

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**  
**One Cablevision Center**  
**Ferndale, New York 12734**  
**845-295-2603**  
**APPLICATION FOR FINANCIAL ASSISTANCE**

I. A. APPLICANT INFORMATION:

Company Name: Empire Resorts Real Estate II, LLC<sup>a</sup>

Address: c/o Empire Resorts, Inc., 204 Route 17B, Monticello, NY 12701

Phone No.: (845) 807-0001

Telefax No.: \_\_\_\_\_

Email Address: [reller@empireresorts.com](mailto:reller@empireresorts.com)

Fed Id. No.: 47-4952068

Contact Person: Ryan Eller, President

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

Principal Owners (Shareholders/Members/Owners): Montreign Operating Company, LLC, a New York limited liability company, is the sole equity holder (the "Member") of Empire Resorts Real Estate II, LLC, a New York limited liability company ("ERREII" or the "Company").

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

Officers: Ryan Eller, President; Laurette J. Pitts, Treasurer; Nanette L. Horner, Esq., 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)

Date of incorporation: \_\_\_\_\_

<sup>a</sup> 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.

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: 8/18/2015

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, New York 12701

Phone No.: 845-707-4030

Telefax No.: 845-468-7066

Email Address: [gduke@bsdflaw.com](mailto:gduke@bsdflaw.com)

### II. REQUESTED FINANCIAL ASSISTANCE

#### Estimated Value

Real Property Tax Abatement (estimated) \$ TBD

Mortgage Tax Exemption \$ TBD

Sales and Use Tax Exemption \$ ≈1.5MM

Issuance by the Agency of Tax Exempt Bonds \$ TBD

III. PROJECT INFORMATION

A.) Project Location:

Project Address: TBD  
Tax Map Number(s): SBL 23.-1-54.6  
Located in the Village of: NA  
Located in Town of Thompson  
Located in the School District of Monticello  
Located in Hamlet of NA

(i) Are Utilities on Site?

Water/Sewer Yes                      Electric Yes  
Gas Yes<sup>b</sup>                                  Storm Sewer Yes

(ii) Present legal owner of the site: EPR Concord II L.P. is the fee owner of the property, which leases the property to Adelaar Developer, LLC, which in turn subleases the property to ERREII.

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

(iii) Zoning of Project Site: Current: PRD                      Proposed: NA

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Proposed six-story building will include a hotel containing between 100 to 162 rooms and mixed use spaces, e.g. a coffee shop, a restaurant, a night club, and retail shops.

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No; If yes, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No; If yes, please explain:

\_\_\_\_\_  
\_\_\_\_\_

<sup>b</sup> At this time, it is anticipated that the energy required for heating, air conditioning and other nonelectrical energy needs for portions of the building will be provided by a 12,000-gallon propane tank located on the Project Site.

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D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes \_\_\_\_\_; No \_\_\_\_\_. If yes, please explain:

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2. Is the Project reasonably necessary to discourage the Applicant or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes \_\_\_\_\_; No \_\_\_\_\_. If yes, please explain:

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E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? Yes \_\_\_\_\_; If yes, please contact the Agency for additional information.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See Project Description attached hereto as Exhibit B

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ <u>≈1.5MM</u>
Estimated Mortgage Tax Exemption	\$ <u>TBD</u>
Estimated Property Tax Abatement	\$ <u>TBD</u>
Estimated Interest Savings IRB Issue	\$ _____



- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

As per Casino Project

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- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The labor market area defined by the agency (Mid-Hudson Economic Development Region)

As per Casino Project

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H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency See statement in Cover Letter to this Application.

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#### IV. 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.

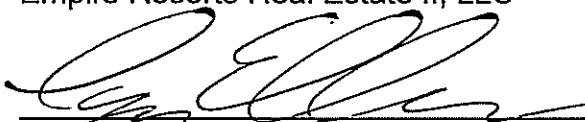
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- 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.
- F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H.) The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

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 II, LLC




By: Ryan Eller, President

Date: 8/17/17

STATE OF NEW YORK )  
COUNTY OF SULLIVAN ) ss.:

Ryan Eller, being first duly sworn, deposes and says:

1. That I am the President of Empire Resorts Real Estate II, LLC (collectively, the, "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

  
Ryan Eller, President

Subscribed and affirmed to me under penalties of perjury  
this 17<sup>th</sup> day of AUGUST, 2017.

  
\_\_\_\_\_  
(Notary Public)

ERIN SHERLOCK  
Notary Public, State of New York  
Registration #01SH6343944  
Qualified In Sullivan County  
Commission Expires June 20, 2020



**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  
Executive Director  
ONE CABLEVISION CENTER  
FERNDALE, NEW YORK 12734**

**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 II, LLC



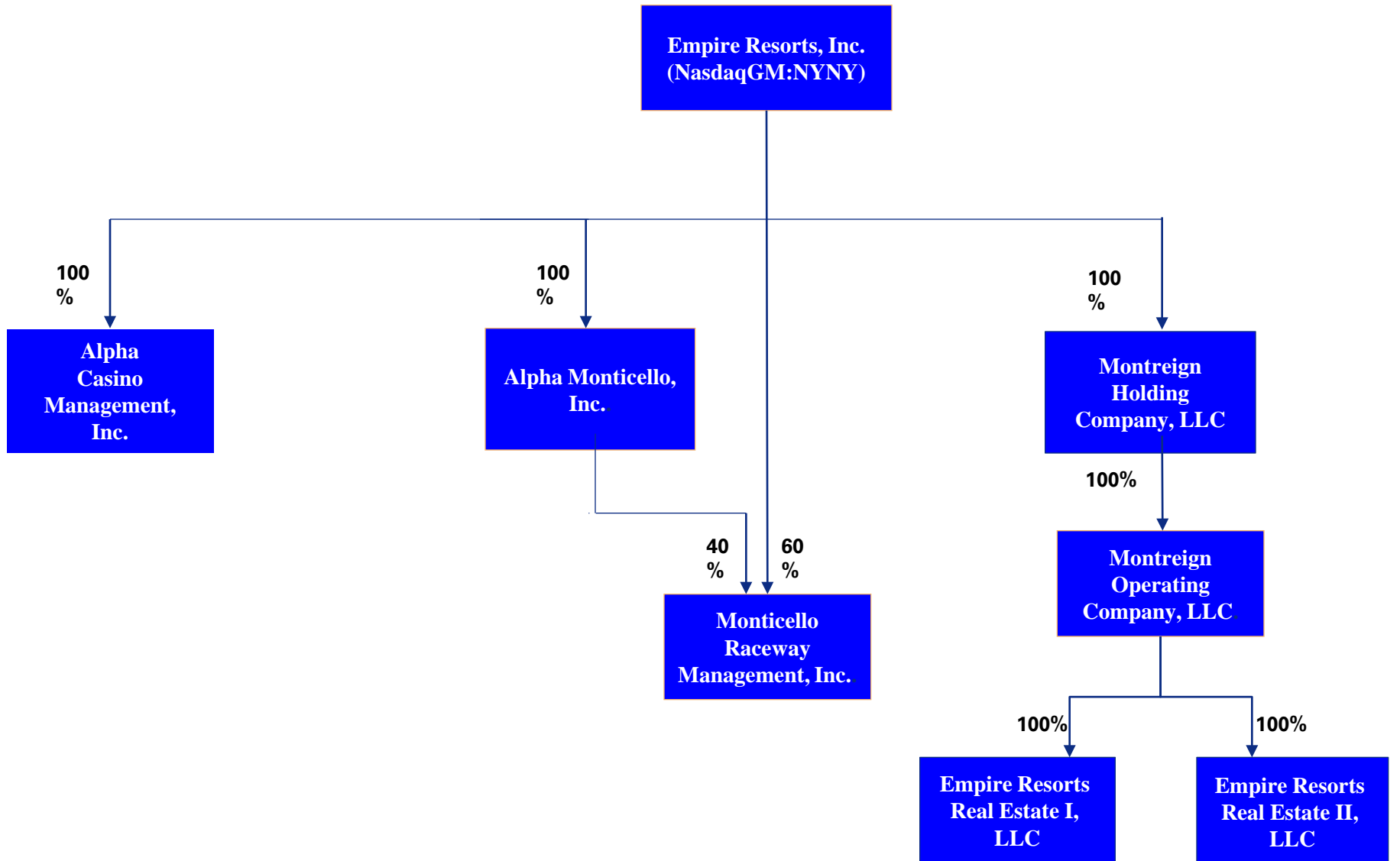
By: Ryan Eller, President

Date: 8/17/17

Sworn to before me this 17th day of AUGUST, 2017.

  
Notary Public

ERIN SHERLOCK  
Notary Public, State of New York  
Registration #01SH6343944  
Qualified In Sullivan County  
Commission Expires June 20, 2020



## **Attachment B – Project Description**

### **BACKGROUND**

As part of its application for a Gaming Facility License, Montreign Operating Company, LLC (“MOC”) proposed a Gaming Facility at Adelaar, in the Town of Thompson, Sullivan County, that would include, among other things, the Resorts World Catskills Casino project (the “Resorts World Casino” f/k/a the Montreign Resort Casino), an Indoor Waterpark Lodge and Hotel (the “Waterpark”), a Rees Jones redesigned “Monster” Golf Course (the “Golf Course”) and an Entertainment Village, which will include retail, restaurant, shopping, entertainment and hospitality components (the “Entertainment Village”). These development programs together will comprise the initial phase of a world-class destination resort complex (the “Gaming Facility”). On December 21, 2015, the New York State Gaming Commission awarded a Gaming Facility License to MOC, conditioned upon, among other things, the completion of the development programs comprising the Gaming Facility.

Over the past four years, MOC has expended substantial time and resources on designing the Resorts World Casino and, in conjunction with EPT Concord II, LLC (“EPT”) and EPR Concord II, L.P. (“EPR LP”), two wholly-owned subsidiaries of EPR Properties (“EPR”), the owner of the property, working with local, state and federal agencies and officials to obtain the necessary permits and approvals to begin construction of the Gaming Facility. To facilitate the construction of the Resorts World Casino and to induce additional development and the creation of new temporary and permanent jobs, in October, 2015, MOC entered into an Agent Agreement and Environmental Compliance and Indemnification Agreement, a Bill of Sale to Agency, Bill of Sale to Company, Lease to Agency, Leaseback to Company and Payment in Lieu of Tax Agreement (the “Casino Project Documents”), since amended, with the County of Sullivan Industrial Development Agency (the “Agency”) to obtain benefits under the Agency’s Destination Resort Program uniform tax exemption policy.

In large part due to the Agency’s assistance, construction of the Resorts World Casino is nearing completion, and MOC’s role in the development of the Gaming Facility has since expanded to include development of the adjacent Golf Course and the Entertainment Village components of the Gaming Facility. As such, and as a further inducement to expand its investment in the Gaming Facility and to create and retain jobs in Sullivan County, MOC, through its wholly-owned subsidiary, Empire Resorts Real Estate I, LLC, (“ERREI”), obtained financial assistance from the Agency for the Golf Course Project, which includes the re-construction of the Monster and International Golf Courses into a new 18-hole golf course on approximately 237 acres and the construction of several structures to support the new golf course as part of a complimentary development of the overall Gaming Facility complex (the “GC Project”). To facilitate the construction of the GC Project, in December 2016, ERREI entered

into an Agent Agreement and Environmental Compliance and Indemnification Agreement, a Bill of Sale to Agency, Bill of Sale to Company, Lease to Agency, Leaseback to Company and Payment in Lieu of Tax Agreement (the “GC Project Documents”), since amended, with the Agency to obtain benefits for the GC project under the Agency’s Destination Resort Program uniform tax exemption policy.

## **THE ENTERTAINMENT VILLAGE HOTEL PROJECT**

Consistent with the enhanced role in developing certain additional components of the Gaming Facility, Empire Resorts Real Estate II, LLC, (“ERREII”), a wholly-owned subsidiary of MOC, will now be developing the initial components of the Entertainment Village, the Entertainment Village Hotel. ERREII has obtained the necessary approvals to build an approximately 124,000 square foot six-story building to include up to 162 rooms, mixed-use spaces including a coffee shop, a restaurant, a night club, and retail, and parking for up to 289 cars (the “EV Hotel Project”). To accommodate market conditions, the EV Hotel Project is currently ready for construction and will include a range of 100 to 162 rooms. The mixed-use spaces proposed as part of the EV Hotel Project will be the same regardless of the number of hotel rooms that are constructed. Versions of the EV Hotel Project within this range of rooms are consistent with the approved Comprehensive Development Plan (“CDP”) and applicable zoning code for development within the Town of Thompson.

The EV Hotel Project will involve approximately 12.5 acres of a roughly 22-acre parcel that is leased to ERREII.<sup>1</sup> It is designed to complement the Resorts World Casino, the Golf Course, and Waterpark as outlined in the approved CDP. The CDP as a whole, and several individual development components (i.e., the Resorts World Casino, the Golf Course, and the Waterpark) have been the subject of previous State Environmental Quality Review Act (“SEQRA”) reviews, Statement of Findings and local approval processes. The Town of Thompson Planning Board, after conducting a coordinated environmental review, issued a negative declaration of environmental significance under SEQRA for the EV Hotel Project, which included an environmental review for an up to 162 room, six story hotel, and adopted a resolution approving a final site development plan with conditions for the EV Hotel Project on May 24, 2017 (Filed with the Town Clerk on May 26, 2017).

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<sup>1</sup> EPR Concord II L.P. is the fee owner of the property, which leases the property to Adelaar Developer, LLC, which in turn subleases the property to ERREII.