

**SECOND AMENDMENT TO AMENDED AND RESTATED
PAYMENT IN LIEU OF TAXATION AGREEMENT**

THIS SECOND AMENDMENT TO AMENDED AND RESTATED PAYMENT IN LIEU OF TAXATION AGREEMENT ("Second Amendment"), effective the 11th day of December, 2023, by and between the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having its principal offices located at 548 Broadway, Monticello, New York 12701 ("Agency") and MONTREIGN OPERATING COMPANY, LLC, a New York limited company, having its principal offices located at 204 State Route 17B, Monticello, New York 12701 ("Montreign"), amends that certain Payment in Lieu of Taxation Agreement, made the 5th day of September, 2014 ("2014 PILOT Agreement") by and among the Agency, MONTICELLO RACEWAY MANAGEMENT, INC., a New York corporation having its principal office at 204 State Route 17B, Monticello, New York 12701 ("MRMI") and Montreign, which 2014 PILOT Agreement was previously amended and restated by that certain Amended and Restated Payment in Lieu of Taxation Agreement, made the 1st day of October, 2015, by and between the Agency and Montreign ("2015 PILOT Agreement"), which was further amended by a First Amendment to Amended and Restated Payment in Lieu of Taxation Agreement, effective as of January 1, 2021 by and between the Agency and Montreign ("First Amendment" and together with the 2014 PILOT Agreement and 2015 PILOT Agreement, the "PILOT Agreement").

Unless otherwise defined herein, all capitalized terms shall have the meaning given them in the PILOT Agreement.

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve its standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, the Agency was created pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively, referred to as the "Act") and is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, Monticello Raceway Management, Inc. (“MRMI”) and its Affiliate, Montreign Operating Company, LLC (“Montreign” and together with MRMI collectively, the “Company”) for itself or on behalf of an entity or entities to be formed submitted an application to the Agency on February 6, 2013, requesting that the Agency undertake a certain project, in one or more phases, for the benefit of the Company consisting of: (i) the acquisition by the Agency of a leasehold interest or other interest in certain property located at Joyland Road and Thompsonville Road in the Town of Thompson (“Town”), County of Sullivan (“County”), State and being more particularly identified as all or part of tax map numbers 23-1-52.1 and 23-1-48.1 (f/k/a 23-1-11.3, 23-1-48, 23-1-52 (portion), 23-1-53 (portion), 23-1-54.1, 23-1-54.2 (portion), 23-1-54.3 (portion)) and containing in the aggregate approximately 186 acres (“Land”), (ii) the construction and equipping on the Land a “Casino Resort”, which will consist of, among other things, a casino, hotel, banquet event center, restaurants, support buildings and structured and surface parking and related facilities and amenities (collectively, the “Improvements”), and (iii) the acquisition in and around the Land and the Improvements of certain items of equipment and other tangible personal property (“Equipment,” and collectively with the Land and the Improvements, the “Facility” or “Project); and

WHEREAS, on or about September 5, 2014, the Company and the Agency entered into an Agent Agreement (the “Agent Agreement”) and Environmental Compliance and Indemnification Agreement (“ECIA”), effective as of May 1, 2015, and entered into a Bill of Sale to Agency, Bill of Sale to Company, Lease to Agency, Leaseback to Company and Payment in Lieu of Tax Agreement, which documents were not yet effective (“2014 Project Documents”); and

WHEREAS, pursuant to the 2014 Project Documents, the Agency contemplated acquiring a leasehold interest in the Project and leasing the Project back to the Company; and

WHEREAS, the 2014 Project Documents, other than the Agent Agreement and the ECIA, were being held in escrow pursuant to the terms of a letter, dated September 5, 2014, which was subsequently amended by letter, dated May 1, 2015 outlining conditions precedent for the documents to be effective (collectively, the “Closing Conditions Letter”). The conditions precedent included the issuance by the New York State Gaming Commission of a license to operate a casino at the Project, which license was issued on or about February 5, 2018; and

WHEREAS, subsequent to the Company and Agency entering into the 2014 Project Documents, the Company redesigned certain aspects of the Project and determined it to be in the best interest of the Project to significantly increase the Company’s investment in the Project. While the agreements pertaining to the Project anticipated some variability in the Project scope, the 2014 Project Documents did not anticipate the significantly increased capital expenditure subsequently proposed by the Company. The Closing Conditions Letter accounted for possible changes in the scope of the Project by indicating that should a hybrid or modified Project other than the Projects then under consideration being undertaken, the 2014 Project Documents were amended to accommodate the changed size and scope of the Project and to proportionally reduce or modify the Agency’s fees, rents, employment obligations and Total Value Subject to PILOT as set forth in the 2014 Project Documents; and

WHEREAS, as detailed in the October 1, 2015 amendment to the Closing Conditions Letter, the Company revised its plans to increase its anticipated minimum total capital investment in the Project by approximately \$150,000,000 for a total minimum capital investment of approximately

\$600,000,000 to create an enhanced Project (the "Enhanced Project"). The Enhanced Project was designated to provide a higher level of amenities to patrons of the Montreign Resort Casino by expanding the size of the gaming floor and hotel rooms, redesigning non-gaming portions and removing the harness horse racetrack and associated facilities; and

WHEREAS, the Company obtained the necessary environmental and land use approvals for the Enhanced Project. On July 21, 2015, the Town of Thompson Town Board issued its Negative Declaration of Environmental Significance pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA") for the Enhanced Project and on July 22, 2015, the Town of Thompson Planning Board adopted a resolution independently finding that the Company had complied with SEQRA and granting the Final Site Development Plan Approval for the Enhanced Project; and

WHEREAS, the Agency, as an Involved Agency during the environmental review of the Enhanced Project, determined that the Negative Declaration of Environmental Significance issued by the Town Board for the Enhanced Project and found that all of the provisions of SEQRA that are required to be complied with as a condition precedent to its consideration and determination of this application have been satisfied; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on Monday, September 14, 2015, at 11:00 a.m., local time, at the Sullivan County Government Center Legislative Committee Room, 100 North Street, Monticello, New York 12701, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views, which was recessed and held open until Thursday, September 17, 2015, at 5:00 p.m.; and

WHEREAS, the Company and the Agency entered into the following documents to memorialize the Enhanced Project, including but not limited to: Amended and Restated Agent Agreement, made September 18, 2015, Amended and Restated Lease to Agency, dated October 1, 2015, Amended and Restated Leaseback to Company, dated October 1, 2015 and Amended and Restated Payment in Lieu of Tax Agreement, dated October 1, 2015 (as the same may have been amended, collectively, the "2015 Casino Documents" and together with the 2014 Project Documents, the "Casino Documents"); and

WHEREAS, on or about November 21, 2016, MRMI and Montreign entered into an Omnibus Assignment and Assumption Agreement whereby MRMI transferred and assigned to Montreign all of its right, title and interest in and to and the Casino Documents and Montreign assumed all of MRMI's obligations under the Casino Documents; and

WHEREAS, on or about December 12, 2016, the Agency consented to the assignment from MRMI to Montreign; and

WHEREAS, Article III, 3(a)(iii)(1), of the PILOT Agreement established employment goals for the Project pursuant to which the Company agreed to employ not less than one thousand fifty (1050) full-time equivalent employees ("FTE") at the Facility; and

WHEREAS, Montreign, by letter dated December 2, 2020, requested the Agency suspend employment goals for the Project due to the COVID-19 Pandemic; and

WHEREAS, Chairman Steingart appointed Agency members Paul Guenther and Joseph Perrello to make a recommendation to the Board in response to Montreign's request; and

WHEREAS, Montreign, by letter dated December 2, 2020, requested the Agency suspend employment goals for the Project due to the COVID-19 Pandemic; and

WHEREAS, by Resolutions No. 64-20 and 02-21, the Agency authorized the amendment of the PILOT Agreement to suspend the employment goals for two employment years, October 1, 2019 to September 30, 2020 and October 1, 2020 to September 30, 2021; and

WHEREAS, the Agency and Montreign entered into the First Amendment to suspend employment goals for the two (2) employment years being calendar year 2020 and calendar year 2021; and

WHEREAS, by letter from Karen M. Cho, General Counsel, dated June 7, 2023, the Company requested a three (3) year extension of the PILOT benefit period; and

WHEREAS, the Agency has considered the Company's request and based upon the findings set forth in Resolution 39-23, is willing to extend the PILOT benefit period for two (2) years on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

1. Amendment to PILOT. Article I of the 2014 PILOT Agreement, which was previously amended and restated as Article I of the 2015 PILOT Agreement is hereby deleted and a revised Article I is inserted in its place and stead, to read as follows:

"ARTICLE I
PAYMENT IN LIEU OF AD VALOREM TAXES

- 1.1 Exemption From General Ad Valorem Property Taxes. Subject to the completion and filing by March 1, 2016 ("Taxable Status Date") of the New York State Form RP-412-a Application For Real Property tax Exemption ("Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act, the Facility shall be exempt from real estate taxes commencing with the July 1, 2016 School year and the January 1, 2017 County and Town tax year. For the purposes of the foregoing "Real Estate Taxes" shall mean all general ad valorem real property taxes levied against the Facility by the Taxing Jurisdictions (as hereinafter defined). The Company shall provide the Agency the information necessary for the completion and filing of the Exemption Application and the Agency shall file the Exemption Application within thirty (30) days of the execution and delivery of this Agreement. Notwithstanding anything contained herein or in the Lease Agreement and the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and

hereby agrees to pay, subject to the Company's right to challenge the underlying assessments on the Facility pursuant to ¶6 hereof) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to timely file the Exemption Application with the appropriate assessors or Boards of Assessment Review by the Taxable Status Date.

1.2 Agreement to make payments in lieu of taxes. As long as the Agency holds a leasehold interest in the Facility, the Company agrees to pay to the Agency at 548 Broadway, Monticello, New York 12701, or at such other address as shall be designated from time to time by the Agency, annual payments in lieu of taxes (each, a "PILOT Payment") computed in accordance with this Agreement.

1.3.1 Subject Premises. PILOT Payments shall be made on account of the following premises located in the Town:

Section, Block and Lot
23-1-52.1 and 23-1-48.1

1.3.2 Computation of PILOT Payments – Pre-Opening. For the PILOT Payment dates prior to the opening of the Casino, the Company shall make payments in lieu of tax based on a Pre-Opening Total Value Subject to PILOT ("Pre-Opening TVSP") in the amount of \$12,187,500. For the PILOT Payment dates prior to the opening of the Casino, annual PILOT Payments shall be made as follows:

- (a) The Pre-Opening TVSP from ¶1.3.2 shall be multiplied by the equalization rate as defined in ¶1.3.5 hereof; and
- (b) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶1.3.2(a) hereof by the tax rates identified in ¶1.3.6 hereof.

By way of example, using the Pre-Opening TVSP, an Equalization Rate 88%, and a tax rate of \$35.13/\$1,000 of assessed value, the annual PILOT Payment for the two Pre-Opening years shall be \$376,769.25 computed as follows:

$$\$376,769.25 = (\$12,187,500 \times 88\%) \times 35.13/1,000$$

The PILOT Payments for February 1, 2016, February 1, 2017 and February 1, 2018 have been billed to the Company and paid.

1.3.3 Computation of PILOT Payment. For the PILOT Payment dates following the opening of the Casino, the PILOT Payment shall be made in the amount and in the manner contemplated by this ¶1.3.3. This ¶1.3.3 shall be applicable to the 18-year period following the opening of the Casino, with the first such year designated as “Year 1”. Year 1 is the PILOT Payment due February 1, 2019.

- (a) TVSP Years 1-10. For the PILOT Payment dates applicable to Year 1 to Year 10, the Total Value Subject to PILOT (“TVSP”) shall be in the amount of \$65,000,000.00.
- (b) Calculation of Annual Payment in Lieu of Tax. The calculation of the annual PILOT Payments for Year 1 through Year 10 shall be made as follows:
 - (i) The TVSP from ¶1.3.3(a) shall be multiplied by the equalization rate as defined in ¶1.3.5 hereof; and
 - (ii) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶1.3.3(b)(i) hereof by the tax rates identified in ¶1.3.6 hereof.

By way of example, using the TVSP, an Equalization Rate 88%, and a tax rate of \$35.13/\$1,000 of assessed value, the annual PILOT Payment for Year 1 shall be \$2,009,436 computed as follows:

$$\$2,009,436 = (\$65,000,000 \times 88\%) \times 35.13/1,000$$

The PILOT Payments for February 1, 2019, February 1, 2020, February 1, 2021, February 1, 2022 and February 1, 2023 have been billed to the Company and paid.

(c) For Year 11 Through Year 18. For Year 11 through and including Year 18, the TVSP shall be the following amounts for the following years:

PILOT Year	TVSP
11	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 12.5%] + (\$65,000,000 x Eq Rate)}
12	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 25%] + (\$65,000,000 x Eq Rate)}
13	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 37.5%] + (\$65,000,000 x Eq Rate)}
14	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 50%] + (\$65,000,000 x Eq Rate)}
15	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 62.5%] + (\$65,000,000 x Eq Rate)}
16	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 75%] + (\$65,000,000 x Eq Rate)}
17	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 87.5%] + (\$65,000,000 x Eq Rate)}
18	{[(Assessed Value – (\$65,000,000 x Eq Rate)) x 100%] + (\$65,000,000 x Eq Rate)}

The Assessed Value shall be that value determined by the Town Assessor and set on the tax roll of the Town.

By way of example if the Assessed Value for Year 11 is \$100,000,000 and the Equalization Rate is 88%, the TVSP for Year 11 shall be \$62,550,000 computed as follows:

$$\$62,550,000 = \{[(\$100,000,000 - (\$65,000,000 \times 88\%)) \times 12.5\%] + (\$65,000,000 \times 88\%)\}$$

- 1.3.4 Calculation of Annual PILOT Payment. The calculation of the annual PILOT Payments for the Year 11 through and including Year 18 shall be made by multiplying the TVSP calculated in ¶1.3.3(c) by the tax rates identified in ¶1.3.6 hereof.
- 1.3.5 Equalization Rate. The equalization rate to be used in making the computation contemplated by ¶1.3.2(a), 1.3.3(b)(i) and 1.3.3(c) hereof shall mean the equalization rate for the Town used by the County to allocate and levy County taxes in connection with the January 1st tax roll immediately preceding the due date of the PILOT Payment. In the event that the equalization rate shall exceed one hundred (100%) percent, the equalization rate used in making the computation contemplated by ¶1.3.2(a), 1.3.3(b)(i) and 1.3.3(c) shall be one hundred (100%) percent.
- 1.3.6 Tax Rates. For the purposes of determining the amount of the PILOT Payments as contemplated by ¶1.3.2(b), 1.3.3(b)(ii) and ¶1.3.4 hereof, the tax rates for each Taxing Jurisdiction shall mean the last tax rate used for levy of taxes by each such jurisdiction. For County and Town purposes, the tax rates used to determine the PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT Payment due date. For school tax purposes, the tax rates used to determine the PILOT Payment shall be the rate relating to the school tax year which began in the calendar year immediately preceding the year in which the PILOT Payment is due.

The chart which follows sets forth the anticipated years of the overall eighteen (18) year period for PILOT Payments under the Agency's Destination Resort Uniform Tax Exemption Program; the date that a PILOT Payment is due; and the appropriate tax periods utilized in determining the tax rates for computing the PILOT Payment. These periods are based on the expectation that the Casino will open in 2018. The "Years" set forth in the first column of the chart shall be adjusted so Year 1 is the February 1st following the Casino opening for business.

Year	PILOT Payment Due Date	School Fiscal Year Beginning	County & Town
preopening	paid	July 1, 2015	January 1, 2016
preopening	paid	July 1, 2016	January 1, 2017
preopening	paid	July 1, 2017	January 1, 2018
1	paid	July 1, 2018	January 1, 2019
2	paid	July 1, 2019	January 1, 2020
3	paid	July 1, 2020	January 1, 2021
4	paid	July 1, 2021	January 1, 2022
5	paid	July 1, 2022	January 1, 2023

6	February 1, 2024	July 1, 2023	January 1, 2024
7	February 1, 2025	July 1, 2024	January 1, 2025
8	February 1, 2026	July 1, 2025	January 1, 2026
9	February 1, 2027	July 1, 2026	January 1, 2027
10	February 1, 2028	July 1, 2027	January 1, 2028
11	February 1, 2029	July 1, 2028	January 1, 2029
12	February 1, 2030	July 1, 2029	January 1, 2030
13	February 1, 2031	July 1, 2030	January 1, 2031
14	February 1, 2032	July 1, 2031	January 1, 2032
15	February 1, 2033	July 1, 2032	January 1, 2033
16	February 1, 2034	July 1, 2033	January 1, 2034
17	February 1, 2035	July 1, 2034	January 1, 2035
18	February 1, 2036	July 1, 2035	January 1, 2036

- 1.4 Other Agreements Relating to PILOT Payments. The Agency shall remit to the Taxing Jurisdictions amounts received hereunder within thirty (30) days of receipt and shall allocate the PILOT Payments among the Taxing Jurisdictions in the same proportion as normal taxes would have been allocated but for the Agency's involvement.

The PILOT Payments provided for herein commenced as of February 1, 2016, which was the first year of the Agency's involvement with the Project. The PILOT Payment date following the date on which the Casino opens for business was projected to be February 1, 2019 and the first (1st) year of an approximately eighteen (18) year period in which the Company will receive tax benefits relative to the Facility. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the period provided in this Agreement. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for in this Agreement and specifically agrees that the exemptions provided for in this Agreement, to the extent actually received (based upon the number of years elapsed), supersede and are in substitution of the exemptions provided by §485b of the Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Taxing Jurisdictions can rely upon and enforce this waiver to the same extent as if it were signatories hereto.

- 1.5. Determination of TVSP. The Agency and the Company have agreed upon the TVSP of the Facility. Such valuation was made without regard to the actual cost of construction of improvements to be made at the Facility. Such valuation shall not be increased or decreased if the Facility or any related work on or improvements are completed in substantial conformity with the plans and specifications. If there is a substantial change relating to the Facility or any related work or improvements during the construction phase, the Agency may redetermine the improvement value of the Facility. An increase in building size shall

not be deemed to be a substantial change, unless such increase or decrease is more than five (5%) percent.

- 1.6. Termination of Use, Modification. If the substantial use of the Facility shall be discontinued by the Company, the TVSP may be modified. It is understood that the benefits of this Agreement have been extended to the Company on the grounds set forth in various related agreements between the parties; that new jobs at the Facility will be an economic asset to the County's economy; that the creating of new jobs in the County is considered beneficial to the wellbeing of the County as of the date of this Agreement and for the foreseeable future; and that the discontinuance of the substantial use of the Facility by the Company would alter the purpose for which this Agreement was made. In such event, the Agency may give notice to the Company that modification is required. If the parties cannot agree on the basis of modification the Agency may increase the TVSP to an amount not exceeding the assessed value of the Facility as determined by the Town Assessor.”

2. Article III, Section 3(a), Employment Goals, of the 2015 PILOT Agreement, and as amended by the First Amendment, is hereby deleted and a revised Article III, Section 3(a), is inserted in its place and stead, to read as follows:

“(a) Employment Goals.

This PILOT Agreement is one of three (3) PILOT agreements for projects comprising the Resorts World Complex, as defined below. The related PILOT agreements are the PILOT agreement by and between the Agency and Empire Resorts Real Estate I, LLC which relates to the Golf Project (“Golf Project PILOT”) and the PILOT agreement by and between the Agency and Empire Resorts Real Estate II, LLC, which relates to the EV Hotel Project (“EV Hotel PILOT”). The Casino Resort, Monster Golf Course (“Golf Project”) and Alder Hotel (“EV Hotel Project”) are referred to herein as the “Resorts World Complex”. This PILOT together with the Golf Project PILOT and EV Hotel PILOT are referred to herein as the “Resorts World Complex PILOTs”.

- (i) Employment Goal Definitions: For the purposes of this Agreement, the following terms shall have the meaning set forth in each definition:
- (1) "Employee" shall mean a person first employed by the Company, an affiliate of the Company, a tenant of the Company, a consultant or any third-party vendor at the Resorts World Complex.
 - (2) “Full-Time Equivalent Employee" or "FT" shall mean an employee who works thirty-five (35) hours in any seven (7) day period at the Resorts World Complex.
 - (3) "Base Compensation" shall be determined in accordance with the provisions of the Fair Labor Standards Act.
- (ii) FT Employment Goals:
- (1) An FT employment goal of 1,050 jobs at the Resorts World Complex shall be maintained for the calendar year 2019.

- (2) The Company shall not be subject to an FT employment goal for the calendar year 2020 or the calendar year 2021.
- (3) An FT employment goal of 1,050 jobs at the Resorts World Complex shall be maintained for the calendar year 2022 and thereafter.”

The Company shall file with the Agency not later than January 1, 2017 and on January 1st of each year thereafter until the latest of the Resorts World Complex PILOTs have terminated, a statement certified under oath setting forth the actual FTs employed at the Resorts World Complex for the preceding calendar year. Such statement shall contain such additional information as the Agency may reasonably request. The Company shall make available to the Agency such information as it may request to verify the information provided to the Agency including, but not limited to State and Federal employment tax forms and payroll records of the Company. "Actual average FT - employment" shall be determined by adding the actual FTs employed in each month of the applicable calendar year and dividing such sum by twelve (12).

- (iii) Computation of PILOT Payment if FT Employment Goals Not Attained: In the event the FT employment goal is not attained with respect to any calendar year during which Employment Goals are applicable, the next ensuing PILOT Payment shall be subject to adjustment. For avoidance of doubt, Employment Goals are not applicable to the calendar year 2020 or calendar year 2021. The amount due (“Adjusted PILOT Payment”) shall be the amount calculated in ¶s1.3.3 or 1.3.4 (as applicable), plus an amount equal to the tax calculated as if an exemption under RPTL §485b were in effect, less the amount calculated in ¶s1.3.3 or 1.3.4, times the percentage:

- (1) the numerator of which is equal to 1050 minus the actual average FT employment for the prior calendar year, and
- (2) the denominator of which is 1050.

By way of example, if in calendar year 2020 (i) the actual average FT employment is 840; (ii) the Town equalization rate used by the County to allocate 2020 taxes is ninety (90%) percent; (iii) the Town combined school, county and town rate relating to the 9/1/2019 school tax and 1/1/2020 county and town tax bills is \$35.00 per \$1,000.00 of assessed value (iv) the assessed value of the Facility on the 2019 Final Assessment Roll is \$150,000,000 full value; (v) \$148,000,000 of improvement value would have been eligible for the §485b exemption at a rate of forty (40%) percent, then the Adjusted PILOT Payment due the Taxing Jurisdictions would be computed as follows:

PILOT Payment

PILOT Payment = Total Value Subject to PILOT x Equalization Rate x tax rates

$$\$2,047,500 = \$65,000,000 \times 90\% \times 35/1000$$

Tax under §485b

Tax under §485b = Assessed Value - §485b exemption x tax rates

$$\$3,178,000 = (\$150,000,000 - \$59,200,000) \times 35/1000$$

Adjusted PILOT Payment

Adjusted PILOT Payment = PILOT Payment + [(tax under §485b - PILOT Payment amount) x Percentage of Underemployment]

$$\$2,273,600 = \$2,047,500 + [(\$3,178,000 - \$2,047,500) \times 210/1050]$$

In no event shall the Adjusted PILOT Payment exceed the amount payable if the Facility were subject to taxation and a §485b exemption had been granted to eligible portions of the Facility.”

3. Article XII Indemnification, at Section 12 of the PILOT, is hereby amended to add to the beginning of the first sentence “To the fullest extent permitted by law,”

4. Article XIV, Section 13(a) Notices of the PILOT is hereby deleted and a revised Article XIV, Section 13(a), is inserted in its place and stead, to read as follows:

“(a) Notices. All notices provided for by this Agreement shall be made in writing, and shall be deemed to have been given on the date of delivery if personally served on the party to whom notice is to be given; or on the date of receipt if transmitted by electronic mail to the party to whom notice is to be given; or on the next day after mailing if mailed to the party to whom notice is to be given by overnight courier of national reputation providing evidence of receipt and properly addressed, or on the third day after mailing if mailed to the party to whom notice shall be given by First Class, Certified mail, postage prepaid and properly addressed to the following:

To the Agency:

County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701
Attn: Executive Director

with a copy to:

Walter F. Garigliano P.C.
449 Broadway, P.O. Drawer 1069
Monticello, New York 12701
Attn: Walter F. Garigliano, Esq.

To the Company:

Montreign Operating Company, LLC
888 Resorts World Drive
Monticello, New York 12701
Attn: Chief Executive Officer

with a copy to:

Montreign Operating Company, LLC
888 Resorts World Drive
Monticello, New York 12701
Attn: General Counsel

and to such other addresses and/or addressees as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this ¶13(a). All notices shall be deemed given when mailed or personally delivered in the matter provided in this ¶13(a). Any electronic notice sent outside of regular business hours shall be deemed given on the next business day.”

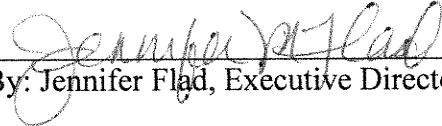
5. Expenses. All fees and costs related to this Second Amendment shall be paid by the Company.

6. Integration. Except as herein amended, all other terms and conditions of the PILOT Agreement shall remain in full force and effect. If there shall be any conflict or inconsistency between the terms of this Second Amendment or the PILOT Agreement, the terms of this Second Amendment shall control.

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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Jennifer Flad, Executive Director

MONTREIGN OPERATING COMPANY, LLC
By: Empire Resorts, Inc., its sole member

By:

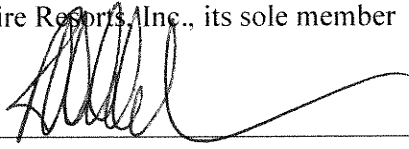
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY

By: Jennifer Flad, Executive Director

MONTREIGN OPERATING COMPANY, LLC
By: Empire Resorts, Inc., its sole member

By:

A handwritten signature in black ink, appearing to be "A. J. ...", written over a horizontal line.