



Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

B. J. JONES
President / CEO

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Blake G. Washington, Director of BUDGET
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Prof. Lydia W. Tang
Melissa A. Wade

Agenda Item V. 12. June 23, 2026

PROPOSED RESOLUTION

AUTHORIZATION TO APPROVE DOCUMENTS DELIVERED IN CONNECTION WITH REFINANCING OF MORTGAGES FOR RIVERWALK 7, LLC AND RIVERWALK 9, LLC

WHEREAS, Riverwalk 7, LLC (“Riverwalk 7”) is the tenant under the lease dated as of October 10, 2013, as amended by an Amendment to Lease dated as of July 16, 2015, and as further amended by a Second Amendment to Lease dated as of October 20, 2016 (collectively, the “Riverwalk 7 Lease”); and

WHEREAS, Riverwalk 9, LLC (“Riverwalk 9” and together with Riverwalk 7, the “Tenants”) is the tenant under the lease dated as of November 10, 2022 (the “Riverwalk 9 Lease” and together with the Riverwalk 7 Lease, the “Leases”); and

WHEREAS, RIOC leases office space located at 430 Main Street from Riverwalk 9, pursuant to a Lease dated November 10, 2022, as amended by an Agreement dated November 10, 2022 (collectively, the “Office Lease”); and

WHEREAS, the Tenants intend to refinance their respective leasehold interests in the Leases on or about June 25, 2026, along with Riverwalk 6, LLC, which may join such refinancing at a later date, with a loan from Wells Fargo Bank, National Association (“New Lender”) in the amount of up to \$260,000,000 for a term of three years, with two one-year extension options, which loan will be secured by a leasehold mortgage with New Lender (the “New Loan”), and which will replace (i) Riverwalk 7’s existing mortgage held by Sumitomo Mitsui Banking Corporation, the current outstanding balance of which is \$63,000,000, and (ii) Riverwalk 9’s existing mortgage held by Wells Fargo Bank, National Association, the current outstanding balance of which is \$111,000,000; and

WHEREAS, in connection with the execution and delivery of the New Loan, RIOC will deliver an Estoppel Certificate for each of Riverwalk 7 and Riverwalk 9; an Estoppel Certificate in connection with the Office Lease; a Subordination Non-Disturbance and Attornment Agreement in connection with the Office Lease; a Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (and Fixture Filing); an Allonge to Promissory Note Secured by Mortgage; and an Assignment of Mortgage and Note (collectively, the “RIOC Refinancing Agreements”).

**NOW, THEREFORE THE BOARD OF DIRECTORS FINDS AND RESOLVES AS
FOLLOWS:**

1. The refinancing with New Lender will benefit RIOC and the residents of the buildings by providing for the continued availability of funds to service the buildings' needs; and
2. The refinancing will help RIOC maintain high quality, affordable housing stock on Roosevelt Island, which is within the mission and statutory purposes of RIOC;

and be it further

RESOLVED, that the execution and delivery of the RIOC Refinancing Agreements in connection with the New Loan is hereby approved in all respects; and be it further

RESOLVED, that the Chief Executive Officer be, and hereby is, authorized and directed to take such further actions and execute such further documents as may be necessary or desirable to effectuate the foregoing; and be it further

RESOLVED, that this resolution shall take effect immediately.



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MEMO

TO: RIOC Board of Directors

FROM: B.J. Jones, President and Chief Executive Officer

DATE: June 22, 2026

RE: Ratification of documents entered into in connection with Mortgage Refinancing by Riverwalk 7, LLC and Riverwalk 9, LLC

Background:

Riverwalk 7, LLC (“Riverwalk 7”) leases the property known as 480 Main Street pursuant to a lease dated as of October 10, 2013, as amended by an Amendment to Lease dated as of July 16, 2015, and as further amended by a Second Amendment to Lease dated as of October 20, 2016 (collectively, the “Riverwalk 7 Lease”). Riverwalk 9, LLC (“Riverwalk 9”) leases the property known as 430 Main Street pursuant to a lease dated as of November 10, 2022 (the “Riverwalk 9 Lease” and together with the Riverwalk 7 Lease, the “Leases”). RIOC leases office space located at 430 Main Street from Riverwalk 9 pursuant to a Lease dated November 10, 2022, as amended by an Agreement dated November 10, 2022 (collectively, the “Office Lease”). Riverwalk 7’s leasehold interest is subject to a first leasehold mortgage held by Sumitomo Mitsui Banking Corporation (the “Riverwalk 7 Existing Mortgage”). Riverwalk 9’s leasehold interest was subject to a first leasehold mortgage held by Wells Fargo Bank, National Association (the “Riverwalk 9 Existing Mortgage”).

Riverwalk 7 and Riverwalk 9 have advised that on or about June 25, 2026, they will be entering into a Loan Agreement with Wells Fargo Bank, National Association (the “New Lender”) for a loan in the aggregate amount of up to \$260,000,000 (the “New Loan”). The New Loan will be allocated as follows: \$64,000,000 to Riverwalk 7; \$121,000,000 to Riverwalk 9; and an option for Riverwalk 6, LLC, the lessee of the property located at 405 Main Street, to join the New Loan at a later date for the amount of \$75,000,000.

As of the date of the New Loan, the outstanding balance of the Riverwalk 7 Existing Mortgage is \$63,000,000, and the outstanding balance of the Riverwalk 9 Existing Mortgage is

\$111,000,000. The New Loan will be secured by a first leasehold mortgage on the each of the Riverwalk 7 Lease and Riverwalk 9 Lease (the “New Mortgage”). For mortgage recording tax purposes, the noteholder under the New Loan and the mortgagee under the New Mortgage will be RIOC, with RIOC immediately assigning its interest in the note and New Mortgage to the New Lender. The interest rate on the New Loan is calculated on a monthly basis as the secured overnight financing rate (“SOFR”) plus 1.55%. The term of the New Loan is three years, with two one-year extension options.

In conjunction with the New Mortgage, RIOC has been asked to deliver (i) a Ground Lessor Estoppel Certificate, as contemplated by the Riverwalk 7 Lease; (ii) a Ground Lessor Estoppel Certificate, as contemplated by the Riverwalk 9 Lease; (iii) an Office Tenant Estoppel Certificate, as contemplated by the Office Lease; (iv) a Subordination, Non-Disturbance and Attornment Agreement, as contemplated by the Office Lease; (v) a Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (and Fixture Filing), as mortgagee in connection with the mortgage recording tax savings mentioned above; (vi) an Allonge to Promissory Note Secured by Mortgage in connection with the mortgage recording tax savings mentioned above; and (vii) an Assignment of Mortgage and Note in connection with the mortgage recording tax savings mentioned above (collectively, the “RIOC Refinancing Documents”).

Under each of the Riverwalk 7 Lease and Riverwalk 9 Lease, a Refinancing is a “Transaction”. From and after Substantial Completion of the Project, Landlord's consent is not required for a Transaction that constitutes a Refinancing, provided, however, that Riverwalk 7 and Riverwalk 9 have otherwise complied with the provisions of Article 10 of their respective Leases. Riverwalk 7 and Riverwalk 9 have each provided the information required pursuant to Article 10 of their respective Lease. Pursuant to each of the Leases, each of Riverwalk 7 and Riverwalk 9 is obligated to give Landlord prior written notice, potentially pay a Payment in Lieu of Mortgage Recording Tax, if it enters into a mortgage that is not otherwise exempt from the payment of a Mortgage Recording Tax, and potentially pay a Transaction Payment. No Payment in Lieu of Mortgage Recording Tax is due as (i) Riverwalk 7 is subject to a condominium form of ownership, and (ii) Riverwalk 9 contains a Condominium Equivalent Sublease covering at least 25% of the Units in its building.

No Transaction Payment is due from Riverwalk 7 in connection with the Refinancing because the Riverwalk 7 Lease provides that, following conversion to condominium ownership and for so long as the premises remain subject to condominium ownership, the Riverwalk 7 Lease provisions relating to Transaction Payments are of no force and effect.

With respect to Riverwalk 9, a Transaction Payment of \$88,750 is due at closing. The Transaction Proceeds in connection with Riverwalk 9 equal \$9,000,000, as the portion of the New Loan allocated to Riverwalk 9 equals \$121,000,000, and the outstanding balance of the Riverwalk 9 Existing Mortgage is \$111,000,000. The Transaction Payment under the Riverwalk 9 Lease is 1.25% of the Transaction Proceeds, which would be \$125,000; however, 29% of the Riverwalk 9 Building is subject to a Condominium Equivalent Sublease. The Riverwalk 9 Lease provides that the Riverwalk 9 Lease provisions relating to a Transaction Payment do not apply to a Condominium Equivalent Sublease. The Transaction Payment must therefore be apportioned accordingly, resulting in the \$88,750 payment.

Recommendation:

I hereby recommend that the RIOC Board of Directors approve the execution of the RIOC Refinancing Documents referred to above.