



BOARD OF DIRECTORS MEETING

April 25, 2018

2:45 PM

NFE 2107

AGENDA

1. Call to order
2. Approval of Minutes of February 26, 2018 Meeting
3. Finance Committee
 - Resolution 172 - GMP Increase for NexGen Project
 - Resolution 173 - Establishment of GMP for Danfoss (cleanroom related space)
 - Resolution 174 - Establishment of GMP for Danfoss (office and related space)
 - Resolution 175 - Authorization for Athenex to construct facility in Dunkirk
4. Audit Committee
 - Engagement of KPMG to Review Annual Tax Filings
5. New Business
6. Public Comment
7. Next Board of Directors meeting: TBD
8. Adjournment



MINUTES

**Fort Schuyler Management Corporation
Meeting of the Board of Directors
February 26, 2018 – CNSE Nano Fab East Conference Room 2107**

Directors present: Robert Samson – Chairman, Kristin Proud, Ken Tompkins, Robert Geer

Staff: Robert Megna – President, Scott Bateman – Treasurer, Cheryl Casey-Rose – Board Secretary, Pat Bucklin

Guests: Kevin Younis - ESD, Emily Kunchala – RF SUNY

1. Call to Order

- Chair Samson called the meeting of the Board of Directors of Fort Schuyler Management Corporation (FSMC) to order at 4:18 PM.
 - Chair Samson welcomed Kevin Younis of ESD, Emily Kunchala of The Research Foundation, and Bob Geer as a representative of the SUNY Poly Foundation.
 - Chair Samson asked if any directors had a conflict of interest with respect to items on today's agenda, and if so, that the conflict be disclosed. There was none.

2. Review/approval of December 13, 2017 meeting minutes

- The Board reviewed the meeting minutes of the December 13, 2017 meeting. A motion was made by Ken Tompkins and seconded by Robert Geer. The minutes were approved as presented.

3. Audit Committee Report – Robert Samson (as Committee Chair)

- **Resolution No. 170** - Approval of the FSMC financial statements for the year ending on June 30, 2017

Chair Samson asked for a motion to approve the FSMC financial statements for year ending June 30, 2017. Robert Geer moved and Kristin Proud seconded the motion.

Chair Samson stated that the By-laws require that FSMC's financial records and accounts be audited annually by a certified independent accounting firm designated for such purpose by the Board. FSMC's 2016-17 Annual Audit was conducted by KPMG, a certified independent

accounting firm designated for such purpose by the Board, and a draft Audit was submitted to the Audit Committee.

Martin Dunbar, the audit partner in charge of the audit, met with the FSMC Audit Committee on February 23, 2018 to review the 2017 financial statement audit and related observations.

Key elements of the audit include:

- A “clean” audit opinion will be issued
- Financial statements include all required disclosures under the standards
- No significant changes in the contents of the financial statements as compared to the past
- KPMG indicated they received the full cooperation from management throughout the process.
- KPMG highlighted internal control observations, which primarily relates a need for a senior-level financial resource (i.e., CFO) at Fort Schuyler (which will also serve Fuller Road). Management is actively pursuing the hire of such a person, which should significantly address any control gaps identified

The FSMC Audit Committee adopted a resolution recommending that the Board approve the 2016-17 Audit.

Chair Samson asked for discussion, there was none.

Chair Samson asked for a vote: Ayes: 4, Nays: 0, Abstentions: 0.

Resolution 170 was passed unanimously.

4. Finance Committee Report – Kristin Proud/Robert Megna

- **Resolution No. 171** – Approval of Contribution Agreement among FSMC, NexGen Power Systems, Inc. (“NexGen”) and Empire State Development Corporation (“ESD”), and a Lease between FSMC and NexGen

Kristin Proud stated that FSMC wishes to enter into a Contribution Agreement with NexGen and ESD. The proposed Contribution Agreement provides that the parties will work together to establish a manufacturing and research development center for NexGen on the property owned by FSMC in the Town of DeWitt. NexGen is a Delaware corporation with headquarters in Santa Clara, California that is developing and manufacturing power transistors for the power electronics industry. NexGen will maintain all of its manufacturing services and its research and development services in the building, where it intends to manufacture power transistors.

FSMC President Robert Megna stated that pursuant to the Contribution Agreement, ESD will provide grant funding for the improvements to the building and for the purchase of manufacturing equipment. NexGen will agree to enter into a long term lease for the facility from

FSMC, and also will agree to create 577 permanent full-time high technology jobs by the 10th year of the Lease, with these jobs anticipated to have an average aggregate gross wage of \$51,000 per year or more, most of whom are expected to be recruited from the Syracuse area.

NexGen also will enter into a Lease with FSMC, pursuant to which NexGen will lease the entire building located at 50 Collamer Crossings Parkway, in the Town of DeWitt in Onondaga County. The building includes approximately 14 acres of land and a soon to be completed building and which consists of approximately 66,550 rentable square feet, together with a mechanical mezzanine of approximately 15,700 square feet. NexGen will be the sole tenant for the building.

The Lease requires NexGen to pay all of the ongoing costs associated with the building, including all utilities, insurance, property and school taxes, maintenance, ongoing services, and any other expenses for the building. The rent for the first year of the Lease will be \$1.00 and the rent for the next seven years will escalate from \$90,000 in the 2nd year to \$622,080 in the 8th year

For the 9th and 10th years of the Lease, an appraisal of the rent will be obtained which will establish the rent for those two years.

The Lease has a 10 year term, with an option for NexGen to renew for an additional 10 years. If NexGen exercises the option for an additional 10 year term the rent will increase at 3% per year based on the rent in year 10.

New York State has received grant funds for the construction of the building, together with the acquisition of the land and site preparation. There will be some additional costs incurred to complete the building and make improvements needed by NexGen. These costs will not exceed the amount of grant funds available for the project and will be presented to the Board at a future meeting.

NexGen has obtained a \$15 Million grant from ESD with which it will purchase manufacturing equipment for its purposes. That equipment will be transferred to FSMC and owned by FSMC during the period of the Lease.

Information required to be provided by FSMC's Acquisition and Disposition of Real Property Policy is included in the materials provided to you. FSMC President Robert Megna and Interim Contracting Officer Scott Bateman approve this transaction. In addition, the President and CEO of Empire State Development Howard Zemsky consents to the lease, finding that the purpose is within the mission of FSMC and there is no reasonable alternative that would achieve the same purpose.

Requested Action: Approve Resolution No. 171 authorizing the President and/or Treasurer to (1) enter into the Contribution Agreement with NexGen and ESD, (2) enter into a lease with NexGen, and (3) take necessary actions to implement the resolution.

Discussion: Kristin Proud asked if the equipment to be purchased by NexGen will be titled to and maintained by FSMC. President Megna responded yes. There were no other questions and no other discussion.

Chair Samson asked for a motion to approve Resolution 171. Robert Geer moved to approve Resolution 171 and Kristin Proud seconded the motion.

Chair Samson asked for a vote to approve Resolution 171: Ayes: 4, Nays: 0, Abstentions: 0.

Resolution 171 – Approval of Contribution Agreement among FSMC, NexGen Power Systems, Inc. and Empire State Development was unanimously approved.

5. New Business: There was no new business.
6. Public Comment: There was no public comment.
7. Next Board of Directors meeting: TBD
8. Adjournment:
 - There being no further business to come before the Board, Chair Samson asked for a motion to adjourn. Ken Tompkins motioned to adjourn and Robert Geer seconded the motion. The meeting was adjourned at 4:28 PM.

Respectfully Submitted,

Cheryl Casey-Rose
Secretary of the Board

To: Fort Schuyler Management Corporation Board of Directors
Re: Increase in GMP for the Central New York Hub for Emerging Nano Industries

Background:

Fort Schuyler Management Corporation (“FSMC”), by Resolution No. 109, approved the advance of a project for facilities and land consisting of an LED building, with approximately 58,600 square feet of high-tech manufacturing space/mechanical support, 11,350 square feet of expansion space and 12,300 square feet of supporting office space along with the high-tech LED manufacturing equipment to be installed in the building. The Project was to be located on a parcel of approximately 9.7 acres in the Collamer Crossing Business Park located in the Town of Dewitt, County of Onondaga, State of New York, with an address of 50 Collamer Crossings Parkway, East Syracuse, New York 13057.

Following a competitive procurement process, by Resolution Nos. 105 and 129, the Corporation was authorized, in support of the Central New York Hub for Emerging Nano Industries Project and subject to available grant funds, to, among other things, enter into a contract with COR or an affiliate of COR for the development, design and construction of the building and related infrastructure/site work on the Land. Pursuant to such authorization, the Corporation entered into an Owner Builder Agreement with COR Collamer Road Company II (“COR II”), effective July 2016, for the design and construction of a facility at 50 Collamer Crossings Parkway with a guaranteed maximum price (“GMP”) of \$66,435,401.06.

Subsequently, the Board authorized the Corporation, pursuant to the authorization in Resolution No. 171, to enter into a Contribution Agreement with NexGen Power Systems, Inc. (“NexGen”) and Empire State Development d/b/a/New York State Urban Development Corporation (“ESD”), whereby ESD will provide grant funding to NexGen and the Corporation will lease the facility at 50 Collamer Crossings Parkway to NexGen for research and development, engineering and design, and manufacture and distribution of power transistors, and allow them use of the equipment that it owns (“NexGen Project”).

The construction of the facility is now nearing completion and the Corporation seeks authorization, subject to available grant funds, to increase the GMP for COR II to complete the facility and for improvements needed by NexGen to accommodate their project. This consists of an increase in the GMP from \$66,435,401.06 to a revised GMP of \$72,589,746. This increase in construction will be funded from the existing grants totaling \$90M.

The FSMC Finance Committee approved a resolution authorizing the Corporation, subject to available grant funds, to (1) authorize the President and/or Treasurer to enter into a contract amendment with COR II to increase the GMP of the project from \$66,435,401 to a revised GMP of \$72,589,746; and (2) authorize the President and/or Treasurer to negotiate and execute document and contracts necessary to carry out the purposes and intents of the resolution; and (3) recommending that the Board approve the same action.

Requested Action:

Approve Resolution No. 172 authorizing the Corporation, subject to available grant funds, to (1) authorize the President and/or Treasurer to enter into a contract amendment with COR II to increase the GMP of the project from \$66,435,401 to a revised GMP of \$72,589,746; and (2) authorize the President and/or Treasurer to negotiate and execute document and contracts necessary to carry out the purposes and intents of the resolution.

RESOLUTION OF THE BOARD OF DIRECTORS
FORT SCHUYLER MANAGEMENT CORPORATION

April 25, 2018

RESOLUTION NO: 172

INCREASE IN GMP FOR THE CENTRAL NEW YORK HUB FOR EMERGING NANO
INDUSTRIES

WHEREAS, the Fort Schuyler Management Corporation (the “Corporation”) was formed for the purpose of helping to facilitate research and economic development activities related to the research and educational mission of the State University of New York (“SUNY”) and SUNY Polytechnic Institute (“SUNY Poly”) by purchasing, constructing, developing, and managing facilities; and

WHEREAS, SUNY Poly, with the Corporation, is establishing high tech hubs throughout New York State, including the Central New York Hub for Emerging Nano Industries; and

WHEREAS, by Resolution No. 109 the Corporation approved the advance of a project including facilities and land consisting of an LED building, with approximately 58,600 square feet of high-tech manufacturing space/mechanical support, 11,350 square feet of expansion space and 12,300 square feet of supporting office space (“Building”) along with the high-tech manufacturing equipment to be installed in the building, to be located on a parcel of approximately 9.7 acres in the Collamer Crossing Business Park located in the Town of Dewitt, County of Onondaga, State of New York, with an address of 50 Collamer Crossings Parkway, East Syracuse, New York 13057; and

WHEREAS, by Resolution Nos. 105 and 129, the Corporation was authorized, in support of the Central New York Hub for Emerging Nano Industries Project, following a competitive procurement process and subject to available grant funds, to, among other things, enter into a contract with COR or an affiliate of COR for the development, design and construction of the building and related infrastructure/site work on the Land; and

WHEREAS, pursuant to the authorization in Resolution No.129, the Corporation entered into an Owner Builder Agreement with COR Collamer Road Company II (“COR II”) for the design and construction of a facility at 50 Collamer Crossings Parkway with a guaranteed maximum price (“GMP”) of \$66,435,401.06; and

WHEREAS, subsequently, the Corporation, by Resolution No. 171, was authorized to enter into a Contribution Agreement with NexGen Power Systems, Inc. (“NexGen”) and Empire State Development d/b/a/New York State Urban Development Corporation (“ESD”), whereby ESD will provide grant funding to NexGen and the Corporation will lease the facility at 50 Collamer Crossings Parkway to NexGen for research and development, engineering and design, and manufacture and distribution of power transistors, and allow them use of the equipment that it owns; and

WHEREAS, the construction of the facility is nearing completion and the Corporation seeks authorization, subject to available grant funds, for an increase in the GMP for COR II from \$66,435,401.06 to \$72,589,746 to complete the facility and for improvements needed by NexGen to accommodate their project;

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

SECTION 1: AUTHORIZATION TO INCREASE GMP. The Board of Directors of the Corporation, subject to available grant funds for the project, hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to enter into a contract amendment with COR II to increase the GMP from \$66,435,401.06 to \$72,589,746; and

SECTION 2: DOCUMENTS AND CONTRACTS. The Board hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to negotiate, approve, sign, acknowledge and deliver all documents and contracts in such form, substance and content and upon such terms as may be necessary or appropriate to implement and carry out the purposes and intents of this Resolution; and

SECTION 3: EFFECTIVE DATE: This Resolution shall take effect immediately.

To: Fort Schuyler Management Corporation Board of Directors
Re: Establishment of GMP for Facilitation of Cleanroom Work/Tool Install at Quad-C

Project

Pursuant to Resolution 154 approved by the Board on March 27, 2017, Fort Schuyler Management Corporation (FSMC) entered into a Contribution and Collaboration Agreement with Danfoss Silicon Power LLC (“Danfoss”) and General Electric Global Research (“GEGR”) to establish the New York Power Electronics Manufacturing Consortium Packaging Center located at Quad-C. The project is designed to achieve significant economic development benefits for New York State and the region, including the creation and retention of intellectual and physical resources to execute advanced packaging research programs, the commitment by Danfoss to use commercially reasonable efforts to employ 300 personnel, most of whom will be recruited from the Utica area, and the likelihood that Danfoss will attract other qualified businesses to the area to support their operations.

Request for Proposal and Award

To facilitate this project, FSMC, in conjunction with the SUNY Polytechnic Institute (“SUNY Poly”), released a Request for Proposal (“RFP”) for qualified construction contractors for the facilitation of cleanroom space, related infrastructure, and tool installation at Quad-C. Following an RFP Process conducted in compliance with the Corporation’s Procurement Guidelines Policy and protocols, FSMC approved Resolution No. 159 authorizing an award to M+W U.S., Inc., a company with 15 years of experience working with FSMC, FRMC, and SUNY Poly which served as the general contractor for the fabrication of the existing Quad-C building and its cleanroom space. Resolution No. 159 also authorized the President and/or Treasurer to enter into a contract with M+W U.S., Inc. for the design and construction of the project in an amount not to exceed \$27 Million, with the guaranteed maximum price established upon further development of the project scope and design.

Establishment of GMP

Following further development of the project scope and design, additional building and system improvements have been included in the M+W scope of work. A GMP of \$35,300,000 has been established and FSMC seeks to authorize the President and/or Treasurer to enter into a contract amendment with M+W, U.S., Inc. to establish a GMP of \$35,300,000 for the project. The expanded scope will be funded from the existing ESD grant. No additional funds are required.

The FSMC Finance Committee approved a resolution authorizing the President and/or Treasurer, subject to available grant funds, to enter into a contract amendment with M+W U.S., Inc. to establish a GMP of \$35,300,000 for the project and authorizing the President and/or Treasurer to approve and sign contracts necessary or appropriate to implement and carry out the purposes and intents of the resolution, and recommending that the Board approve the same action.

Requested Action

Approved Resolution No. 173 authorizing the President and/or Treasurer, subject to available grant funds, to enter into a contract amendment with M+W U.S., Inc. to establish a GMP of \$35,300,000 for the project and authorizing the President and/or Treasurer to approve and sign contracts necessary or appropriate to implement and carry out the purposes and intents of the resolution.

RESOLUTION OF THE BOARD OF DIRECTORS OF
FORT SCHUYLER MANAGEMENT CORPORATION

April 25, 2018

RESOLUTION NO:173

AUTHORIZATION TO ESTABLISH THE GMP IN THE CONTRACT FOR THE
FACILITATION OF CLEAN SPACE, RELATED INFRASTRUCTURE, AND TOOL
INSTALLATION AT
QUAD-C

WHEREAS, the Fort Schuyler Management Corporation (the “Corporation”) was formed for the purpose of helping to facilitate research and economic development activities related to the research and educational mission of the State University of New York (“SUNY”) and SUNY Polytechnic Institute (“SUNY Poly”) by purchasing, constructing, developing, and managing facilities; and

WHEREAS, the Corporation entered into a ground lease (the “Ground Lease”) on May 1, 2010 with SUNY for portions of land designated as SUNY Poly’s Marcy Campus (the “Marcy Campus”) located in Oneida County for the purposes of constructing, operating, subleasing, and otherwise developing the Marcy Campus for use as a technology-oriented industrial park, to be used for purposes related to SUNY Poly’s research and educational mission; and

WHEREAS, the Ground Lease includes the Computer Chip Commercialization Center (“Quad-C”) and, in connection with the financing of Quad-C, the Corporation created a limited liability company, the QUAD-C PHASE 1 LLC (“LLC”), of which the Corporation is the sole member, to sublease its leasehold interest in the Property and limit the bank encumbrance related to the borrowing to this Property; and

WHEREAS, pursuant to Resolution No.154 approved by the Board of Directors on March 27, 2017, the Corporation entered into a Contribution and Collaboration Agreement (“Agreement”) with Danfoss Silicon Power LLC (“Danfoss”) and General Electric Global Research (“GEGR”) to establish the New York Power Electronics Manufacturing Consortium Packaging Center located at Quad-C and, pursuant to such Agreement, the Corporation and LLC subleased the Property to Danfoss to achieve significant economic development benefits for New York State and the region, including the creation and retention of intellectual and physical resources to execute advanced packaging research programs, the commitment by Danfoss to use commercially reasonable efforts to employ 300 personnel, most of whom will be recruited from the Utica area, and the likelihood that Danfoss will attract other qualified businesses to the area to support their operations; and

WHEREAS, pursuant to such Agreement, the Corporation, in conjunction with the SUNY Poly, issued a Request for Proposal For “Qualified Construction Contractors for the Facilitation of Clean Space, Related Infrastructure, and Tool Installation at Quad-C in Marcy,

New York” (“RFP”), and after an RFP process conducted in compliance with the Corporation’s Procurement Guidelines Policy and protocols, the Corporation, in Resolution No.159 authorized, empowered and directed an award to M+W U.S., Inc. as the construction contractor for the facilitation of clean space, related infrastructure, and tool installation at Quad-C, and authorized, empowered and directed Robert Megna, President, and Scott Bateman, Treasurer, each of them without the other, to enter into a contract with M+W U.S., Inc. in an amount not to exceed \$27 Million, with the guaranteed maximum price (GMP) established upon further development of the project scope and design; and

WHEREAS, following further development of the project scope and design, a GMP of \$35,300,000 has been established and the Corporation seeks to authorize the President and/or Treasurer to enter into a contract amendment with M+W, U.S., Inc. to establish a GMP of \$35,300,000;

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

SECTION 1: The Board of Directors of the Corporation, subject to available grant funds, hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to enter into a contract amendment with M+W U.S., Inc. to establish a GMP of \$35,300,000 for the facilitation of clean space, related infrastructure, and tool installation at Quad-C; and

SECTION 2. DOCUMENTS AND CONTRACTS. The Board hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to approve, sign, acknowledge and deliver all documents or contracts in such form, substance, and content, and upon such terms, as may be necessary or appropriate, to implement and carry out the purposes and intents of this Resolution.

SECTION 3: EFFECTIVE DATE. This Resolution shall take effect immediately.

To: Fort Schuyler Management Corporation Board of Directors
Re: Establishment of GMP for General Construction at Quad-C

Project

Pursuant to Resolution 154 approved by the Board on March 27, 2017, Fort Schuyler Management Corporation (FSMC) entered into a Contribution and Collaboration Agreement with Danfoss Silicon Power LLC (“Danfoss”) and General Electric Global Research (“GEGR”) to establish the New York Power Electronics Manufacturing Consortium Packaging Center located at Quad-C. The project is designed to achieve significant economic development benefits for New York State and the region, including the creation and retention of intellectual and physical resources to execute advanced packaging research programs, the commitment by Danfoss to use commercially reasonable efforts to employ 300 personnel, most of whom will be recruited from the Utica area, and the likelihood that Danfoss will attract other qualified businesses to the area to support their operations.

Request for Proposal

To facilitate this project, FSMC, in conjunction with the SUNY Polytechnic Institute (“SUNY Poly”), released a Request for Proposal for the Design and General Construction at Quad-C. The goal of the project is to develop office space, conference rooms, lavatories, warehouse space, and common spaces for Danfoss. Following an RFP Process conducted in compliance with the Corporation’s Procurement Guidelines Policy and protocols, FSMC approved Resolution No. 160 authorizing an award to The Pike Company and authorizing management to enter into contract negotiations with The Pike Company, with the contract subject to approval by the Board. Following contract negotiations, FSMC approved Resolution No. 165 authorizing the President and/or Treasurer to enter into a contract with The Pike Company for the design and construction of the project in an amount not to exceed \$3,000,000, with the guaranteed maximum price established upon further development of the project scope and design.

Establishment of GMP

Following further development of the project scope and design, additional building improvements have been included in The Pike Company’s scope of work. A GMP of \$3,200,000 has been established and FSMC seeks to authorize the President and/or Treasurer to enter into a contract amendment with The Pike Company to establish a GMP of \$3,200,000 for the project. The expanded scope will be funded from the existing ESD grant. No additional funds are required.

The FSMC Finance Committee approved a resolution authorizing the President and/or Treasurer, subject to available grant funds, to enter into a contract amendment with The Pike Company to establish a GMP of \$3,200,000 for the project and authorizing the President and/or Treasurer to approve and sign contracts necessary or appropriate to implement and carry out the purposes and intents of the resolution, and recommended that the Board approve the same action.

Requested Action

Approve Resolution No. 174 authorizing the President and/or Treasurer, subject to available grant funds, to enter into a contract amendment with The Pike Company to establish a GMP of \$3,200,000 for the project and authorizing the President and/or Treasurer to approve and sign contracts necessary or appropriate to implement and carry out the purposes and intents of the resolution.

RESOLUTION OF THE BOARD OF DIRECTORS OF
FORT SCHUYLER MANAGEMENT CORPORATION

April 25, 2018

RESOLUTION NO: 174

AUTHORIZATION TO ESTABLISH THE GMP IN THE CONTRACT FOR DESIGN AND
GENERAL CONSTRUCTION AT QUAD-C

WHEREAS, the Fort Schuyler Management Corporation (the “Corporation”) was formed for the purpose of helping facilitate research and economic development activities related to the research and educational mission of the State University of New York (“SUNY”) and SUNY Polytechnic Institute (“SUNY Poly”) by purchasing, constructing, developing, and managing facilities; and

WHEREAS, the Corporation entered into a ground lease (the “Ground Lease”) on May 1, 2010 with SUNY for portions of land designated as SUNY Poly’s Marcy Campus (the “Marcy Campus”) located in Oneida County for the purposes of constructing, operating, subleasing, and otherwise developing the Marcy Campus for use as a technology-oriented industrial park, to be used for purposes related to SUNY Poly’s research and educational mission; and

WHEREAS, the Ground Lease includes the Computer Chip Commercialization Center (“Quad-C”) and, in connection its financing of Quad-C, created a limited liability company, the QUAD-C PHASE 1 LLC (“LLC”), of which the Corporation is the sole member, to sublease its leasehold interest in the Property and limit the bank encumbrance related to the borrowing to this Property; and

WHEREAS, pursuant to Resolution No. 154 approved by the Board of Directors on March 27, 2017, the Corporation entered into a Contribution and Collaboration Agreement (“Agreement”) with Danfoss Silicon Power LLC (“Danfoss”) and General Electric Global Research (“GEGR”) to establish the New York Power Electronics Manufacturing Consortium Packaging Center located at Quad-C and, pursuant to the Agreement, the Corporation and LLC subleased the Property to Danfoss to achieve significant economic development benefits for New York State and the region, including the creation and retention of intellectual and physical resources to execute advanced packaging research programs, the commitment by Danfoss to use commercially reasonable efforts to employ 300 personnel, most of whom will be recruited from the Utica area, and the likelihood that Danfoss will attract other qualified businesses to the area to support their operations; and

WHEREAS, pursuant to the Agreement, the Corporation, in conjunction with the SUNY Poly, issued a Request for Proposal For “Qualified Construction Contractors for the Design and General Construction at Quad-C in Marcy, New York”; and

WHEREAS, based upon the evaluation team’s review and identification of The Pike Company as qualified under the selection criteria of the RFP, and in accordance with FSMC’s

Procurement Guidelines policy and protocols, management recommended the selection of The Pike Company as the construction contractor for the design and general construction at Quad-C; and

WHEREAS, by Resolution No. 160, the Corporation approved the award to The Pike Company and authorized management to enter into contract negotiations with The Pike Company, with the contract subject to approval by the Board of Directors; and

WHEREAS, following contract negotiations, by Resolution No. 165, the Corporation authorized the President and/or Treasurer to enter into a contract with The Pike Company for the project in amount not to exceed \$3,000,000, with the guaranteed maximum price established upon further development of the project scope and design and subject to further Board approval if it exceeds \$3,000,000; and

WHEREAS, following further development of the scope and design, additional building improvements have been included in the scope of work for The Pike Company, a GMP of \$3,200,000 has been established, and the Corporation seeks to authorize the President and/or Treasurer to enter into a contract amendment with The Pike Company to establish a GMP of \$3,200,000;

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

SECTION 1: CONTRACT FOR BUILDER. The Board of Directors of the Corporation, subject to available grant funds, hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to enter into a contract amendment with The Pike Company to establish a GMP of \$3,200,000 for Design and General Construction at Quad C; and

SECTION 2. DOCUMENTS AND CONTRACTS. The Board hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to approve, sign, acknowledge and deliver all documents or contracts in such form, substance, and content, and upon such terms, as may be necessary or appropriate, to implement and carry out the purposes and intents of this Resolution; and

SECTION 3: EFFECTIVE DATE. This Resolution shall take effect immediately.

To: Fort Schuyler Management Corporation Board of Directors

Re: Authorization for Athenex, Inc. to Construct a Manufacturing Facility in Dunkirk

Background:

Fort Schuyler Management Corporation (“FSMC”) and Athenex, a global biopharmaceutical company based in Buffalo, New York that focuses on development and commercialization of new therapies for the treatment of cancer, entered into an Agreement for Medical Technology Research, Development, Innovation, and Commercialization Alliance effective as of May 1, 2015, as amended by a First Amendment, effective as of July 21, 2015, and a Second Amendment, effective as of June 22, 2016 (the "Alliance Agreement"). The Alliance Agreement provides for the construction of an approximately 315,000 square foot state-of-the art ISO Class 5 high potency oral and sterile injectable pharmaceutical manufacturing facility and related infrastructure. The facility will be located on two parcels of land consisting of approximately 33.5 acres on East Lake Road, Dunkirk, New York (“Premises”), which were acquired by FSMC for the project.

Empire State Development ("ESD") is providing Athenex with grant funds to be used for the purpose of constructing the Manufacturing Facility (as such term is defined in the Alliance Agreement) on the Premises and equipping the Manufacturing Facility with the Manufacturing Equipment (as such term is defined in the Alliance Agreement).

Athenex was granted access to the Premises by FSMC pursuant to that Site Access Agreement dated August 9, 2017 (the “Site Access Agreement”) for the purpose of performing pre-construction activities. FSMC now seeks to grant additional access to the Premises to Athenex pursuant to the Site Access Agreement to permit Athenex to construct the Manufacturing Facility.

The FSMC Finance Committee approved a resolution authorizing Athenex to proceed with the construction of the Manufacturing Facility pursuant to the Site Access Agreement and recommending that the Board approve a resolution authorizing the same action.

Requested Action:

Approve Resolution No. 175 authorizing Athenex to proceed with the construction of the Manufacturing Facility pursuant to the Site Access Agreement.

RESOLUTION OF THE BOARD OF DIRECTORS
OF FORT SCHUYLER MANAGEMENT CORPORATION

April 25, 2018

RESOLUTION NO. 175

APPROVAL AND AUTHORIZATION FOR
CONSTRUCTION OF THE MANUFACTURING FACILITY BY ATHENEX
ON FSMC'S PROPERTY IN DUNKIRK, NEW YORK

WHEREAS, Fort Schuyler Management Corporation ("Corporation") is a 501(c)(3) corporation formed for the purpose of helping to facilitate research and economic development activities related to the research and educational mission of the State University of New York ("SUNY") and SUNY Polytechnic Institute by purchasing, constructing, and developing and managing facilities; and

WHEREAS, SUNY Poly, with the Corporation, is establishing high tech hubs throughout New York State, including the Buffalo Medical Innovation and Commercialization Hub; and

WHEREAS, in support of the Buffalo Medical Innovation and Commercialization Hub, the Corporation established a Medical Technology Research, Development, Innovation, and Commercialization Alliance ("Alliance") with Kinex Pharmaceuticals (now known as Athenex Pharmaceuticals), which among other things, contemplates the design and construction of an approximately 315,000 square foot state-of-the-art high potency oral and sterile injectable pharmaceutical manufacturing facility and related infrastructure (the "Manufacturing Facility") to be located at a site in or near Dunkirk, New York; and

WHEREAS, the Corporation purchased real property located on East Lake Road, Dunkirk, New York consisting of approximately 33.539 acres (the "Premises"); and

WHEREAS, the Corporation acquired the Premises in order to promote research and medical technology innovation in pharmaceutical manufacturing in collaboration with Athenex, Inc.; and

WHEREAS, the New York State Urban Development Corporation, d/b/a Empire State Development ("ESD") is providing grant funds to Athenex to be used for the purpose of constructing the Manufacturing Facility on the Premises; and

WHEREAS, the Corporation granted Athenex access to the Premises, pursuant to a Site Access Agreement dated August 9, 2017, as amended (the "Site Access Agreement"), for the purpose of performing pre-construction activities; and

WHEREAS, Section 1.(b) of the Site Access Agreement provides that Athenex shall be granted access to the Premises for Construction activities only after the Site Access Agreement is approved by the FSMC Board of Directors, if required; and

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

SECTION 1: APPROVAL OF SITE ACCESS AGREEMENT. The Board of Directors hereby approves the Site Access Agreement and authorizes Athenex to have access to the Premises for the purpose of constructing the Manufacturing Facility.

SECTION 2: DOCUMENTS AND CONTRACTS. The Board of Directors of the Corporation hereby authorizes, empowers and directs the President and Treasurer, each of them without the other, to approve, sign, acknowledge and deliver all documents or contracts in such form, substance and content, and upon such terms as may be necessary or appropriate, to implement and carry out the purposes and intents of this Resolution.

SECTION 3: EFFECTIVE DATE. This Resolution shall take effect immediately.

To: Fort Schuyler Management Corporation Board of Directors
Re: Authorization to Engage KPMG to Review Tax Filings

Background:

Fort Schuyler Management Corporation (“FSMC”) seeks authorization to engage KPMG to review its tax filings for the 2016 year. The filings include IRS Form 990 and NY CHAR 500. KPMG has performed the FSMC audit and reviewed its tax filings for over five years. Its work included the 2016 audit, which covers the same period as the tax filings. Given KPMG’s familiarity with FRMC’s finances and tax filings, KPMG has the unique knowledge and ability to perform the needed review in a thorough and expeditious manner. Accordingly, FRMC seeks to engage KPMG based on a single source justification to review its tax filing for the 2016 year.

The Audit Committee approved a resolution authorizing the engagement of KPMG to review the tax filings and recommending that the Board approve a resolution authorizing the same action.

Requested Action:

Approve a motion authorizing engagement of KPMG to review FSMC’s tax filings.