

**APPLICATION
TO
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
FOR
FINANCIAL ASSISTANCE**

I. APPLICANT INFORMATION:

Company Name: Monticello Raceway Management, Inc.

Address: 204 Route 17B, Monticello, NY 12701

Phone No.: 845-807-0001

Telefax No.: 845-807-0000

Email Address: Charles Degliomini: cdegliomini@empireresorts.com

Fed Id. No.: 14-1792148

Contact Person: Charles Degliomini: cdegliomini@empireresorts.com

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners) Empire Resorts, Inc. (60%), Alpha Monticello, Inc. (40%)

Directors/Managers: Emmanuel R. Pearlman, Chairman; Colin Au, Director; Joseph A. D'Amato, Director; Nancy A. Palumbo, Director; Gregg Polle, Director; and James Simon, Director.

Officers: Joseph A. D'Amato, CEO; Nanette L. Horner, Secretary; Laurette J. Pitts, CFO/Treasurer; and Clifford A. Ehrlich, President & GM.

See Exhibit A for schematic of Corporate Structure

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

Corporation (Sub-s)

Date of incorporation: May 29, 1996

State of incorporation: New York

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation: _____

Jurisdiction formation: _____

___ Limited Liability Company/Partnership (number of members)

Date of organization:

State of organization:

Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes ___ No ___ N/A See Exhibit B-Certificate of Authority, Certificate of Incorporation and By-laws.

APPLICANT'S COUNSEL

Name: Thomas J. Kelly, Esq.

Address: 885 Third Avenue-Suite 2730-New York, New York 10028

Phone No.: (212) 588-8868

Telefax No.: (212) 588-8894

Email Address: TKelly@gilbertilaw.com

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See Exhibit C for Phase I Project Description and Key Plan.

COST BENEFIT ANALYSIS:

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ 15,000,000.
Estimated Mortgage Tax Exemption	\$ 1,095,000.
Estimated Property Tax Abatement	\$ 126,728,163
Estimated Interest Savings IRB Issue	\$ N/A

Benefits= Economic Development

Overall Project

Jobs created 550 - 600
Jobs retained 300 - such jobs will be divided between the existing Monticello facility and the new facility in the Town of Thompson
Private funds invested \$365mm
Other Benefits _____

B) Project Address: Thompsonville Road/Joyland Road
Tax Map Number(s): All or part of the following Tax Parcels: Section 23. Block 1 and Lots 11.3, 48, 52 (portion), 53 (portion), 54.1, 54.2 (portion), 54.3 (portion). See Exhibit D for Survey and Metes and Bounds Descriptions
Located in the Village of _____
Located in Town of Thompson
Located in the School District of Monticello CSD
Located in Hamlet of _____

C) Are Utilities on Site?

Water/Sewer No Electric Yes
Gas No Storm Sewer No

D) Present legal owner of the site: EPT Concord II, LLC
If other than Applicant, by what means will the site be acquired for this Project: Concord lease between MRMI and EPT Concord II, LLC

E) Zoning of Project Site: Current: PRD Proposed: _____

F) Are any variances needed: No

G) Principal Use of Project upon completion: Casino/Harness Horse Racetrack, Hotel, etc. See Exhibit C for Project Description and Key Plan.

H) Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another? YES _____ NO X However, while the casino/racetrack will be relocated from Monticello to the Town of Thompson, back-stretch operations (barns, paddock, training track, etc.) will remain in the Village of Monticello supporting the new operations in the Town of Thompson.

Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York? YES _____ NO X

Will the Project result in the abandonment of one or more plants or facilities

located in the State of New York? YES _____ NO X

I) Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

	<u>Overall Project</u>
Construction:	1,523/1,475 person-years ¹
Permanent:	<u>550 - 600</u>
Retained:	<u>300 - such jobs will be divided between the existing Monticello facility and the new facility in the Town of Thompson</u>

See also Exhibit E attached hereto for Economic Analysis in support of the Application.

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
	<u>Overall Project</u>
Real Property Tax Abatement	\$ 126,728,163
Mortgage Tax Exemption	\$ 1,095,000
Sales and Use Tax Exemption	\$ 15,000,000
Issuance by the Agency of Tax Exempt Bonds	\$ N/A

\$
K)

Project Costs (Estimates)	\$ Ground Lease Information – See Exhibit F
Land	
Building/Equipment/Soft costs	\$ 330,000,000
Other	\$ 35,000,000
Total	\$ 365,000,000 ²

¹ Phase 1 construction is anticipated to directly generate an average of 1,523 person-years of employment in New York State, of which 1,475 person-years would be in the Catskill region. See Exhibit E.

² Does not include value of Ground Lease.

REPRESENTATIONS BY THE APPLICANT:

The Applicant understands and agrees with the Agency as follows:

- A) Job Listings. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.
(Applicant)

MONTICELLO RACEWAY
MANAGEMENT, INC.

By: 
Joseph D. Amato, Chief Executive Officer

Date: Feb. 6, 2013

THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT; IF A LIMITED PARTNERSHIP: ITS CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT; OR IF A PARTNERSHIP: ITS PARTNERSHIP AGREEMENT TO COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, ONE CABLEVISION CENTER, FERNDALE, NEW YORK 12734 (ATTN.: EXECUTIVE DIRECTOR).

Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

MONTICELLO RACEWAY
MANAGEMENT, INC.

By: Joseph D. Amato
Joseph D. Amato, Chief Executive Officer

Sworn to before me this

6 day of February, 2013
Notary Public

Ann P. McDonald

Ann P. McDonald
Notary Public
State of New York
01MC6188873
My Comm. Exp. 6/10/16