



EXHIBIT VIII.A.6.b.

CAPITAL AND FINANCING STRUCTURE

Financing Descriptive

Submit as Exhibit VIII.A.6.b. a detailed description of how the project will be financed. Provide a statement of financing sources and uses for the Application fee, Application and suitability investigation expenses, license fee, capital investment deposit, and construction of the proposed Gaming Facility based on the proposed construction budget and timeline provided pursuant to Items VIII.C.19. and VIII.C.20. of this RFA, including reasonable and customary contingencies and the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of this RFA. Provide a statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations using each of the high-, average- and low-case scenarios included in the pro-forma forecasted financial information provided pursuant to Item VIII.A.4. of this RFA. Expressly identify the funding source to cover any forecasted operating losses.

Detailed description of how the project will be financed.

Montreign Resort Casino will be financed with a combination of equity obtained by a public rights offering and debt in the form of a senior secured credit facility ("Senior Facility") arranged by Credit Suisse.

If Montreign is awarded a license, Empire will commence a rights offering by which holders of its common stock and Series B Preferred stock will have the right to purchase additional shares of common stock having a value of up to \$150 million (plus an amount necessary to redeem certain other securities of Empire). Kien Huat has agreed to purchase its pro rata shares in the rights offering and has agreed to purchase any shares not purchased by other shareholders. Therefore, the entire \$150 million (plus the redemption amount) equity will be raised. Empire will distribute \$150 million of the proceeds of the rights offering to Montreign. Attachment VIII.A.6.b.-1 is the commitment letter of Kien Huat to purchase shares in the rights offering, which was executed subsequent to the preparation of this response.



Credit Suisse and Empire have entered into a commitment letter by which Credit Suisse has committed to raise \$478 million in the form of a Senior Facility consisting of a first lien term loan facility of \$350 million and a second lien term loan facility in the amount of \$128 million. Montreign will be the borrower under the commitment letter. If another license is awarded in Region 1 of Zone 2 outside of a 15 mile radius of the Woodbury Common Premium Outlet Mall located in Central Valley, New York, the financing commitment of Credit Suisse will be \$245 million, reflecting the reduced scope of the Project under Alternative 1. If another license is awarded in Region 1 of Zone 2 within a 15 mile radius of the Woodbury Common Premium Outlet Mall located in Central Valley, New York, the financing commitment

of Credit Suisse will be \$70 million, reflecting the reduced scope of the Project under Alternative 2. This commitment letter is attached as Attachment VIII.A.6.b.-2 .

EPR is the owner of the land underlying the Project Site and has entered into a long-term lease of the Project Site to Monticello Raceway Management, Inc., a subsidiary of Empire, which has the right to assign the lease to Montreign. See Attachment VIII.C.2.b.-1 to Exhibit VIII.C.2.b. In addition, EPR is prepared to provide 75-90% of the financing for the construction of the Infrastructure, Indoor Waterpark Lodge, Entertainment Village and Monster Golf Course on a long term and permanent basis. EPR typically seeks participation by the project tenant, operator or manager for 10-25% of the project financing to demonstrate shared commitment and to have skin-in-the-game. At this time, not all operators have been identified nor have their funding sources been declared. In the event there is a shortfall, EPR is prepared to bridge any unforeseen gaps in funding for these aspects of the Gaming Facility.



Statement of financing sources and uses.

Empire paid the Application Fee of \$1 million on behalf of Montreign out of existing cash and cash flow from operations of Monticello Raceway Management, Inc.'s Monticello Casino and Raceway. In the event that the Application Fee paid does not cover the application and suitability investigation expenses, Empire and/or Montreign will pay such expenses outside of any financing plans, arrangements or agreements. To augment Empire's and Montreign's current needs to fund on-going development costs until such time as a Gaming Facility License is awarded to Montreign, Empire raised \$13.2 million in an April 2014 Rights Offering.

For the license fee, the capital investment deposit and construction of the first three (3) years of the operation of Montreign, please refer to the statement of financing sources and uses on Attachments VIII.A.4.-1, -2, and -3, pp. 23-24, entitled "Sources and Uses" worksheet. The "Sources and Uses" worksheet in the no competition scenario for the high, average and low cases references financing sources for such license fee, the \$31,140,238 capital investment deposit and the \$559,566,926 (including capital investment deposit) construction costs of Montreign based on the proposed construction budget and timeline provided in Attachments VIII.C.19.-1 and VIII.C.20.a.-1, including reasonable and customary contingencies.

During the two (2) year construction period, Montreign's Sources in the average-case will include the following:

- \$0 of Cash from Existing Operations
- \$25,000,000 of estimated Cash Invested through December 31, 2014
- \$350,000,000 of First Lien Senior Secured Term Loan
- \$(1,750,000) of First Lien Senior Secured Term Loan - OID
- \$128,000,000 of Second Lien Senior Secured Term Loan
- \$(1,280,000) of Second Lien Senior Secured Term Loan - OID
- \$150,000,000 of Equity

During the two (2) year construction period, Montreign's Uses in the average-case will include the following:

- \$559,603,926 for Construction Costs inclusive of \$31,140,238 for capital investment deposit
- \$25,000,000 for Development Costs Incurred through December 31, 2014
- \$51,000,000 for the License Fee
- \$14,403,075 for Fees

Please see Attachments VIII.A.4.-1, -2, and -3, pp. 23–24, for the "Sources and Uses" worksheet for Montreign's Sources and Uses (at Inception) covering the two (2) year construction period on a high-, average- and low-case basis.

Statement of financing sources and uses, annually, for at least the first three (3) years after beginning gaming operations.

During year 1 of operations, Montreign's Sources in the average-case will include:

- \$87,043,917 of Cash flow from operating activities

During year 1 of operations, Montreign's Uses in the average-case will include:

- \$2,500,000 for Capital Expenditures
- \$3,500,000 for Mandatory Prepayment
- \$1,645,775 for Minimum Cash
- \$79,398,142 for Principal Payment Excess Cash Sweep

During year 2 of operations, Montreign's Sources in the average-case will include:

- \$59,084,092 of Cash flow from operating activities

During year 2 of operations, Montreign's Uses in the average-case will include:

- \$2,500,000 for Capital Expenditures
- \$2,671,019 for Mandatory Prepayment
- \$53,930,154 for Principal Payment Excess Cash Sweep

During year 3 of operations, Montreign's Sources in the average-case will include:

- \$53,786,510 of Cash flow from operating activities

During year 3 of operations, Montreign's Uses in the average-case will include:

- \$2,750,000 for Capital Expenditures
- \$2,105,007 for Mandatory Prepayment
- \$4,106,092 for Fees Expense
- \$53,786,510 for Principal Payment Excess Cash Sweep

Please see Attachment VIII.A.4.-1, -2, and -3, pp. 23–24, for the "Sources and Uses" worksheet for Montreign's Sources and Uses during the first three (3) years of gaming operations on a high-, average- and low-case basis.

Expressly identify the funding source to cover any forecasted operating losses.

Montreign does not forecast an operating loss during the first three (3) year operating projection period (See Attachment VIII.A.4.-1 "IS," "BS," and "CF" worksheets on page 28, 30 and 31 respectively). However, if such operating losses were to arise, Empire will access the financial markets to raise additional equity or debt.

EPR Properties is prepared to provide 75-90% of the financing for the construction of the Infrastructure, Indoor Waterpark Lodge, Entertainment Village and Monster Golf Course on a long term and permanent basis from available cash and its \$535 million revolving credit agreement, as well as debt or equity capital raises as it has done as a public company over the last 17 years. EPR typically seeks participation by the project tenant, operator or manager for 10-25% of the project financing to demonstrate shared commitment and to have skin-in-the-game. At this time, not all operators have been identified nor have their funding sources been declared. In the event there is a shortfall, EPR is prepared to bridge any unforeseen gaps in funding for these aspects of the Gaming Facility.