

FOURTH AMENDMENT TO LICENSE AGREEMENT

This Fourth License Agreement Amendment (this "Fourth Amendment") is entered into as of the ✓ day of December, 2025 (the "Effective Date") by and between Eric Morales, Individually and as principal and CEO of Morales Tennis Corporation, a corporation operating with a place of business located at 5 Duryea Place, 2E, Lynbrook, New York 11563 (together referred to herein as "Licensee") and the Incorporated Village of Atlantic Beach ("Licensor" or the "Village"), with administrative offices located at 65 The Plaza, Atlantic Beach, NY, 11509 (together, the "Parties").

WHEREAS, the Parties entered into a License Agreement to Operate Municipal Tennis Facility dated April 9, 2019 (the "Original License Agreement"), which Original License Agreement was previously amended by that certain Addendum to License Agreement dated September 12th, 2022, that certain Second Addendum to License Agreement dated October 13, 2023, and that certain Third Addendum to License Agreement dated May 8, 2024 (the Original License Agreement, as amended, collectively, the "License Agreement"), and whereby Licensor licensed to Licensee the Atlantic Beach Tennis Center ("Licensor's Tennis Center"); and

WHEREAS, This Fourth Amendment shall further amend the Licensee's license to operate the Licensor's Tennis Center by reducing the term of the License Agreement through a new expiration date of December 1, 2026, while making significant changes, primarily regarding the pickleball operations, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Fourth Amendment, the Parties agree as follows:

1. Term of License Agreement: Notwithstanding anything to the contrary contained in the License Agreement, including the provisions contained in Section 1 of the Original License Agreement and the time period set forth in the March 4, 2019 letter referenced therein, the term of the License Agreement shall expire on December 1, 2026, subject to extension upon the mutual agreement of the Parties as set forth in Section 2 below.

2. Future Beyond 2026: The extension of the term of the License Agreement beyond December 1, 2026 is not automatic.

- Both Parties have the option to continue after the December 1, 2026 expiration date set forth above in this Section 2, but it requires mutual consent and there is no obligation, express or implied, on the Parties to agree to an extension of the term of the License Agreement beyond December 1, 2026.

- Either party can decline to continue, for any or no reason.

- The Parties will try to notify each other of their decision by October 15, 2026.
- Any extension of the term of the License Agreement beyond December 1, 2026, must be set forth in a written agreement duly-executed and approved by the Parties.

3. **Pickleball Operations (Major Change):**

- Licensee relinquishes any and all former rights and claims to the pickleball courts at Lessor's Tennis Center, express or implied, be they contained in the License Agreement, or at law, in equity, or otherwise. Lessor hereby grants Licensee a limited and conditional right to operate the pickleball courts at Lessor's Tennis Center, commencing on the Effective Date, subject to the terms and conditions contained in this Fourth Amendment, including, among other conditions, Lessor's express right to reclaim possession and operation of the pickleball courts as is more particularly set forth in the subsection immediately below.
- From and after the Effective Date of this Fourth Amendment, Licensee shall continue to operate the pickleball courts at the Lessor's Tennis Center, on an "at-will" basis, pursuant to the limited and conditional right granted in this Fourth Amendment, using a standard of operation required under the provisions of the License Agreement, including those provisions contained in the Third Addendum to License Agreement dated May 8, 2024, and one which is consistent with best practices for the operation of pickleball courts. Licensee hereby expressly acknowledges and agrees that the Village has the right to reclaim possession of the pickleball courts and that the Village can reclaim possession of the pickleball courts at the Lessor's Tennis Center at any time, for any or no reason, with at least 5 days prior written notice. In the event that the Village exercises its right to reclaim possession of the pickleball courts, Licensee shall peaceably and quietly surrender and yield up to the Village possession of the pickleball courts at Lessor's Tennis Center. Should the Village incur any expense in removing Licensee if Licensee fails to surrender possession of the pickleball courts at Lessor's Tennis Center, Licensee shall and hereby agrees to reimburse the Village for the cost and expense, including attorneys' fees, of removing Licensee, in addition to any other damages as provided for elsewhere in the License Agreement, at law or in equity.
- For the 2026 season, pickleball shall be offered on an hourly fee basis, with no seasonal memberships unless otherwise agreed to by the Parties.

- If the Village takes over the pickleball courts at Licensor's Tennis Center, Licensee must provide reasonable access to the parking lot and tennis building [see #5 below].

4. Village's Right to Issue an RFP:

- The Village retains the right, at any time, to issue a Request for Proposals (RFP) for the management of the tennis and/or pickleball courts at Licensor's Tennis Center.
- Licensee is welcome and encouraged to submit a proposal and their performance history will be considered.
- The License Agreement, as amended by this Fourth Amendment, remains in effect until December 1, 2026, regardless of any RFP process.
- Licensee will grant reasonable access to Licensor's Tennis Center and its facilities for the Licenser to show the facilities in conjunction with an RFP.

5. Village's Use of Office Space in Clubhouse:

- The Village will have a non-exclusive, designated area (~100 sq ft) inside the clubhouse for pickleball administration.
- Cost: The Village will pay Licensee a maximum fixed fee of \$500, due on December 15, 2026.
 - a. The actual fee payment will be based on an actual day's usage based upon a fixed fee of \$500 per year, pro rated to the actual number of days the space is used by the Village and/or another pickleball operator selected by the Village.
 - b. Should the Village and/or another pickleball operator selected by the Village take over pickleball operations, pickleball players shall be required to check in with the Village's pickleball administrator and shall adhere to the policies and procedures set by the Village for the pickleball operations.
- Should the Village and/or another pickleball operator selected by the Village take over the pickleball operations, Licensee would no longer have any responsibility for pickleball court maintenance, customer service, or

providing amenities for pickleball users, though, for the sake of clarity, pickleball users will be allowed to use the bathroom.

- o The use of the office space and the transfer of pickleball maintenance only applies if the Village reverts administration to the Village and/or another pickleball operator selected by the Village. For purposes of this provision "Maintenance" shall include day to day cleaning and general upkeep of the pickleball courts, but shall exclude resurfacing and repair of any cracks on the courts.

6. Fencing: Licensee will return the pickleball court entrance fencing to its April 2019 configuration and condition by March 15, 2026.

7. License Fee: Licensee must continue to make regular license fee payments until December 1, 2026, or such later date, if any, and in such amounts, as may be agreed to by the Parties with regard to an extension of the term of the License Agreement.

8. Rates and Membership Discounts for Village Residents: Licensee shall establish 30% discounts on rates and memberships, exclusively for Village of Atlantic Beach residents.

9. Release: Licensee hereby remises, releases, and forever discharges the Village and each and every one of the Village's agents, affiliates, attorneys, successors, assigns, representatives, owners, insurers, officers and directors of and from all manner of liability, all claims, actions, causes, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, whatsoever, whether now known or hereafter made known, in law or in equity which Licensee raised, or could have raised, against the Village in any litigation or any other proceeding in connection with the License Agreement or Licensee's operation of Licenser's Tennis Center.

10. Insurance: Licensee shall be responsible for obtaining and maintaining throughout the term of the License Agreement insurance coverage, including commercial general liability, property, worker's compensation, disability insurance, and such additional insurance as the Village may from time to time specify. Limits of coverage shall be established as set as standard for a license of this type. Satisfactory proof of all required shall be submitted to the Village Clerk and specifically approved by Licenser's insurance representative. Should the Village or a third party assume operation and control of the pickleball courts, at the time of such assumption the Village or third party shall be responsible for the insurance requirements related to the pickleball operations.

11. Water: Licensee shall be responsible for turning off the water and properly draining the sprinkler system for the tennis courts at the end of the 2025 and 2026 seasons, but not the building.

- o To ensure the health and beauty of The Village Garden, The Village Garden will continue to use water for irrigation and plant nourishment as

a standard and necessary part of its gardening operations at no cost.

12. **Customer Service:** It is a material requirement of the License Agreement that all of Licensee's representatives be polite, respectful, and cooperative with all customers and other people with whom they interact in relation to this Agreement, and also refrain from taking part in any unlawful, degrading or discreditable behavior or comments.

13. **Surrender.** In addition to Licensee's obligation under Section 3 above to peaceably and quietly surrender and yield up to the Village possession of the pickleball courts in the event that the Village exercises its right to reclaim the pickleball courts at Licenser's Tennis Center, as it pertains to the entirety of Licenser's Tennis Center, Licensee shall on the last day of the term of the License Agreement, or on the sooner termination thereof, peaceably and quietly surrender and yield up to the Village possession of Licenser's Tennis Center, including all installed fixtures and improvements in good order and condition, reasonable wear and tear excepted. Should the Village incur any expense in removing Licensee if Licensee fails to surrender possession of Licenser's Tennis Center, Licensee shall and hereby agrees to reimburse the Village for the cost and expense, including attorneys' fees, of removing Licensee, in addition to any other damages as provided for elsewhere in the License Agreement, at law or in equity.

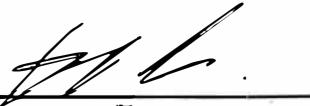
14. **Conflicts:** In the event of any conflict between any provisions contained in this Fourth Amendment and those contained in the Original License Agreement or any of the agreements comprising the License Agreement, the provisions contained in this Fourth Amendment shall govern and prevail.

15. **No Further Modifications; Ratification; No Waiver.** The License Agreement is and shall remain in full force and effect and the Parties hereto hereby ratify and confirm all provisions of the License Agreement, which, except as amended hereby, remain unchanged. All references to this "License Agreement" in the License Agreement shall mean the License Agreement as modified by this Fourth Amendment.

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IN WITNESS WHEREOF, Licenser and Licensee have duly executed this Fourth Amendment
as of the Effective Date.

ERIC MORALES and
MORALES TENNIS CORPORATION

By: 

Name: ERIC Morales
Title: 12/3/2025
Principal & CEO

THE VILLAGE OF ATLANTIC BEACH

By: 

Name: BARRY M. FROHNHOER
Title: Mayor, Village of Atlantic Beach
12/4/2025