



## BOARD OF DIRECTORS MEETING

December 19, 2018

10:30 AM

NFE 2107

### AGENDA

1. Call to order
2. Approval of Minutes of November 8, 2018 Meeting
3. Finance Committee
  - Lease
    - Applied Materials, Inc.
    - Magnolia Optical Technologies, Inc.
  - Resolution No. 154 - Authorization to Grant an Option to Lease to the Research Foundation
4. New Business
5. Public Comment
6. Next Board of Directors meeting: TBD
7. Adjournment



**Fuller Road Management Corporation  
Meeting of the Board of Directors  
November 8, 2018 – CNSE Nano Fab East Conference Room 2107**

**Minutes**

Directors present: Michael Frame (by video), Robert Blackman, Franklin Hecht, Michael Breslin, and Robert Samson.

Staff: Douglas Grose – President, Scott Bateman – Acting Treasurer, Cheryl Casey-Rose, Patricia Bucklin.

Guests: Kevin Younis – ESD, Emily Kunchala– RF SUNY, Robert Geer – SUNY Poly Foundation.

1. Call to order: Robert Samson called the meeting of the Board of Directors of Fuller Road Management Corporation (FRMC) to order at 3:12 PM. Mr. Samson welcomed Kevin Younis of ESD, Emily Kunchala of the Research Foundation, and Robert Geer of the SUNY Poly Foundation. The Directors were asked if they had any potential conflict of interest with respect to items on today's agenda, and if so, to disclose it.

- There were no conflicts of interest.

2. Approval of September 26, 2018 meeting minutes.  
Mr. Samson asked for a motion to approve the minutes as presented.  
Motion: Michael Breslin  
Second: Robert Blackman

Ayes: 5, Nays: 0, Abstentions: 0.

There was no discussion and the minutes were unanimously approved as presented.

3. Finance Committee Report – Robert Samson

- Approval of an Amended and Restated Lease with Air Liquide Electronics US LP (Air Liquide)

Air Liquide is a company that provides gas and chemical maintenance for the cleanrooms. It currently leases 565 square feet in CESTM pursuant to a five year lease executed in 2009 and extended annually by amendment to September 30, 2018.

Air Liquide now seeks to continue leasing its current space in CESTM and to lease an additional 222 square feet of office space in NanoFab North. It will pay \$46.61 per

square foot, which is a 3% escalation from the current lease, for all the space. This rate includes utilities and operating expenses.

The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that the lease meets fair market value based on other existing leases in the building.

The Finance Committee adopted a resolution authorizing the President and/or Acting Treasurer to approve an Amended and Restated Lease with Air Liquide on the terms described above, and recommending that the Board approve the same action.

Requested Action:

Adopt a resolution authorizing the President and/or Acting Treasurer to approve an Amended and Restated Lease with Air Liquide on the terms described above.

Mr. Samson asked for a motion to approve an Amended and Restated Lease with Air Liquide on the terms described above.

Motion: Robert Blackman  
Second: Franklin Hecht

Discussion or questions: None

Vote:  
Ayes: 5, Nays: 0, Abstentions: 0.

The motion was passed unanimously.

4. New Business: None
5. Public Comment: None
6. Next Board of Directors meeting: TBD
7. Adjournment: With no further business to come before the Board, Mr. Samson asked for a motion to adjourn. Michael Frame moved to adjourn and Michael Breslin seconded. The meeting was adjourned at 3:17 PM.

Respectfully Submitted,

---

**TO:** Fuller Road Management Corporation Board of Directors

**RE:** Proposed Lease Amendment with APPLIED MATERIALS, INC. (AMAT)

- 1) **Description of Property:** AMAT currently leases 2,394 square feet of office space in the NanoFab South Building (“NFS”) on the Fuller Road campus. The proposed Eighth Amendment to this lease (1) extends the term to October 31, 2025, (2) provides AMAT with the right to extend the term of the Lease for up to 7 years beginning November 1, 2025, and (3) allows AMAT an option to expand into a separate office space consisting of 3,595 square feet on the second floor of the NanoFab East building (“NFE”) as described below (the “Expansion Space”).
- 2) **Tenant:** AMAT is a leader in materials engineering and has leased office space in the Albany Nano Complex from Fuller Road Management Corporation (“FRMC”) since June 2006.
- 3) **Background to Eighth Amendment of Lease:** The proposed extension of the current space leased by AMAT, and AMAT’s right to extend the lease for up to an additional 7 years, is an important component of the recently announced public-private partnership with AMAT to establish the Materials Engineering Technology Acceleration Center on the SUNY Polytechnic Institute campus (the “Project”). The Project has an estimated total investment of nearly \$1 billion.
- 4) **Lease Terms:** AMAT currently leases 2,394 square feet in the NFS building. As part of the overall Project, the Eighth Amendment extends the current lease term to October 31, 2025 with a rental rate of \$32 per square foot which includes utilities and operating costs (excluding parking). The rent will increase by 3% annually during the term of the Lease.

The Eighth Amendment also provides AMAT with the right to extend the term of the Lease for up to 7 years beginning November 1, 2025.

In addition, during the first nineteen months following the effective date of the amendment, AMAT has the right to exercise an option to lease the Expansion Space. The actual lease terms to govern the Expansion Space will be the same as the terms of the existing office space lease, with the exception that AMAT has the right to terminate the lease for the Expansion Space if the Project operating agreement is terminated, subject to certain conditions.

- 5) **Fair Market Value:** The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. The rent under the Eighth Amendment is consistent with rents for comparable office space located in the Albany Nano Complex. The extension of the existing AMAT lease, the ability for AMAT to extend the existing lease for up to seven years, and the ability of AMAT to expand into the Expansion Space, all provide for a more stable rent for a longer period of time.

- 6) **Associated Costs for Site Preparation:** There is no cost to FRMC for the extension of the Lease.
- 7) **Associated Costs of Lease:** None.
- 8) **Finance Committee:** The FRMC Finance Committee approved a resolution authorizing approval of the Eighth Amendment of the Lease with AMAT under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the Eighth Amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution; and recommended that the Board approve the same action.
- 9) **Action Required:** Approve a resolution authorizing approval of the Eighth Amendment of the Lease with AMAT under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the Eighth Amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution.

**To:** Fuller Road Management Corporation Board of Directors

**Re:** Proposed Lease with Magnolia Optical Technologies, Inc.

- 1) **Description of Property:** 427 square feet in CESTM, 251 Fuller Road, Albany, NY.
- 2) **Tenant:** Magnolia Optical Technologies, Inc., a company that develops innovative optical technologies for defense, space and commercial applications, currently leases 427 square feet in CESTM pursuant to a three year lease executed in 2015.
- 3) **Lease Terms:** FRMC seeks approval to execute a new lease for 427 square feet of space in CESTM for a three year term with an option to renew for two additional one-year periods. The tenant will pay \$33.66 square foot, which is a 3% escalation from the current lease. The rent will increase 3% annually during the term of the lease.
- 4) **Fair Market Value:** The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that the lease meets fair market value based on other existing leases in the building.
- 5) **Associated Costs for Site Preparation:** No additional costs will be incurred.
- 6) **Associated Costs of Lease:** The above lease rate includes utilities and operating expenses.
- 7) **Finance Committee:** The Finance Committee adopted a resolution authorizing the President and/or Acting Treasurer to approve a lease with Magnolia Optical Technologies, Inc. on the terms described above, and recommending that the Board approve the same action.
- 8) **Action Required:** Approve a resolution authorizing approval of a lease with Magnolia Optical Technologies, Inc. on the terms described above.

**To: Fuller Road Management Corporation Board of Directors**

**Re: Authorization to Grant an Option to The Research Foundation**

**Background:**

Fuller Road Management Corporation (“FRMC”) currently leases, among other space, 19,000 square feet of certain clean room space and approximately 20,000 square feet of office space in the NanoFab Xtension building (“NFX”) to The Research Foundation for the State University of New York (the “Research Foundation”) (the “Prime Lease”). That lease expires in December 2028. In connection with agreements in which The Research Foundation is subleasing and licensing such space (the “Sublease”) to Applied Materials, Inc. (“AMAT”), The Research Foundation is requesting an option from FRMC allowing The Research Foundation to extend the Sublease until November 1, 2032. The option would be available to the Research Foundation if the Sublease with AMAT is extended beyond the current expiration date of the Prime Lease. If exercised by the Research Foundation, the terms of the lease with FRMC will be as agreed by the parties, except that, in no event, would the rent be less than fair market value.

Providing this option to The Research Foundation will enable The Research Foundation to enter into a longer term sublease for that space and to generate rent, which will enable The Research Foundation to pay FRMC rent, if the option is exercised.

The Finance Committee approved Resolution No. 154 authorizing FRMC to enter into the option with The Research Foundation for the 19,000 square feet of clean room space and approximately 20,000 square feet of office space in NFX as described herein, and recommended that the Board approve the same.

**Requested Action:**

Approve Resolution No. 154 authorizing FRMC to enter into the option with The Research Foundation for the 19,000 square feet of clean room space and approximately 20,000 square feet of office space in NFX as described herein.

RESOLUTION OF THE BOARD OF DIRECTORS  
OF FULLER ROAD MANAGEMENT CORPORATION

December 19, 2018  
RESOLUTION NO: 154

AUTHORIZING AN OPTION TO LEASE SPACE TO THE RESEARCH FOUNDATION  
FOR THE STATE UNIVERSITY OF NEW YORK

WHEREAS, Fuller Road Management Corporation (the "Corporation") is a New York State not-for-profit corporation formed to purchase, acquire, own, hold, sell, transfer, use, excavate, improve and develop lands, buildings and other real property improvements; and

WHEREAS, pursuant to and in accordance with a lease by and between the Corporation and The Research Foundation for the State University of New York (the "Research Foundation") dated November 1, 2011, as amended (the "Prime Lease"), the Research Foundation leases, among other space, approximately 19,000 square feet of certain clean room space and approximately 20,000 square feet of office space in the NanoFab Xtension building ("NFX"); and

WHEREAS, in connection with certain agreements in which the Research Foundation is proposing to sublease and license such leased space to Applied Materials, Inc. ("AMAT"), AMAT desires the option to sublease and license such space through November 1, 2032; and

WHEREAS, given the December 2028 expiration of the Prime Lease, the Research Foundation is requesting an option from the Corporation to lease such space beyond the expiration of the Prime Lease through November 1, 2032 in the event AMAT exercises its option to sublease and license such space; and

WHEREAS, the Corporation hereby desires to provide the Research Foundation the ability to lease such space from the Corporation through November 1, 2032; and

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

**SECTION 1. OPTION AUTHORIZATION.** The Board of Directors hereby approves and authorizes entering into an option agreement with The Research Foundation for the State University of New York to lease approximately 19,000 square feet of certain clean room space and approximately 20,000 square feet of office space in the NanoFab Xtension building from the expiration of the Prime Lease through November 1, 2032, upon terms and conditions to be agreed upon by the parties, but in no event shall rent be less than fair market value.

**SECTION 2. FURTHER ACTIONS.** The President and the Acting Treasurer, each of them without the other, are hereby authorized and directed to take such actions (including without limitation to approve, sign, acknowledge and deliver all documents) as are necessary and



appropriate, as determined by each of the President and/or Acting Treasurer, to effectuate the foregoing resolution.

SECTION 3. EFFECTIVE DATE. This resolution shall take effect immediately.