

APPLICATION
TO
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
FOR
FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: Empire Resorts Real Estate I, LLC^a
Address: c/o Empire Resorts, Inc., 204 Route 17B, Monticello,
New York 12701
Phone No.: (845) 807-0001
Telefax No.: _____
Email Address: idamato@empireresorts.com
Fed Id. No.: 47-4948367
Contact Person: Joseph D'Amato, President

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

Principal Owners (Shareholders/Members/Owners) Empire Resorts, Inc., a Delaware corporation, is the sole equity holder (the "Member") of Empire Resorts Real Estate I, LLC, a New York limited liability company (the "Company").

Directors/Managers: management, conduct and control of the business and affairs of the Company shall be vested exclusively in the Member

Officers: Joseph A. D'Amato, President; Laurette J. Pitts, Treasurer; Nanette L. Horner Secretary

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity) See Attachment A – Company Organizational Chart

Form of Entity:

_____ Corporation (Sub-s)

^a The Applicant hereby reserves the right to assign, either directly or indirectly, all or part of its rights and obligations under this Application or any Inducement Resolution of the Agency, upon the prior written consent of the Agency, which such consent shall not be unreasonably withheld.

Date of incorporation: _____
State of incorporation: _____

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 1)

Date of organization: 08/19/15
State of organization: New York

Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A_ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Brown Sharlow Duke & Fogel, P.C., Attn: George Duke, Esq.

Address: 449 Broadway, Monticello, NY 12701

Phone No.: 845-707-4030

Telefax No.: 845-468-7066

Email Address: gduke@bsdflaw.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 Attachment B – Project Description

COST BENEFIT ANALYSIS:
Costs = Financial Assistance

Estimated Sales Tax Exemption	\$	<u>591,408</u>
Estimated Mortgage Tax Exemption	\$	<u>200,000</u>
Estimated Property Tax Abatement	\$	<u>TBD^b</u>
Estimated Interest Savings IRB Issue	\$	<u> </u>

Benefits= Economic Development

Jobs created		<u>20-35 Construction; 55 (full time; part time; seasonal)</u>
Jobs retained		<u>55 (full time; part time; seasonal)</u>
Private funds invested	\$	<u>15,870,000</u>
Other Benefits		<u> </u>

See also Attachment C – Economic and Fiscal Benefits

B) Project Address: TBD

Tax Map Number(s)^c

- 15-1-13
- 15-1-14.1 (entire parcel)
- 15-1-14.2 (entire parcel)
- 15-1-15 (entire parcel)
- 15-1-16
- 15-1-17
- 15-1-18
- 23-1-52.2
- 23-1-53.2
- 23-1-54.5
- 15-1-13
- 15-1-50
- 23-1-52

Located in the Village of N/A

Located in Town of Thompson

Located in the School District of Monticello

^b It is our understanding that the Agency will retain a consultant to perform a "Cost-Benefit" analysis of the estimated value of the benefits that are to be provided by the Agency to the Applicant in accordance with its customary valuation practices. The Applicant shall undertake to provide all necessary information to Agency upon request so that such values may be developed.

^c Listed tax lot and block information is subject to change due to anticipated Lot Improvement/Lot Consolidation application to create separate tax parcels for the Golf Course, which will include the Maintenance Building and Clubhouse.

Located in Hamlet of N/A

C) Are Utilities on Site?

Water/Sewer Yes^d
Gas No

Electric Yes
Storm Sewer No, private on-site

D) Present legal owner of the site: EPR Concord II L.P. is the fee owner of the golf course property, which leases the property to Adelaar Developer, LLC, which in turn subleases the property to ERREI, as a subtenant of Adelaar Developer, LLC

If other than Applicant, by what means will the site be acquired for this Project:
Leasehold interest in subject property

E) Zoning of Project Site: Current: PRD Proposed: N/A

F) Are any variances needed: No

G) Principal Use of Project upon completion:
Golf Course component of Montreign Casino Destination Resort.

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

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:

Construction: 20-35
Permanent: 55 (full time; part time; seasonal)
Retained: _____

^d Yes, onsite wells and surface water for irrigation and Adelaar Water District for potable. Adelaar Sewer District for clubhouse/maintenance and onsite septic for remote golf course rest room.

J) Financial Assistance being applied for:

Estimated Value

Real Property Tax Abatement	\$ _____
Mortgage Tax Exemption	\$200,000
Sales and Use Tax Exemption	\$591,408
Issuance by the Agency of Tax Exempt Bonds	\$ _____

K) Project Costs (Estimates)

Land	<u>\$Ground Lease Information--See Attachment D^e</u>
Building/Equipment/Soft costs	\$15,870,000
Other	\$ _____
Total	\$ _____

III. 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

^e Notice: The information contained within Attachment "D" is deemed confidential, proprietary, trade secrets or otherwise exempt from disclosure under Article 6 of the New York State Public Officers Law (also known as the Freedom of Information Law ("FOIL")).

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.

Empire Resorts Real Estate I, LLC
By: Empire Resorts, Inc., its Sole Member

By: Joseph A. DiGiovanna

Name:

Title: President

Date:

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^f; 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)).

^fThe Articles of Organization and Operating Agreement are provided in Attachment "E".

HOLD HARMLESS AGREEMENT

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 expenses incurred in defending any suits or actions which may arise as a result of any 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.

Empire Resorts Real Estate I, LLC
By: Empire Resorts, Inc., its Sole Member

By: Joseph A. D'Amato

Name: Joseph A. D'Amato

Title: President

Date:

Sworn to before me this
25 day of March, 2016.

George C.D. Duke
Notary Public

GEORGE C.D. DUKE
Notary Public, State of New York
Qual. In New York Co. No. 02DU6104497
Commission Expires May 7, 2020