PROPOSED RESOLUTION

AUTHORIZATION TO AMEND THE LICENSE AGREEMENT WITH ROOSEVELT ISLAND RACQUET CLUB ASSOCIATES, LLP

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (‘’RIOC’’), as follows:

Section 1. that RIOC is hereby authorized to amend the License Agreement with Roosevelt Island Racquet Club Associates, LLP, upon such terms and conditions substantially similar to those outlined in the Memorandum from Gretchen Robinson to Shelton J. Haynes/Board of Directors dated June 17, 2022, attached hereto;

Section 2. that the President/Chief Executive Officer or President’s designee is hereby authorized to take such actions and execute such instruments as deemed necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.
MEMORANDUM

To: RIOC Board of Directors
    Shelton J. Haynes, President/CEO

Date: June 17, 2022

From: Gretchen Robinson, VP/General Counsel

Re: Roosevelt Island Racquet Club Associates - Request for Extension of License Agreement

In October 1990, RIOC and Roosevelt Island Racquet Club Associates, LLP (“RIRCA”) entered into an agreement that modified the license given to RIRC’s predecessor HCK Recreation Inc. in 1989. The license agreement has been modified from time-to-time since 2007, to accommodate varying requests made by RIRCA for operating and infrastructure improvement purposes. HCK/RIRCA is one of RIOC’s oldest and most reliable commercial licensees. Currently, the License Agreement is set to expire on May 1, 2046, and RIRC now wishes to extend the License Agreement by another 20 years, to expire on April 30, 2066, to allow the Club to continue to maintain its infrastructure with suitable long-term financing.

RIRCA anticipates the following repairs and/or improvements that will be needed in the next ten (10) years:

<table>
<thead>
<tr>
<th>Timing</th>
<th>Description</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>2022/2023</td>
<td>New Roof HVAC units for Clubhouse</td>
<td>$160,000</td>
</tr>
<tr>
<td>2022/2023</td>
<td>Clubhouse interior renovations</td>
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<td>2023/2024</td>
<td>Exterior fence repairs</td>
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<td>2025</td>
<td>Underground duct system repair</td>
<td>$200,000</td>
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<tr>
<td>2025/2026</td>
<td>New HVAC and inflation system for bubbles with possible conversion from gas to electric</td>
<td>$950,000</td>
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<tr>
<td>2025/2026</td>
<td>Possible conversion of north courts from har-tru to all weather asphalt</td>
<td>$400,000</td>
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<tr>
<td>2028</td>
<td>Relamp LEDs</td>
<td>$75,000</td>
</tr>
<tr>
<td>2028</td>
<td>2 new air structures</td>
<td>$1M</td>
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Total $3,385,000
This estimated cost will probably exceed this amount due to inflation as well as other anticipated corrosion repairs that will be needed due to the proximity by which the tennis bubble is located; being near the river and under the Queensboro Bridge. Such an extension will allow RIRCA to obtain 20-to 30-year financing for these various projects as opposed to receiving a much shorter timeframe of between 5-to 13 years, based on the remaining 24 years the current License Agreement.

In light of the above proposal, and RIRCA’s demonstrated commitment to reinvest its resources into the tennis bubble, I recommend that the Board of Directors approve this request and authorize RIOC to amend the current License Agreement and extend the lease’s present expiration date from May 1, 2046, to April 30, 2066.
Dear Shelton:

This is to formally request an extension of our lease from its present expiration date in 2046 to 2066. The purpose is to allow the Club to continue to maintain its infrastructure with suitable long term financing. We anticipate the following capital improvements will be needed in the next 10 years.

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Total: $3,385,000

These improvements would cost $3,385,000 and in the future probably more. Due to our location not only near the river but also under the Queensboro Bridge we must deal with extraordinary corrosion. An extension will allow us to obtain 20-30 year financing. At present with only 24 years left, and projecting forward the schedule of expenditure, we would only be able to receive terms of 5 to 13 years. We have reinvested significantly in the past 15 years to keep the Club in first class condition and want to continue to do so going forward. Thank you for giving this consideration at this time.

Sincerely,

Lewis Hartman, Managing Partner
Roosevelt Island Racquet Club Associates, LLP
May 26, 2022

gretchen.robinson@rioc.ny.gov

Gretchen Robinson, Esq.,
General Counsel
Roosevelt Island Operating Corp.
591 Main Street
Roosevelt Island, NY 10044

Re: Pending Request for Extension of License Agreement dated as of November 16, 1989 Between Roosevelt Island Operating Corporation (RIOC), Licensor And Roosevelt Island Racquet Club Associates (RIRCA), Licensee as amended.

Dear Ms. Robinson:

We represent RIRCA. By letter emailed on March 7, 2022 to RIOC’s president Shelton Haynes, Lewis (“Skip”) Hartman, RIRCA’s managing general partner requested that the License Agreement between the parties, as amended, be further extended from 2046 until 2066. A copy of the letter is attached for your easy reference. Several days ago, in an email that has been shared with you, I have been asked to follow up to pursue the request.

Pursuant to a License Agreement dated as of November 16, 1989, RIOC licensed RIRCA’s predecessor in interest HCK Recreation, Inc. to develop and operate a tennis facility on Roosevelt Island. The License Agreement was thereafter modified by a certain Modification Agreement dated as of October 26, 1990 and further modified by a certain Second Modification Agreement dated as of August 1, 1993. Thereafter, the License Agreements have been amended by Letter Agreements dated March 11, 1998 and December 18, 1998.

The parties entered into a Third Modification Agreement dated as of October 31, 2007, a copy of which is attached hereto. Essentially, it extended the term of the license from May 1, 2031 to April 30, 2046 and provided for a minimum annual license fee and an annual percentage fee under Section 4 of the License Agreement for the extended term. By letter dated August 8, 2016, the parties agreed to certain changes to the financial requirements under the License Agreement.
Agreement to reflect the change in RIRCA’s fiscal year from an April 30 to a December 31 year-end. A copy of the August 8 Letter Agreement is also attached hereto.

We propose a Fourth Modification Agreement that would provide RIRCA with a 20 year extension of the term from May 1, 2046 until April 30, 2066 and adopt the same type of payment increases as are contained in Section 5 of the Third Modification, namely:

- $525,000 or 10% of Gross Receipts from May 1, 2046 to April 30, 2051;
- $550,000 or 10% of Gross Receipts from May 1, 2051 to April 30, 2056;
- $575,000 or 10% of Gross Receipts from May 1, 2056 to April 30, 2061; and
- $600,000 or 10% of Gross Receipts from May 1, 2061 to April 30, 2066.

All other terms of the License Agreement would remain in effect.

I look forward to the pleasure of your response.

All the best,

Lawrence A. Mandelker

cc. Skip Hartman via email