

MONTREIGN OPERATING COMPANY, LLC

Affirmative Action Program of Equal Opportunity

Mission Statement

Montreign Operating Company is dedicated to developing and maintaining an environment that reflects a fundamental respect for diverse ways of working and living. We are committed to being proactive in promoting diversity in all aspects of our operations. We believe that all employees are responsible for maintaining an environment free from discrimination, harassment and prejudice.

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1. Introduction

Montreign Operating Company (“Montreign”) supports diversity and inclusion as core business strategies to achieve success. We are dedicated to implementing a workforce development plan that incorporates this Affirmative Action Program of Equal Opportunity (the “AA/EO Program”) by which Montreign will provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities and veterans. It is our intent to be proactive in our comprehensive AA/EO Program which is intended to establish and maintain a diverse staff. The goal of our management is to increase diversity which will afford us a richer set of perspectives and approaches to our business. We are committed to a program that embraces diversity and targets achieving the following goals:

- Utilization, through our contractors and subcontractors, of minorities, women and veterans on construction jobs.
- Hiring, retaining and continuously developing talent at all levels of the company that mirrors the ethnic and cultural diversity of the Catskills region.
- Supporting the local economy through purchasing goods and services from a diversified group of vendors, contractors and professional service providers and minority, women and veteran owned businesses in the Catskills region.
- Maintaining a workplace free from discriminatory actions and behaviors.

We will be an equal opportunity employer and promote diversity where employment practices are concerned. Montreign’s Director of Equal Employment Opportunity (“Director of EEO”) shares responsibility with our management team to: ensure the execution of this AA/EO Program, create reports to benchmark progress, administer policies and deploy new diversity initiatives as part of continuous improvement. The Chief Executive Officer is ultimately responsible for ensuring that Montreign meets the goals of its AA/EO Program.

We will ensure equal employment opportunity for all persons, regardless of race, color, religion, gender, age, sexual orientation, national origin and citizenship status, veteran’s status, non-job related disability, or other bias prohibited by applicable law. This AA/EO Program also applies to contractors, subcontractors, assignees, lessees, agents, vendors and suppliers. Commitment to this AA/EO Program is shared by all members of the executive team of Montreign and includes the following actions:

- Promoting and addressing diversity with our contractors, employees, vendors and the community with open lines of communication;
- Making best efforts to actively solicit a diverse group of employees, contractors, subcontractors, assignees, lessees, agents, vendors and suppliers;
- Ensuring that strategic initiatives are developed and executed surrounding diversity in our entire operation; and
- Embracing and supporting diversity with insights and recommendations from the New York State Gaming Commission (“NYSGC”) and other local and state agencies.

We are committed to workforce enhancement includes implementing a workforce development plan (described below) that utilizes the existing labor force, including the estimated number of construction jobs that Montreign will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming facility.

We have a zero tolerance standard for knowing and intentional violations of this AA/EO Program and we expect our employees who have knowledge of, witness, learn of or suspect a violation of this AA/EO Program to report the violation in good faith to the Chief Compliance Officer (“CCO”) of Empire Resorts, Inc. (“Empire”), our parent company. Employees may also report violations by calling 1-877- 625-0777. Calls to the number are handled by an independent third party and, if so requested, will be treated anonymously. In addition, employees may visit a confidential website: <https://empireresorts.alertline.com>. Written correspondence may be sent to Empire Resorts, Inc., 204 State Route 17B, Monticello, NY 12701, Attention: Chief Compliance Officer. Reported violations shall be immediately investigated and proper action shall be taken based on the outcome of the investigation. The Chairman of Empire’s Audit Committee will receive a copy of all such reports and investigations.

2. Diversity Statement

Montreign is an equal employment opportunity employer. We are committed to the belief that diversity in our workforce is essential to our current and future success. We will utilize the existing labor force in the state.

We are committed to the use of minorities, women and veterans in construction jobs. We have an equally strong policy and commitment to the use of minority, women and veteran owned businesses directly and through our contractors, subcontractors, assignees, lessees, agents, vendors and suppliers. The AA/EO Program will include:

- Community involvement;
- Recruitment and employment initiatives;
- Solicitation and engagement of minority, woman and veteran business enterprises (collectively “MWVBEs”) contractors, vendors and suppliers;
- Workforce development plan;
- Training programs; and
- Periodic review of policies and programs.

3. Diversity Committee

A diversity committee (the “Diversity Committee”) will be established when the property becomes operational. Composition of the committee will include various departments to capture a variety of employee segments. The Director of EEO, Director of Human Resources, Chief Compliance Officer and Chief Executive Officer will be permanent members of the committee. The committee will review current policies, the AA/EO Program, NYSGC initiatives and local and state statistics. The Committee will be responsible for recommendations relating to:

- Changes in the workforce needed to help meet business priorities;
- Evaluation of results of our AA/EO Program by department and work level;
- Changes in the work environment to ensure a robust understanding and awareness of our commitment to diversity at all levels of the organization; and
- Development of an internal and external communications agenda to inform, engage and manage expectations of diverse groups of stakeholders.

The committee will also determine regional organizations/companies that can assist with our diversity efforts. All aspects of the AA/EO Program will be reviewed and discussed on a quarterly basis and the committee will provide meeting notes and make recommendations to management. The Internal Audit department will also conduct audits of the efforts and progress of the committee.

4. Community Involvement and Workforce Training

Montreign will establish and foster relationships with various local educational institutions, local and diversity targeted career websites, the Orange and Sullivan Counties Employment Alliance Network, the Local Business Advisory Council, the Sullivan County Veterans Service Agency, local Chambers of Commerce and other organizations in order to assist with our diversity efforts.

Through the use of these relationships, and the creation of our own training programs (including an in-house casino dealer school) we will establish, fund and maintain human resource hiring and training practices that promote the development of a skilled and diverse workforce and serve the unemployed in the Catskills region. Through the implementation of Montreign's workforce training program we will also assist our employees with access to promotion opportunities. We believe that promoting from within benefits the company and the employees by improving employee productivity and morale and offering a stable and long-term career path for employees. We will establish transparent career paths with measurable criteria that lead to increased responsibility and higher pay grades that are designed to allow and encourage employees to pursue career advancement and promotion. The workforce training program will include opportunities for employee access to additional resources, such as tuition reimbursement or stipend policies, which will enable employees to acquire the education or job training needed to advance career paths based through increased responsibility and pay grades. Additionally, we will establish an on-site child day care program.

5. Workforce Enhancement, Recruitment and Employment

In addition to the community involvement and the development of workforce training programs as a method to enable individuals to access employment, Montreign will hold local job fairs in an effort to utilize the existing labor force in the Catskills region. We are committed to recruiting, retaining and developing the best employees regardless of race, color, religion, sex, age, disability, national origin, sexual orientation or veteran status.

Recruiting tools that are utilized to help ensure a diverse workforce include promoting from within, employee referrals, advertising in targeted and local newspapers and other printed publications, posting open job positions on the company's website and working with the groups listed above to attract a diverse group of applicants. Montreign will utilize trade schools, vocational centers and employment agencies that specialize in training and assistance to minorities, females, veterans, disabled and economically disadvantaged persons to help attain our diversity goals.

We are committed to writing our job descriptions to avoid restrictive and unnecessary minimum requirements that might limit our ability to employ ethnic minorities and the disabled. We will seek a workforce that represents the diversity that exists in the Catskill region. We will continuously implement strategies to increase diversity within our staff by making training and educational development opportunities available to our current employees, so that high-performing employees who are either women or ethnic minorities can qualify to be candidates with the intent of assuming positions of increasing responsibility, including management.

The estimated number of employees to be employed by Montreign at its opening will be a minimum of 1,250. All employees will receive competitive salaries and benefits. Montreign will establish a combined local, minority, woman, disabled persons and veteran work force participation goal of 30%. This is an initial benchmark that is subject to adjustment as the project evolves and specific staffing needs are established.

6. Dissemination of AA/EO Program

Montreign wants all employees to be aware of its AA/EO Program and its stance regarding diversity in the workplace. The AA/EO Program will be distributed as a part of our new hire orientation process. The topic of diversity is also covered in our employee handbook and is explained as a part of the new hire process as well.

The AA/EO Program will be made available for review to the public upon request to the administrative office of Montreign. The AA/EO Program will be made known to recruitment sources, through oral and written communication, including methods that are accessible to individuals with disabilities, and organizations, colleges, personnel services and community groups interested in encouraging equal employment opportunities for local residents, minorities, women, individuals with disabilities and veterans.

A statement attesting that "Montreign Operating Company, LLC is an equal opportunity employer" or a similar statement will be attached to or printed on: Montreign purchase orders; employment application forms; recruitment information including videos and electronic media, position announcements, posters and advertising; and bid documents.

The Diversity Committee will review the AA/EO Program quarterly and management will cause it to be updated as needed.

7. Organized Labor

On April 2, 2012, Montreign, through its parent, Empire Resorts, Inc., entered into a Neutrality Agreement with the New York Hotel and Motel Trades Council (“NYHMTC”). The Neutrality Agreement provides, in part, that prior to the start of initial hiring, we shall notify NYHMTC of our intent to hire for certain positions and the qualifications for those positions. NYHMTC may furnish applicants for those positions. Montreign agreed that NYHMTC may engage in organizing activity for those positions and both parties agreed that they will ensure that employees in those positions have the opportunity to express their desire whether or not to be represented for purposes of collective bargaining.

In a press release dated August 29, 2012, Peter Ward, President of NYHMTC demonstrated union support with his quote that the Neutrality Agreement is “great for existing workers and the entire community.” Mr. Ward also said that, “[Montreign] is not only a strong union partner, but a strong community partner, committed to creating good jobs in a region that desperately needs them. We look forward to supporting them as they seek to create even more good union jobs at the new facility.”

On March 7, 2013, our Construction Manager, LPCiminelli, Inc. entered into a Project Labor Agreement with the Hudson Valley Building & Construction Trades Council (“HVBCTC”) for the construction of our gaming facility in an effort to utilize local labor on the project.

In a press release dated March 12, 2013, Todd Diorio, President of HVBCTC demonstrated union support of our gaming facility project with his statement that, “This agreement represents a significant leap forward for this project, and is further proof that [Montreign] is living up to its word to build union in Sullivan County,” Mr. Diorio further said that, “[Montreign has] proven to be committed partners to both labor and the community. We expect this project will create hundreds of good paying local union construction jobs...”

In addition to providing for good jobs and benefits in the Catskill region, the Neutrality Agreement and the Project Labor Agreement assure labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming facility.

8. Construction

Montreign estimates that its construction would directly generate an average of 1,553 person-years of employment in New York State, of which 1,505 person-years in anticipated to be in the Catskill region¹. Total employment resulting from Montreign's construction, including direct, indirect, and induced jobs, is estimated to be 2,642 person-years of employment in New York State, of which 2,242 would be in the Catskills region. Total employee compensation during Phase 1 construction is estimated at \$149.52 million in the State, with \$113.93 million in the Region, and total economic output is estimated at \$529.31 million in New York State, with \$417.70 million in the Catskills region.

We, through LPCiminelli, will provide for equal employment opportunities in the construction of the Montreign Resort Casino. Montreign, will establish a combined local, minority, woman, disabled persons and veteran business participation of 20% for construction contracts and will recognize MWVBES that are certified by New York State pursuant to Executive Law 15-A and the U.S. Department of Veteran Affairs respectively.

LPCiminelli's contractors, subcontractors, vendors and suppliers will be notified of this AAEO Program and that their adherence to the program will be required. DACK Consulting Solutions, Inc. ("DACK"), will provide technical assistance to MWVBES to enable such businesses to better participate in the construction of Montreign Resort Casino. Such technical assistance may include assistance in the completion of New York State MWVBE certification applications, business planning support and referrals. Additionally, DACK will assist contractors, subcontractors, vendors and suppliers with the recruitment of minorities, women, disabled persons and veterans and will encourage contractors, subcontractors, vendors and suppliers to provide on the job training opportunities or participation in training programs for minorities, women, disabled persons and veterans.

Montreign recognizes that in the construction of Montreign Resort Casino, it may have to waive specific compliance with this AAEO Program. Montreign will only waive specific compliance in situations in which a contractor's goals have not been met following its good faith efforts to solicit participation of New York State certified MWVBES. Montreign will then encourage the contractor's use of the Villiage of Monticello's and/or County of Sullivan's and adjacent County certified MWVBES (if such certifications exist) and other programs relevant to maximize opportunities for MWVBES such as the U.S. Small Business Administration's Small Disadvantaged Business program, the U.S. Department of Transportation Disadvantaged Business

¹ A person-year is the equivalent of one person working full time for a year.

Enterprise program and the Historically Underutilized Business Zone Empowerment program. DACK will provide guidance on good faith efforts.

Montreign believes that a proactive and robust approach towards the participation of MWVBES and the hiring of minorities, women, disabled persons and veterans during construction creates long term beneficial relationships which can extend to future construction projects.

LPCiminelli will continue to solicit minority, women and veteran owned contractors, subcontractors and vendors and such companies who utilize minorities, women, disabled persons and veterans in construction jobs. DACK will assist Montreign and LPCiminelli in developing and implementing a reporting process designed to ensure minority, women, veteran and diverse contractors and suppliers are being properly documented and reported.

L.P. Ciminelli will be required to agree, in addition to any other nondiscrimination provision of the contract and at no additional cost to Montreign, to implement and fully comply with an affirmative action plan, including the contractor's Workforce Utilization Plans in such form and substance as may be required. L.P. Ciminelli must submit to Montreign, and the prospective subcontractors must submit to L.P. Ciminelli, affirmative action plans, including Workforce Utilization Plans which demonstrates best efforts to provide for equal employment opportunities.

Workforce Utilization Plans shall list all subcontractors and suppliers L.P. Ciminelli intends to use and indicate which ones are certified MWVBES. The Workforce Utilization Plan shall be prepared to achieve specified participation goals.

DACK will assist Montreign in reviewing the Workforce Utilization Plan so that it may issue a written notice of acceptance or deficiency within twenty (20) days of its receipt. A notice of deficiency shall include (i) the name of any MWVBE which is not acceptable for the purpose of complying with the MWVBE participation goals and the reasons why it is not acceptable; (ii) elements of the scope of work which Montreign has determined can be reasonably structured by the L.P. Ciminelli to increase the likelihood of participation by MWVBES; and (iii) other information which Montreign determines to be relevant to the Workforce Utilization Plan.

L.P. Ciminelli shall respond to any such notice of deficiency within seven (7) business days of receipt by submitting a written remedy in response to such notice of deficiency. If the written remedy that is submitted is not timely or is determined by Montreign to be inadequate, Montreign shall notify L.P. Ciminelli and direct it to submit, within five (5) business days, a request for a partial or total waiver of MWVBE participation goals.

As specified above, Montreign may, in specific instances, waive compliance with this AA/OE Plan.

L.P. Ciminelli will be required to submit to Montreign and DACK Utilization Compliance Reports.

9. Vendors and Suppliers

We are committed to a purchasing philosophy that reflects the diversity of the local community. Montreign strives to build and enhance relationships within the community through our procurement procedures. We desire to raise awareness of our EE/AO Program and will use local business councils, advertisement and other outreach efforts to identify, solicit and engage MWVBE vendors and suppliers.

Montreign considers quality, service, dependability and price as the main components of any vendor and supplier relationship. Further, as an organization that embraces corporate social responsibility, we pledge to partner whenever possible with MWVBEs and other diverse vendors and suppliers to create a mutually beneficial business environment. Our goal is to ensure that all qualified vendors are given equal opportunity to bid on products and services utilized by Montreign.

In support of our diverse vendor purchasing program, we will strive to:

- Utilize the New York Department of General Services Bureau of Minority and Women Business Opportunity (“BMWBO”) business directory and database to locate MWVBEs and other diverse vendors and suppliers that offer relevant products and services.
- Create a “How to Do Business with Montreign” point of sale brochure to summarize our diverse vendor purchasing program and provide guidance on New York State Gaming Commission licensure requirements, which will be available upon request and on Montreign’s website.
- Participate in BMWBO development events such as seminars, trade shows and training sessions and reverse trade shows to expand awareness of our diverse vendor purchasing program.
- Attend and support New York regional minority business fairs organized by the Minority Supplier Diversity Council of New York, Pennsylvania and New Jersey, the African-American Chamber of Commerce and the Sullivan County Chamber of Commerce.
- Periodically review the BMWBO business directory and database of approved vendors for updates and revisions.

- Provide access to the applications and contact information of the BMWBO to enable MWVBES and other diverse vendors and suppliers that are not on the BMWBO business directory and database an opportunity to become approved vendors.
- Create a mentoring environment that will help new vendors understand the daily workings of Montreign's operations.
- Encourage Montreign's user departments to review annual departmental budgets for purchasing opportunities and to work with the Purchasing Department to utilize MWVBES and other diverse vendors and suppliers.
- Establish reasonable payment plans, agreed upon by both the vendor and the Purchasing Director after review of the financial status of MWVBES and other diverse vendors.
- Consider and include in the bid process MWVBES and other diverse vendors and suppliers when reviewing Capital Expenditure projects.
- Encourage MWVBES and other diverse vendors and suppliers to register as a vendor on Montreign's website.

In addition, Montreign will utilize the New York State Gaming Commission's list of minority and women owned businesses to ensure awareness of potential vendor partnerships.

MWVBES and other diverse vendors and suppliers desiring to do business with Montreign will be required to complete a vendor registration packet, which includes information and licensing forms required by the New York State Gaming Commission, before any contract or purchase orders will be issued. No business will be conducted or counted towards our purchasing procurement dollars unless the vendor registration packet is on file and complete.

Irrespective of the amount of business a vendor does with Montreign, all of our vendors must possess a casino vendor enterprise license, an ancillary vendor industry enterprise license or a vendor registration as required by the New York State Gaming Commission.

10. Diversity Awareness Training Program

Our diversity awareness training program will be designed to ensure that all employees are aware of diversity issues, and have an understanding of ethnic changes in the workplace. In order to provide the very best customer service, it is necessary for our employees to understand the importance of appreciating peoples' differences, so that stereotypes and prejudices may be overcome.

We will have a zero tolerance policy towards unlawful discrimination and harassment. Allegations of discrimination and harassment will be investigated by the Director of EEO. All employees will be required to complete the diversity awareness training program during employee orientation and annually.

In addition to the orientation and annual diversity awareness training, there will be additional supervisory training conducted by the Director of EEO.

Topics presented in the supervisory training will include the diversity mission statement, the definition of diversity, the importance of diversity, cultural and racial sensitivity, stereotypes and personal awareness activities. The supervisory training is expected to provide our supervisors with the tools necessary in order to promote diversity throughout the organization and to eliminate potential issues relating to discriminatory behavior.

11. AA/EEO Program Records

Montreign will maintain records and databases of the following information:

- Employment data, including information on minority, women and veteran representation in the workforce in all job classifications; salary information; and recruitment and training information, including executive and managerial level recruitment and training; and retention and outreach efforts;
- The total number and value of all contracts or transactions awarded for goods and services; and
- The total number and value of all contracts, subcontracts or transactions awarded to MWVBES.