

REC'D DEC 10 2007

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between the New York State Commission on Public Integrity ("Commission") and Empire Resorts, Inc. ("Empire Resorts"); and

WHEREAS, the Commission is the New York State agency responsible for administering and enforcing Article 1-A of the New York State Legislative Law ("Lobbying Act"); and

WHEREAS, in 2006, Empire Resorts was a registered client and therefore required to comply fully with the requirements and prohibitions set forth in the Lobbying Act, including the complete and accurate filing of the 2006 Client Semi-Annual Reports with the Commission's predecessor, the New York Temporary State Commission on Lobbying; and

WHEREAS, the 2006 July/December Client Semi-Annual Report initially filed by Empire Resorts contained inaccurate information which was thereafter amended by Empire Resorts in a subsequent filing; and

WHEREAS, the Commission has contended that Empire Resorts' initial filing of its 2006 July/December Client Semi-Annual Report was violative of Sections 1-j and 1-o of the Lobbying Act insofar as Empire Resorts failed to include the costs of certain advertisements in its Semi-Annual Report (the "Alleged Violation"); and

WHEREAS, Empire Resorts has denied that its filing has violated the Lobbying Act; and

WHEREAS, in lieu of appearing for a civil penalty hearing, the parties to this Agreement have agreed to resolve the Alleged Violation in a manner that avoids further administrative litigation.

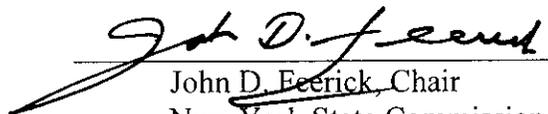
WHEREFORE, in consideration of the mutual covenants made, and the final settlement of the alleged violations referred to herein, the parties agree that:

- I. Within thirty (30) days of the date of this agreement, Empire Resorts shall pay to the Commission a civil penalty in the amount of \$2,500. If full payment is not received within thirty (30) days of this Agreement, this Agreement shall become null and void in its entirety; and
- II. This Agreement shall constitute full and final settlement of the Alleged Violation; and
- III. Nothing herein shall limit the Commission's right to investigate and otherwise to commence proceedings regarding any violations by Empire Resorts of the laws over which the Commission has jurisdiction, other than the Alleged Violation; and

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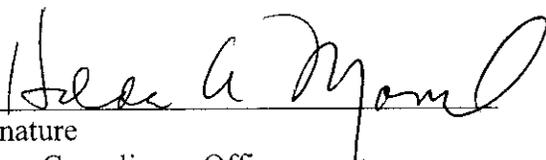
IV. Any amendment or modification to this Agreement shall be in writing and signed by both parties.

Dated: February 8, 2008

  
John D. Feerick, Chair  
New York State Commission  
on Public Integrity

ACCEPTED AND AGREED TO  
THIS 30 DAY OF NOVEMBER 2007

Firm: Empire Resorts, Inc.  
By: Hilda A. Manuel

  
Signature  
Title: Compliance Officer