Agenda Item V. 3. September 10, 2026

PROPOSED RESOLUTION

AUTHORIZATION TO APPROVE EIGHTH AMENDMENT TO AGREEMENT OF LEASE FOR MANHATTAN PARK

WHEREAS, Roosevelt Island Operating Corporation ("RIOC") and Roosevelt Island Associates ("RIA") are parties to an Agreement of Lease dated as of August 4, 1986, as amended by seven amendments through the Seventh Amendment to Agreement of Lease dated as of July 22, 2019 (collectively, the "Lease"), covering the premises commonly known as Manhattan Park on Roosevelt Island; and

WHEREAS, RIOC and RIA have negotiated an Eighth Amendment to Agreement of Lease (the "Eighth Amendment") that would revise the provisions of the Lease governing leasehold mortgages and the rights and protections of mortgagees; and

WHEREAS, the revised mortgage provisions are intended to modernize the Lease language to reflect current institutional lending practices and encourage lenders to extend financing secured by RIA's leasehold interest; and

WHEREAS, among other things, the Eighth Amendment would broaden the definition of "Institutional Lender"; permit one or more leasehold mortgages to qualified Institutional Lenders; establish procedures for notice to, and priority among, mortgagees; expand mortgagee cure, foreclosure and new-lease rights following a Tenant default or termination of the Lease; provide protections relating to amendments, termination and surrender of the Lease while a mortgage is outstanding; and provide customary mortgagee protections, while clarifying that any leasehold mortgage remains subject to the Lease and does not attach to or encumber RIOC's interest in the Lease or the Premises; and

WHEREAS, the effectiveness of the Eighth Amendment will be conditioned upon RIA satisfying the requirements of the existing Lease with respect to obtaining any required written consent from its existing mortgagee and any replacement mortgagee with which RIA is negotiating a refinancing, and providing evidence that the Eighth Amendment has been delivered to any party insuring the existing mortgage.

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

1. The Eighth Amendment will modernize the Lease's mortgage provisions to reflect current institutional lending practices and encourage lenders to extend financing secured by RIA's leasehold interest; and

2. The revised mortgage provisions provide a clearer and more current framework for leasehold financing and customary mortgagee protections while preserving RIOC's interest in the Lease and the Premises; and be it further

RESOLVED, that the execution and delivery of the Eighth Amendment, substantially in the form presented to the Board, with such changes as the Chief Executive Officer, in consultation with the General Counsel, may approve, is hereby approved in all respects; and be it further

RESOLVED, that the Chief Executive Officer be, and hereby is, authorized and directed to execute the Eighth Amendment and 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.

Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

B. J. JONES
President / CEO

M E M O R A N D U M

To: RIOC Board of Directors
From: Benjamin A. Jones, President and Chief Executive Officer
Re: Approval of Eighth Amendment to Lease for Manhattan Park
Date: September 4, 2026

Background.

Roosevelt Island Operating Corporation ("RIOC") and Roosevelt Island Associates ("RIA") are parties to an Agreement of Lease dated as of August 4, 1986, as amended by seven amendments through the Seventh Amendment to Agreement of Lease dated as of July 22, 2019 (collectively, the "Lease"), covering the property commonly known as Manhattan Park on Roosevelt Island.

RIOC and RIA have negotiated an Eighth Amendment to Agreement of Lease (the "Eighth Amendment") that would revise the provisions of the Lease governing leasehold mortgages and the rights and protections of mortgagees. These revisions are intended to modernize the Lease's mortgage provisions to reflect current institutional lending practices and thereby encourage lenders to extend financing secured by RIA's leasehold interest.

The Eighth Amendment would revise the definition of "Institutional Lender" to include a broader range of institutional real estate lenders and financing vehicles, including certain private mortgage companies, conduits, pooled mortgage investment funds, real estate investment trusts, investment banks and REMICs, subject to specified financial, servicing and New York service-of-process requirements. The revised definition would also establish a $500,000,000 net worth or net assets threshold for certain qualifying lenders, subject to periodic adjustment for inflation, and would define the "First Mortgagee" for purposes of determining priority among multiple mortgagees.

The Eighth Amendment would replace Article 33 of the Lease with updated mortgage provisions. Under the revised Article 33, RIA may grant one or more mortgages of its leasehold interest to Institutional Lenders, provided that the mortgagee is not a Prohibited Person. The mortgage may secure obligations without a stated limitation on amount or nature, and participations, syndications, assignments and transfers are permitted so long as the holder remains an Institutional Lender. Any mortgage would remain subject to the Lease and would not attach to or encumber RIOC's interest in the Lease or the Premises. RIA would be required to give RIOC prompt notice of each mortgage, provide the mortgagee's contact information and certified copies of the mortgage documents, and identify the priority of multiple mortgages.

The revised Article 33 would also expand and clarify mortgagee protections following a Tenant default. RIOC would be required to provide mortgagees with copies of default notices and specified other notices affecting the leasehold or mortgage. Mortgagees would receive additional periods to cure monetary and non-monetary defaults and, where possession is required to effect a cure, additional time to pursue foreclosure or the appointment of a receiver. If the Lease is terminated, rejected or disaffirmed, the senior mortgagee would have the right, subject to specified conditions, to obtain a new lease for the remainder of the term. The Eighth Amendment also establishes procedures for determining priority among multiple mortgagees and limits a mortgagee's liability under the Lease until, and only for so long as, it succeeds to the Tenant's leasehold estate.

The revised mortgage provisions would impose additional protections while a mortgage is outstanding. Among other things, RIOC and RIA generally could not amend or terminate the Lease or surrender the Premises without the consent of mortgagees that have provided the required notice, subject to specified casualty, condemnation and default exceptions. If RIOC mortgages its own leasehold interest, RIOC would be required either to cause that mortgage to be subordinate to the interests of RIA and its mortgagees or to provide a customary subordination, non-disturbance and attornment agreement. RIOC would also be required to provide an estoppel certificate within ten days after request by a mortgagee or prospective mortgagee. Mortgagees would receive specified rights relating to insurance proceeds, condemnation awards and participation in arbitration proceedings, and the Lease and leasehold estate could not merge with the fee estate without the written agreement of the mortgagees.

The effectiveness of the Eighth Amendment would be conditioned on RIA providing evidence that it has obtained the written consent required under the existing Lease from its current mortgagee and any replacement mortgagee with which it is negotiating a refinancing, and evidence that the Eighth Amendment has been delivered to any party insuring the existing mortgage.

Recommendation.

I hereby recommend that the RIOC Board of Directors approve the execution of the Eighth Amendment to the Lease, substantially in the form presented to the Board.