

FUTURE REDEVELOPMENT OF ROOSEVELT ISLAND MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") dated as of December 16, 2025 is by and among the State of New York ("State"), the City of New York ("City"), and Roosevelt Island Operating Corporation ("RIOC"), (the State, City, and RIOC each a "Party," and collectively, the "Parties"), with respect to the future redevelopment of portions of Roosevelt Island (the "Island").

1. Introduction

By lease dated December 23, 1969 (as amended, the "Master Lease"), the City leased certain real property commonly known as Roosevelt Island to the New York State Urban Development Corporation ("UDC") for a term expiring December 23, 2068 (the premises demised in the Master Lease, the "RIOC Premises"), for redevelopment consistent with a General Development Plan (as amended in 2003, the "GDP") annexed to the Master Lease. Pursuant to Chapter 899 of the Laws of 1984 (currently Title 35 of the Public Authorities Law a/k/a the "RIOC Act"), in 1988 UDC assigned the Master Lease to RIOC, and RIOC assumed all of UDC's rights, title, interests and obligations under the Master Lease.

Of even date herewith, RIOC and the City are amending the Master Lease to provide a short-term extension of the Master Lease of ten years until December 23, 2078, to ensure that owners of leasehold condominiums on the Island can obtain necessary financing, have more control over their housing costs and prevent the potential devaluation of their homes.

Most of the land on the Island has been redeveloped consistent with the GDP and includes residential housing, commercial space, open space, public facilities and infrastructure. The Parties recognize the potential for more housing development at two underutilized sites on the Island, now or formerly used in connection with operations of New York City Health and Hospitals Corporation ("H+H"): (i) the "Steam Plant Site" and (ii) the site of Coler Specialty Hospital and Home ("the Coler Site."). The RIOC Premises includes the land of the Steam Plant Site (but not the buildings and structures that remain under H+H control) but not the Coler Site, which the City leased to H+H under the Agreement dated June 16, 1970 between the City and H+H (as may be amended, "H+H Operating Agreement").

Through the H+H Operating Agreement, which implemented the New York City Health and Hospitals Corporation Act of 1969 (the "HHC Act"), the City leased to H+H for a term co-extensive with H+H's statutory life various properties then used by the City's Department of Hospitals including the Coler Site. Under Article 21 of the Master Lease, if the City determines that Coler is no longer devoted to hospital uses, the City and RIOC will consult with a view to developing a plan for the development of these facilities as a part of the GDP. The Parties intend to further amend the Master Lease in the future to set forth redevelopment plans, extend the term beyond 2078 and update and clarify certain other provisions.

This MOU establishes the framework for the Parties' understanding with respect to a contemplated redevelopment plan for the Steam Plant Site and the Coler Site ("Plan"). It also

lays out the roles and responsibilities of the Parties, and the various approvals, preconditions and executed documents that will be required to effectuate the Plan, including a future amendment to the Master Lease and GDP.

2. Guiding Principles

The Parties are committed to working cooperatively in order to develop, reach agreement on, and carry out, a Plan. The goal is for a Plan to include mixed-use, mixed-income development with supporting infrastructure, which will be subject to applicable legal, regulatory and planning processes, including requirements applicable to amending the GDP.

3. Coler Site

The Coler Site, located at the northern end of the Island, has been operated as a hospital—first by the City and then by H+H pursuant to the H+H Operating Agreement. The Coler Site is currently a critical part of the H+H system as a unique facility for long-term acute care of patients. However, the site is oversized for its function leaving parts underutilized, and Coler patients would be better served as a new purpose-built facility or facilities incorporating current best practices for the delivery of care to this patient population. If vacated in whole or in part by H+H in compliance with relevant State and federal regulations and surrendered to the City, the Coler Site may be added in whole or in part to the Master Lease for redevelopment consistent with the GDP.

Any redevelopment of the Coler Site will include necessary planning, reviews and stakeholder engagement, and key components for such Coler Site redevelopment may include construction of a three million square foot mixed-use development on the Coler Site, which will include approximately 3,500 mixed-income housing units.

Any redevelopment must include a plan for a replacement facility or facilities for Coler residents, whether in a new purpose-built facility at the current Coler Site or in new alternative location or locations within the City.

The City, through New York City Economic Development Corporation (“NYCEDC”) or otherwise, will lead a comprehensive study of how to carry out redevelopment. The scope of the study will include land use and zoning (including any applicable exemptions), transportation access, infrastructure needs, community amenities, and other environmental considerations. Responsibility for the costs of this study will be shared between the State and the City.

The State will secure entitlement approval of any development of the Coler Site. The City will be entitled to the net proceeds (when realized from the development) up to the amount required to cover the actual replacement cost of the Coler Site. Beyond that, the City and RIOG will share proceeds from the future development (through appropriate ground rent, PILOT, and other sources).

4. Steam Plant Site

The Steam Plant Site had been used by H+H primarily to provide heat to H+H hospitals

on the Island via associated steam tunnels until 2014, after which it was decommissioned. In connection with the New York City Department of Buildings emergency demolition order, the demolition on the Steam Plant Site is being undertaken by the City through its Department of Housing Preservation and Development ("HPD"). HPD through its contractor, Statewide Demolition ("Statewide"), shall complete such demolition in accordance with and limited to the scope of work provided in HPD's contract with Statewide, which includes hazardous or regulated material handling, hauling, disposal in accordance with applicable regulatory and code requirements for such demolition.

The Parties will work to ensure RIOCI provides the City's contractors, including Statewide, with the appropriate permits to enter onto portions of the Leased Premises necessary for purposes of completing work on the Steam Plant Site. The City shall use reasonable efforts to reduce the impact of work on the Steam Plant Site on Lessee and the residents, workers and visitors of Roosevelt Island and will provide Lessee with a schedule of work to be performed.

RIOCI, working with its state partners, will lead redevelopment of the Steam Plant Site. Any redevelopment of the Steam Plant Site will include necessary planning, reviews and stakeholder engagement, and key components for the redevelopment of the Steam Plant Site may include construction of a mixed-income housing development with approximately 400 units.

RIOCI will secure entitlement approval of any redevelopment of the Steam Plant Site. The proceeds of the redevelopment of the Steam Plant Site will be retained by RIOCI, except following receipt of such proceeds RIOCI (above its actual costs and expense) will promptly reimburse the City for the lesser of (1) the City's actual costs in demolishing the Steam plant building and two Steam Plant stacks presently located on the Steam Plant Site (which demolition is underway), or (2) \$10,300,000, the presently-estimated cost of such demolition built with some contingency for additional costs that may be incurred only as pertains to the above described scope.

5. Amendment of the Master Lease and GDP

The Parties expect the redevelopment study and environmental review to be completed by the end of 2028 and will work collaboratively toward the planning milestones outlined in Exhibit 1. Based on the outcomes of that work, the Parties intend to proceed expeditiously to further amend the Master Lease to (i) add the Coler Site to the RIOCI Premises, as described in Section 3 of this MOU, if required for the agreed upon development plan; (ii) extend the term of the Master Lease beyond 2078 for a total term of up to 99 years; and (iii) resolve and clarify Master Lease provisions and boundaries governing certain operational issues related to City and State agency uses, and related to subway infrastructure easements on the Island that are held and used by New York City Transit and the Metropolitan Transportation Authority ("MTA"). The Parties also intend to concurrently amend the GDP to simultaneously entitle the two developments described above. Amendments to the Master Lease and GDP are subject to approval by the City and RIOCI, including RIOCI Board approval.

6. Interim understanding on coordination

As an interim measure while the parties negotiate an operating agreement, RIOC shall continue to allow, with respect to the Coler Site, use of the areas routinely used as part of the Coler Site operations. To establish the functional boundaries governed by the operating agreement, representatives of RIOC and H+H shall walk such boundaries and stake the ground as they go to reflect the agreed functional boundaries. Thereafter, H+H may cause a survey to be prepared to map such functional boundaries for possible future reference, to replace the existing Annex IV of Schedule 1 of the Master Lease.

Furthermore, while the parties negotiate an operating agreement, RIOC acknowledges the FDNY Special Operation Center located at 750 Main Street, New York, New York 10044 (the "FDNY Center") as depicted in Exhibit 2, is a "Public Facility" as defined in Section 3 of the Master Lease, and RIOC accepts FDNY's current use of the functional boundaries of the FDNY Center. The FDNY Center includes a parking lot on the west side adjacent to Main Street, and an east side exposure area bounded by East Road. Additionally, RIOC acknowledges that FDNY occupies the building known as the FDNY Center with all privileges, rights, and responsibilities of building ownership, including maintenance, repair, improvement, associated costs, utilities expenses. RIOC and the City shall use good faith efforts to obtain any permits required for the platform extension and tent depicted on Exhibit 2.

Finally, the Parties agree that the RIOC, and not the City, will be responsible for coordinating with MTA regarding MTA access and work required to maintain or improve MTA's subway tunnel, subway station, and ancillary systems (the "MTA Facilities") on the island, and for complying with MTA requirements when RIOC or any of its tenants or occupants are doing work near MTA Facilities. If requested by MTA, RIOC shall enter into an agreement with MTA to address access and work on or near the MTA Facilities.

The Parties may further define interim understandings related to other City and State agency uses in a separate operating agreement to be executed in the coming months.

7. Stakeholder Engagement, Coordination & Oversight

The Parties will establish a Joint City-State Working Group ("Group") to oversee planning and implementation. The Group will engage elected officials, the Community Board, RIOC Board members, developers, Island residents, Coler residents, and other key stakeholders. The Group will set development milestones and regularly report back to the Parties.

8. Term & Termination

Notwithstanding the terms herein, this MOU will remain in effect until superseded by a development agreement between the Parties or terminated by one of the Parties.

9. Miscellaneous

Each Party intends to cooperate in good faith with the other Parties and take such

actions as may be reasonable, necessary or appropriate to effectuate the understandings contemplated by this MOU. It is understood and agreed that actions and approvals contemplated herein are subject to all legal requirements applicable to each Party.

This MOU is non-binding, and none of the terms herein create or give rise to any legally enforceable rights of any Party or legally enforceable obligations or liabilities of any kind on the part of any Party hereto. Only subsequently formalized agreements, when executed and delivered, will constitute legally binding agreements regarding the terms herein. Any amendments to this MOU must be in writing and signed by all Parties.

10. Signatures

This MOU may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute the same MOU. Any signed copy of this MOU made by photocopy, facsimile, or pdf adobe format shall be considered an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have respectively executed this MOU as of the date set forth above.

THE STATE OF NEW YORK

By: Kathryn Garcia
Name: Kathryn Garcia
Title: Director State Operations

THE CITY OF NEW YORK

By: Adolfo Carrion Jr.
Name: ADOLFO CARRION JR.
Title: DEPUTY MAYOR

ROOSEVELT ISLAND
OPERATING CORPORATION

By: Benjamin A. Jones
Name: BENJAMIN A. JONES
Title: PRESIDENT + CEO

Exhibit 1: Coler Hospital and Steam Plant redevelopment: Public planning process milestones

- In the next few weeks: Meet with RIOC Real Estate Development Advisory Committee, Manhattan Community Board 8 Roosevelt Island Committee, and Coler residents & Community Advisory Board
- Through 2026: Public planning and engagement process engaging Coler residents and the Roosevelt Island community (including residents, businesses, & institutions), culminating in a Vision Plan. This would involve an iterative engagement process with stakeholders to identify:
 - Infrastructure improvements to be prioritized within the potential developments as well as to the broader island to meet the needs of a larger population. Infrastructure improvements could include transportation, open space, climate resilience, and other community-serving uses.
 - Coler residents' needs and requirements for modern, resilient facilities, as well as continuity of services, and construction phasing.
 - Community-informed proposals for the Coler site such as mixed-use residential development.
 - Visions for Steam Plant Site that could involve mixed-use residential development.

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