



Roosevelt Island Operating Corporation

ANDREW M. CUOMO
Governor

SUSAN G. ROSENTHAL
President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
Conway S. Ekpo
Jeffrey R. Escobar
David Kapell
David Kraut
Howard Polivy
Michael Shinozaki

Agenda Item V, 4. April 23, 2020

PROPOSED RESOLUTION

AUTHORIZATION TO AMEND MASTER SUBLEASE AGREEMENT FOR MAIN STREET RETAIL SPACE WITH HUDSON RELATED RETAIL LLC.

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 Master Sublease Agreement with Hudson Related Retail LLC. for the Main Street retail space upon such terms and conditions substantially similar to those outlined in the Memorandum from Susan G. Rosenthal to RIOC Board of Directors dated April 20, 2020, attached hereto;
- Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and
- Section 3. that this resolution shall take effect immediately.



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MEMORANDUM

To: Board of Directors
From: Susan G. Rosenthal, President/Chief Executive Officer
Re: Amendment of Sublease Agreement with Hudson Related Retail LLC
Date: April 20, 2020

In August of 2011, Roosevelt Island Operating Corporation (“RIOC”) entered into a Master Sublease Agreement (“MSA”) with Hudson Related Retail LLC (“HRR”) for operation and management of substantially all commercial real estate properties owned or leased by RIOC on Roosevelt Island. The most important payment from HRR to RIOC, contemplated under the MSA, is the Guaranteed Rent. Currently, the Guaranteed Rent amounts to \$933,515.21 per year, or 77,792.93 per month.

Due to the ongoing COVID-19 pandemic and the orders issued by the New York State Governor in relation therewith, many of the Island commercial establishments were required to temporarily cease or significantly reduce their operations. As a result, several of the proprietors have approached HRR with a request to defer their rental payments for a certain period of time. The principal of HRR, in turn, asked RIOC whether it would allow for partial deferral of the Guaranteed Rent where appropriate. Based on the ensuing discussions and negotiations, the following terms have been agreed to by the parties subject to approval of RIOC’s Board of Directors:

1. Where HRR is able to collect rent from the commercial tenants and no rent deferral is appropriate, HRR shall remit all such collected rents to RIOC in without any delay or deferral as partial payment of Guaranteed Rent;
2. The unpaid portion of the Guaranteed Rent for April, May and June of 2020 shall be deferred (the “Deferred Rent”);
3. HRR will timely pay entire amount of the Guaranteed Rent due to RIOC for July, August and September of 2020;

4. Commencing with October of 2020 and for the following six (6) months, HRR will continue to timely pay Guaranteed Rent then due, as well as to pay back with no interest the total amount of Deferred Rent in six (6) equal monthly installments.

As such, all Deferred Rent would be paid back to RIOC withing the Fiscal Year ending on March 31, 2021, and present minimal impact on RIOC's budget and operations. At the same time, we believe that it would provide much-needed relief to the businesses adversely impacted by the current crisis. Needless to say, that supporting the fragile commercial establishments on Roosevelt Island is of great benefit to its community. Therefore, I recommend this amendment for Board approval.