authorizes the Corporation to engage M&T Bank and Key Bank for a one-year extension of the Corporation's Prior Indebtedness, including the payment of the Lenders' fees in an amount not to exceed the amounts as presented herein.

SECTION 2. APPROVAL OF AN INCREASE TO THE LINE OF CREDIT. The Board of Directors hereby approves and authorizes the Corporation to increase the Line of Credit in an amount of up to \$5 million.

SECTION 3. EXECUTION AND DELIVERY OF DOCUMENTS. The President, Treasurer and Chief Financial Officer, each of them without the other, are hereby authorized, on behalf of the Corporation, to execute, acknowledge and deliver the Engagement Letters, Term Sheet and an amendment to the Line of Credit, and such other documents as such officer may deem necessary or appropriate in order to effectuate the execution and delivery of the Engagement Letters, Term Sheet and amendment to the Line of Credit, and the undertaking of the engagement of M&T Bank and Key Bank, and increase to the Line of Credit all in substantially the forms described at this meeting, with such changes, variations, omissions and insertions as the officer of the Corporation signing same shall approve, the execution thereof by such officer to constitute conclusive evidence of such approval.

SECTION 4. FURTHER ACTIONS. The President, Treasurer, and Chief Financial Officer each of them without the other, are hereby authorized and directed to take such actions as are necessary and appropriate to effectuate the foregoing resolutions.

SECTION 5. EFFECTIVE DATE. This resolution shall take effect immediately.

CERTIFICATION

FULLER ROAD MANAGEMENT CORPORATION
RESOLUTION NO: 169

The undersigned, being the duly elected and qualifying Secretary of Fuller Road Management Corporation (the "Corporation"), certifies that the following constitutes a true and correct copy of a resolution adopted by the Board of Directors of the Corporation on April 3, 2020, authorizing the engagement of M&T Bank and Key Bank for a one year extension of the Corporation's Prior Indebtedness and an increase to the Line of Credit, and the execution and delivery of various documents in connection therewith, as it appears in the records of the Corporation in my possession as of the date I have signed this Certification.

I further certify that, as of the date I have signed this Certification, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

Signed on this ____ day of April 2020.

Secretary