

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT (this "Sublease"), dated as of Sept 13 2010, by and between GENTING NEW YORK LLC having an address at c/o Steven Wilner, 1 Liberty Plaza, New York, New York 10006 (the "Sublessor"), and THE NEW YORK RACING ASSOCIATION, INC, a not-for profit racing corporation incorporated pursuant to Section 402 of the Not-For-Profit Corporation Law of the State of New York, as authorized by Chapter 18 of the Laws of 2008, with a place of business at 110-00 Rockaway Boulevard, South Ozone Park, New York 11417 (the "Sublessee"), sometimes collectively referred to herein as the "Parties" or singularly as a "Party."

RECITALS

On September 12, 2008, and pursuant to (i) the authority granted by Chapter 18 of the Laws of 2008 passed February 13, 2008, by the New York State Senate and the New York State Assembly, and signed into law by the Governor of the State on February 19, 2008, as amended (the "Legislation") (ii) the Chapter 11 plan filed by The New York Racing Association Inc. ("Old NYRA") pursuant to section 1121(a) of the Bankruptcy Code (the "Plan"), as confirmed by an order, dated April 28, 2008, of the United States Bankruptcy Court for the Southern District of New York and (iii) the State Settlement Agreement made by and among Old NYRA, Sublessee and the State of New York, the New York State Racing and Wagering Board, The New York State Non-Profit Racing Association Oversight Board and The New York State Division of the Lottery (the "Settlement Agreement"), Old NYRA conveyed all right, title and interest in and to the entire Aqueduct Racetrack (which term is defined below) to The People of the State of New York Acting by and through The State Franchise Oversight Board Pursuant to Chapter 18 of the Laws of 2008 (the "State"). The State Franchise Oversight Board (the "FOB") and Sublessee subsequently entered into that certain Franchise Agreement dated September 12, 2008 (the "Franchise Agreement"), pursuant to which Sublessee was granted the Franchise (as hereinafter defined) to conduct thoroughbred racing and pari-mutuel wagering with respect to thoroughbred racing at the "Aqueduct Racetrack" (which term is intended to include all of the real property and improvements associated with the racetrack and other facilities at Aqueduct Racetrack, including but not limited to parcels of land to be leased, subleased or licensed now or in the future, and sometimes referred to herein as the "Property"), and as more particularly described and depicted on Exhibit A-I attached hereto.

In order for Sublessee to operate the Franchise, the State was authorized pursuant to the Legislation to ground lease to Sublessee a portion of the Property. Pursuant to that certain "Facilities Ground Lease", dated September 12, 2008, between the State and Sublessee, the State, acting through the FOB, did ground lease to Sublessee a portion of the Property, as more particularly described and depicted in Exhibit A-2 annexed hereto (the "Facilities Ground Leased Premises"), all for such rentals, and upon such terms and conditions, contained in the Facilities Ground Lease.

The State, acting through the FOB, and Sublessee also entered into that certain "Racetrack Ground Lease" dated September 12, 2008, pursuant to which the State ground leased to Sublessee the remaining portions of the Aqueduct Racetrack not subject to the Facilities Ground Lease (the "Racetrack Ground Leased Premises"), all for such rentals, and upon such terms and conditions, contained in the Racetrack Ground Lease.

The Parties intend that: (i) Sublessee will assign its interest as lessee in the Facilities Ground Lease to the VLT Operator (hereinafter defined), pursuant to the terms and conditions contained in that certain "Assignment and Assumption of Facilities Ground Lease" between Sublessee, as assignor, and Sublessor, as assignee; (ii) VLT Operator, as lessee, and the FOB, on behalf of and for the benefit of the State ("Landlord"), as lessor, will amend and restate the Facilities Ground Lease; (iii) VLT Operator, as sublessor, and Sublessee will enter into this Sublease Agreement for a portion of the Facilities Ground Leased Premises, more particularly set forth herein; and (iv) the State, as landlord under the Facilities Ground Lease, will enter into a Non-disturbance and Attornment Agreement and an Omnibus Agreement (hereinafter defined) with Sublessee, as sublessee under this Sublease Agreement. The Parties agree that none of the actions listed in the preceding sentence shall be effective unless they all occur and occur one immediately after the other in the order in which they are listed in the preceding sentence.

Sublessor hereby subleases to Sublessee, and Sublessee hereby takes from Sublessor, the interior of a portion of the Facilities Ground Leased Premises, as more particularly described in the attached Exhibit B (the "Subleased Premises") (subject to Sublessee's expansion rights contained in Section 4.6(c) and the provisions of Section 7.15 herein), for such rental, and upon such terms and conditions, as contained in this Sublease.

ARTICLE I
EXHIBITS TO SUBLEASE AND DEFINITIONS

1.1 EXHIBITS:

Attached to this Sublease and hereby made a part hereof are the following:

EXHIBIT A-1, being a description of the "Property", which shall comprise the entire Aqueduct Racetrack, including the Facilities Ground Leased Premises and the Racetrack Ground Leased Premises.

EXHIBIT A-2, being a description of the "Facilities Ground Leased Premises", which shall consist of all portions of the Aqueduct Racetrack not subject to the Racetrack Ground Lease.

EXHIBIT B - being a description of the Subleased Premises.

EXHIBIT C, being a description of the VLT Premises (hereinafter defined).

EXHIBIT D, being a description of the Future Development Area (hereinafter defined).

EXHIBIT E, being a description of the Clubhouse (hereinafter defined).

EXHIBIT F, being a description of the Grandstand (hereinafter defined).

EXHIBIT G, being a description of the Parking Areas (hereinafter defined).

EXHIBIT H, being a description of the Real Estate Development Parcels (hereinafter defined)

EXHIBIT I, being a copy of the Capital Plan.

EXHIBIT J, being a list of Permitted Subleases.

EXHIBIT K, being a Memorandum of Sublease

EXHIBIT L, being Sublessee's Insurance Requirements

1.2 DEFINITIONS:

Capitalized terms not otherwise defined herein shall have the respective meanings given them in the Facilities Ground Lease and/or Franchise Agreement. The following terms for purposes of this Sublease shall have the meanings hereinafter specified:

"Additional Charges" shall mean all other taxes, levies, impositions, assessments or whatever type or nature levied or assessed against the Facilities Ground Leased Premises, Improvements, and/or Sublessee, other than Taxes.

"Building" shall mean the building within which the Clubhouse and Grandstand are located as depicted on the attached Exhibits. Exhibit B depicts those portions of the Building that comprise the Subleased Premises. Exhibit C depicts those portions of the Building that comprise the VLT Premises. Exhibit D depicts those portions of the Building that comprise the Future Development Area.

"Building Area" shall mean all of the Facilities Ground Leased Premises excluding the Parking Areas.

"Building Standard" shall mean a standard of operation, maintenance, security, repair, restoration, improvement and alteration with respect to the Subleased Premises which shall mean that the Subleased Premises shall be maintained in good, safe and clean condition and repair, in a manner not to detract from the commercial appeal of the VLT Operations.

"Clubhouse" shall mean the three-story enclosed structure located on the Facilities Ground Leased Premises, which constitutes a portion of the Building. Exhibit E depicts those portions of the Building that comprise the Clubhouse.

"Commencement Date" shall mean the date first above written, on which date this Sublease has been fully executed by Sublessor and Sublessee.

"Common Facilities" shall mean the parking areas, parking structures, streets, driveways, fences, tunnels, hallways, service roads, sidewalks, entrances, exits, means of ingress and egress, landscaping, common utilities and sewer lines, alleyways, loading docks and lanes, truck and delivery passages, exterior ramps, outdoor lighting facilities, pylon and other in common signs and sign structures and other common and service areas within the Facilities Ground Leased Premises or located at the Facilities Ground Leased Premises or servicing the Facilities Ground Leased Premises and utilized in common by Sublessor, Sublessee and any Occupants. Certain of the Common Facilities are depicted on the attached Exhibits to this Lease.

"Contaminants" shall mean any material, substance or waste classified, characterized or regulated as toxic, hazardous or a pollutant or contaminant under any Requirements, including asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or the equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

"Contractor" shall mean any construction manager, contractor, subcontractor, laborer or materialman who shall supply goods, services, labor or materials in connection with the development, construction, management, maintenance or operation of any part of the Facilities Ground Leased Premises.

"Default Rate" The rate of interest per annum applicable to judgment claims in the State of New York.

"Facilities Ground Leased Premises" shall mean all portions of the Aqueduct Racetrack not subject to the Racetrack Ground Lease.

"Franchise" shall mean the authority granted to Sublessee to conduct racing and pari-mutuel wagering with respect to thoroughbred racing at the Property, as provided for in the Legislation and the Franchise Agreement.

"Franchise Agreement" shall have the meaning set forth in the Recitals.

"Future Development Area" shall mean that portion of the Building which excludes the Subleased Premises, the VLT Premises and the Common Facilities located within the Building. Exhibit D depicts those portions of the Building that comprise the Future Development Area.

"Grandstand" shall mean the structure, which constitutes a portion of the Building. Exhibit F depicts those portions of the Building that comprise the Grandstand.

"Improvements" shall mean all buildings, structures, improvements and other real and personal property associated therewith from time to time on the Facilities Ground Leased Premises.

"Land" shall mean those certain tracts of land underlying the Facilities Ground Leased Premises.

"Non-Disturbance Agreement" shall mean that certain Non-Disturbance Agreement dated as of the date hereof by and between Sublessee and the State.

"Occupants" shall mean any and all lessees, sublessees and licensees occupying at any time any or all of the VLT Premises, the Future Development Area and the Real Estate Development Parcels (prior to the release to the State) other than Sublessee.

"Omnibus Agreement" shall mean that certain Omnibus Agreement dated as of the date hereof by and between Sublessee and the State.

"Parking Areas" shall mean the parking areas and roads within the exterior Common Facilities. Exhibit G depicts those portions of the exterior Common Facilities that comprise the Parking Areas.

"Parking Area Adjustments" means seventy-five (75%) percent (since Sublessee's operations are seasonal in nature).

"Person" shall mean a corporation, an association, a partnership (general or limited), a limited liability company, a joint venture, a limited liability partnership, a private company, a public company, a limited life public company, a trust or fund (including but not limited to a business trust), an organization or any other legal entity, an individual or a government or any agency or political subdivision thereof.

"Real Estate Development Parcels" shall mean certain parcels located on the Parking Areas as depicted on Exhibit H.

"Requirements" shall mean all applicable laws, rules, regulations or other legal requirements enacted by a Governmental Authority having jurisdiction over the Subleased Premises or the operations or the activity at the Subleased Premises, including but not limited to the protection of the environment.

"State" shall mean the People of the State of New York.

"State Comptroller" shall mean the Office of the Comptroller of the State of New York.

"Sublease Year" Each calendar year during the Term of this Sublease, with the first Sublease Year being the partial year beginning on the Commencement Date and ending

on December 31 of the date in which the Commencement Date occurs, and the final Sublease Year expiring on the Expiration Date.

“Sublessee’s Building Area Proportionate Share” shall mean a fraction having as its numerator the number of gross square feet located within the Building that comprises the Subleased Premises (which the parties agree is currently _____), and as its denominator the sum of (i) the number of gross square feet located within the Subleased Premises, the Future Development Area (to the extent it is leased and occupied by the VLT Operator or leased, licensed or otherwise occupied by any Occupant) and the VLT Premises combined (which the parties agree is currently _____). The Parties also agree that Sublessee’s Building Area Proportionate Share will be adjusted in the following manner: (i) by increasing the denominator if and at such time Sublessor increases the size of the VLT Premises into or any Occupant occupies all or a portion of the Future Development Area or otherwise, and (ii) by increasing the numerator if and at such time Sublessee increases the size of the Subleased Premises into all or a portion of the Future Development Area.

“Sublessee’s Parking Proportionate Share” shall mean (i) prior to the Phase II Development, the same as the Sublessee’s Building Area Proportionate Share, and (ii) subsequent to the Phase II Development, a fraction having as its numerator the number of gross square feet located within the Building that comprises the Subleased Premises (which the parties agree is currently _____), and as its denominator the sum of the number of gross square feet located within the Subleased Premises, the VLT Premises, the Future Development Area, to the extent the Future Development Area is leased and occupied by the VLT Operator or leased, licensed or otherwise occupied by anyone else, and any buildings constructed on the Real Estate Development Parcels provided, however, Sublessee’s Parking Proportionate Share shall never exceed on a per square foot basis the Parking Areas Operating Expense that is being paid by Sublessor, as further appropriately adjusted by the Operating Expense Exclusions and the Parking Area Adjustments (without any double counting).

“Sublessee’s Parking Contribution” means Sublessee’s Parking Proportionate Share multiplied by the Operating Expense attributable to the Parking Areas and as further adjusted by the Parking Area Adjustments.

“Sublessee’s Building Area Contribution” means Sublessee’s Building Area Proportionate Share multiplied by the Operating Expenses attributable to the Building Area.

“VLT Operator” and “VLT Operations” shall have the meanings specified in Section 5.1.

“VLT Premises” shall mean the interior portion of the Building which excludes the Subleased Premises, the Future Development Area (except to the extent the VLT Premises has been expanded into the Future Development Area) and the Common Facilities. Exhibit C depicts those portions of the Building that comprise the VLT Premises.

ARTICLE II
SUBLEASING CLAUSE

2.1 SUBLEASING CLAUSE

(a) Upon and subject to the terms, provisions and conditions hereinafter set forth, Sublessor does hereby SUBLEASE, DEMISE and LET unto Sublessee, and Sublessee does hereby take and sublease from Sublessor, (i) the Subleased Premises, and (ii) a non-exclusive right to use and occupy the Common Facilities, on an undivided basis together with Sublessor and the other Occupants and the Sublessor's, Sublessee's and other Occupants' agents, contractors, employees and invitees, TO HAVE AND TO HOLD together with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the Subleased Premises, for the term hereinafter provided, upon and subject to the terms, conditions and agreements contained herein.

(b) The term of this Sublease (the "Term") shall be for a period commencing on the Commencement Date and terminating on the date on which the Franchise Agreement expires or is revoked pursuant to the terms thereof (the "Expiration Date"). The Expiration Date shall be coterminous with the expiration date under the Racetrack Ground Lease.

2.2 DELIVERY OF SUBLEASED PREMISES

Physical possession of the Subleased Premises shall be delivered to Sublessee by Sublessor in "As Is" condition on the Commencement Date and Sublessee hereby agrees to accept the Subleased Premises on the Commencement Date in its "As-Is" and "Where Is" condition acknowledging that it has been in possession of the Subleased Premises prior to the date hereof.

2.3 APPROVAL BY SUBLESSOR

Any approval or consent granted by Sublessor under this Sublease shall be solely for the purposes of granting approval pursuant to the terms of this Sublease and shall not be deemed or construed to have any other meaning, including but not limited to, compliance with any applicable Requirements, the Franchise Agreement or the Legislation.

ARTICLE III
RENT

3.1 FIXED RENT.

Sublessee shall pay to Sublessor rent ("Fixed Rent") in the amount of One Dollar (\$1.00) annually throughout the entire term of this Sublease. All of such annual Rent due from the date hereof until the expiration of the term of this Sublease has been paid in full, in advance, on the date hereof.

3.2 ADDITIONAL RENT AND OPERATING EXPENSE EXCLUSIONS.

(a) In addition to the payment of Fixed Rent, Sublessee shall pay, as additional rent, Sublessee's Parking Contribution and Sublessee's Building Area Contribution (which together, shall include the applicable share of all Operating Expenses) and all other amounts due and payable by Sublessee under this Sublease ("Additional Rent", and together with Fixed Rent, "Rent").

(b) "Operating Expenses" shall include all reasonable and competitive costs and expenses paid or incurred by or on behalf of Sublessor with respect to the Common Facilities and the Sublessor Repair Obligations (hereinafter defined), including, without limitation: (i) costs and expenses in connection with operating, maintaining, restoring, replacing and repairing in accordance with Sections 4.6(b) and (c) herein, (ii) wages and salaries of employees of Sublessor engaged in such operation, maintenance, restoration and repair but excluding security and any property manager and those employees of Sublessor's above the grade of building manager; (iii) payroll taxes, worker's compensation, medical insurance, union and general benefits for such employees, (iv) the cost of electricity, heat, ventilation, air-conditioning, water, sewer and other utilities, as further provided in Section 3.3 herein (v) the cost of casualty, liability, property and other insurance in accordance with Sublessor's insurance requirements set forth in Section 4.9(a) herein, (vi) the cost of landscaping, cleaning and janitorial services, including, without limitation, glass cleaning and garbage and waste collection and disposal and (vii) Additional Charges. All Building Area Operating Expenses and Parking Areas Operating Expenses shall consist of Sublessor's actual out-of-pocket costs incurred by Sublessor and shall not include any profit.

(c) Operating Expenses shall exclude the following expenses (collectively, the "Operating Expense Exclusions"): (i) depreciation and amortization, (ii) ground rent and principal and interest payments and other costs incurred in connection with any financing or refinancing of the Facilities Ground Leased Premises or any portion thereof, (iii) management fees, brokerage commissions, leasing commissions, consultant fees, and marketing, promotion and advertising expenses and the cost of rental insurance; (iv) all costs in connection with the operation, maintenance, restoration, repair, security, improving and alteration of the VLT Premises, the Future Development Area (provided, however, for a period of five (5) Sublease Years commencing on the date hereof, the cost of maintaining and insuring those portions of the Future Development Area that are not occupied by Sublessor and/or any Occupant shall be included as an Operating Expense and the maintenance obligations with respect to the Future Development Area shall be at all times in accordance with Article V of this Sublease), and the Real Estate Development Parcels (from and after any date that the Real Estate Development Parcels are leased, transferred or improved other than for parking), or any part thereof, (v) Taxes (hereinafter defined), (vi) legal fees, including but not limited to those pertaining to any litigation or arbitration, (vii) any cost to the extent Sublessor is reimbursed therefore out of insurance proceeds, parking charges or reimbursements received by Sublessor, (viii) costs incurred as a result of the negligence of Sublessor or its agents or employees, (ix) franchise, estate, gift, mortgage recording, transfer gains, transfer, unincorporated

business, commercial rent or income taxes imposed on Sublessor; (x) all costs incurred in connection with the transfer of the Future Development Area and the Real Estate Development Parcels, (xi) the cost of capital improvements and any other capital costs, except to the extent same is in the nature of a repair and the cost is amortized over the useful life of the capital improvement (capital improvements with respect to the facade shall be excluded from Operating Expenses, provided, however, that with respect to the lobby, Sublessee will pay Sublessee's Building Area Proportionate Share for costs incurred in connection with maintaining the improved lobby), (xii) any costs associated with the sale, transfer, or restructuring of the ownership of the Sublessor or the Facilities Ground Leased Premises, (xiii) the cost of constructing, improving, altering or developing any on grade, above-ground or below-ground parking structures, (xiv) the cost of improving the lighting in the Parking Areas and (xv) the costs for providing security.

(d) Sublessor may furnish to Sublessee, prior to the commencement of each Sublease Year, a statement setting forth Sublessor's reasonable estimate of Sublessee's Additional Rent for such Sublease Year. Sublessee shall pay to Sublessor on the first day of each quarter during such Sublease Year, an amount equal to 1/4th of Sublessor's estimate of Additional Rent for such Sublease Year. If Sublessor shall not furnish any such estimate of the Additional Rent for such Sublease Year or if Sublessor shall furnish any such estimate for a Sublease Year subsequent to the commencement thereof, then (i) until the first day of the quarter following the quarter in which such estimate is furnished to Sublessee, Sublessee shall pay to Sublessor on the first day of each quarter an amount equal to the quarterly sum payable by Sublessee to Sublessor under this Section 3.2 in respect of the last quarter of the preceding Sublease Year; (ii) after such estimate is furnished to Sublessee, Sublessor shall notify Sublessee whether the installments of Additional Rent previously made for such Sublease Year were greater or less than the installments of Additional Rent to be made in accordance with such estimate, and (x) if there is a deficiency, Sublessee shall pay the amount thereof within thirty (30) days after such notification by Sublessor, or (y) if there is an overpayment, Sublessor shall, within thirty (30) days after notification by Sublessor, refund to Sublessee the amount thereof; and (iii) on the first day of the quarter following the quarter in which such estimate is furnished to Sublessee and quarterly thereafter throughout such Sublease Year, Sublessee shall pay to Sublessor an amount equal to 1/4th of the Additional Rent shown on such estimate. Sublessor may, during each Sublease Year, furnish to Sublessee a revised statement of Sublessor's estimate of the Additional Rent for such Sublease Year, and in such case, the Additional Rent for such Sublease Year shall be adjusted and paid or refunded as the case may be, substantially in the same manner as provided in the preceding sentence. Sublessor shall furnish to Sublessee a statement ("Sublessor's Statement") for each Sublease Year (and shall endeavor to do so within one hundred twenty (120) days after the end of each Sublease Year) setting forth in reasonable detail the calculation of the Operating Expenses and the Additional Rent payable by Sublessee for the previous year. If Sublessor's Statement shows that the sums paid by Sublessee for the applicable Sublease Year exceeded the Additional Rent to be paid by Sublessee for the applicable Sublease Year, Sublessor shall refund to Sublessee the amount of such

excess within thirty (30) days of the furnishing of such Sublessor's Statement; provided, if such excess is not paid within thirty (30) days after the furnishing of such Sublessor's Statement, Sublessor shall pay to Sublessee such excess together with interest thereon at the Default Rate from the date which is thirty (30) days after the furnishing of such Sublessor's Statement through the date the refund is paid by Sublessor; and if the Sublessor's Statement shall show that the sums so paid by Sublessee were less than the Additional Rent to be paid by Sublessee for such Sublease Year, Sublessee shall pay the amount of such deficiency within thirty (30) days after the furnishing of such Sublessor's Statement; provided, if such deficiency is not paid within thirty (30) days after the furnishing of such Sublessor's Statement, Sublessee shall pay to Sublessor such deficiency together with interest thereon at the Default Rate from the date that is thirty (30) days after the furnishing of such Sublessor's Statement through the date the deficiency is paid by Sublessee. Sublessee, upon notice given with one hundred eighty (180) days after Sublessee's receipt of Sublessor's Statement, may elect to have Sublessee's designated agent examine such of Sublessor's books and records (collectively, "Records") as are directly relevant to such Sublessor's Statement and Sublessee shall be entitled, at its expense, to make copies of such Records to the extent relevant to Sublessee's review. Sublessee shall and shall cause its agent to treat all Records as confidential and only for the purposes herein intended. Sublessee, within one hundred twenty (120) days after the date on which the Records are made available to Sublessee, may send a notice ("Sublessee's Notice") to Sublessor that Sublessee disagrees with the applicable Sublessor's Statement, specifying in reasonable detail the basis for Sublessee's disagreement and the amount of the Additional Rent Sublessee claims is due (to the extent known to Sublessee). If Sublessee fails to timely deliver Sublessee's Notice to Sublessor, then Sublessor's Statement shall be conclusive and binding on Sublessee. Sublessor and Sublessee shall attempt to adjust such disagreement. If they are unable to do so, Sublessee shall notify Sublessor, within one hundred fifty (150) days after the date on which the Records are made available to Sublessee in connection with the disagreement in question, that Sublessee desires to have such disagreement determined by an Arbiter, and promptly thereafter Sublessor and Sublessee shall designate a certified public accountant (the "Arbiter") and whose determination made in accordance with this Section 3.2 shall be binding upon the Parties. If Sublessee timely delivers a Sublessee's Notice, the disagreement referenced therein is not resolved by the Parties and Sublessee fails to notify Sublessor of Sublessee's desire to have such disagreement determined by an Arbiter within the one hundred fifty (150) day period set forth in the preceding sentence, then the Sublessor's Statement to which such disagreement relates shall be conclusive and binding on Sublessee. If the determination of the Arbiter shall substantially confirm the determination of Sublessee, then Sublessor shall pay the cost of the Arbiter. In all other events, the cost of the Arbiter shall be borne equally by Sublessor and Sublessee. The Arbiter shall be a member of an independent certified public accounting firm having at least three (3) accounting professionals, who are certified public accountants. If Sublessor and Sublessee shall be unable to agree on the designation of the Arbiter within fifteen (15) days after receipt of notice from the other Party requesting agreement as to the designation of the Arbiter, then either Party shall have the right to request the American Arbitration Association to designate as the

Arbiter a certified public accountant whose determination made in accordance with this provision shall be conclusive and binding on both parties. If Sublessee shall prevail in such contest, Sublessor shall refund the appropriate amount to Sublessee. The term "substantial" shall mean a variance of 5% or more of the Additional Rent in question. If Sublessee shall prevail in such contest and the Arbiter shall confirm that the Additional Rent was overstated by 10% or more of the Operating Expenses on which the Additional Rent was paid, then Sublessor shall pay to Sublessee within thirty (30) days of the date of such determination, the reasonable cost of the agent of Sublessee which examined the Records in connection with such Additional Rent payment.

3.3 UTILITIES.

(a) Sublessee shall have exclusive use of (i) the lines, pipes and other mechanical equipment, and systems that currently exist on the Facilities Ground Leased Premises and provide utilities to the Building and the Common Facilities, including but not limited to, electricity, water, sewer, gas, sprinkler and natural gas, and (ii) the back-up electrical generator adjacent to the Clubhouse and oil tanks that are located on the Facilities Ground Leased Premises (collectively, the "Existing Utility Systems"). Sublessee shall pay for the cost of the utilities used by the Existing Utility Systems directly to the utility providers. In the event that Sublessee can not make payments directly to the utility providers, then Sublessee shall arrange through Sublessor to have submeters installed in the Subleased Premises at Sublessee's cost and expense, and Sublessee shall pay to Sublessor the actual out of pocket costs incurred by Sublessor for such utility services. Sublessee shall also be responsible for maintaining and repairing the Existing Utility Systems located within the Subleased Premises and any costs incurred in connection therewith. Any portion of the Existing Utility Systems located within the Common Facilities, VLT Premises and/or the Future Development Area, shall be maintained and repaired by Sublessor, at Sublessee's sole cost and expense. If Sublessor fails to promptly repair the Existing Utility Systems that are located within the Common Facilities, VLT Premises and/or the Future Development Area after notice by Sublessee, Sublessee shall be allowed access within such premises for the purpose for maintaining and repairing the Existing Utility Systems. Sublessor, at Sublessor's sole cost and expense, and with Sublessee's prior consent, which shall not be unreasonably withheld or delayed, shall have the right to relocate the Existing Utility Systems in the Common Facilities, the VLT Premises, and the Future Development Areas upon thirty (30) days notice to Sublessee, provided Sublessor perform such relocation work at such times that Sublessee is not operating its business in the Subleased Premises.

(b) Sublessee's Parking Contribution and Sublessee's Building Area Contribution for utilities within the Common Facilities shall be determined by separate meters placed within the Common Facilities and Sublessee shall pay to Sublessor Sublessee's Parking Proportionate Share and Sublessee's Building Area Proportionate Share, as applicable, for Sublessee's demand for said utilities. If Sublessee's demand for utilities within the Common Facilities cannot be determined by separate meters for the Common Facilities, then the Parties shall agree to adjust the cost of the utilities in an

equitable and proportionate manner, taking into account Sublessee's seasonal and limited use of the Subleased Premises.

(c) Sublessor shall be required to install new lines and other systems to provide utilities to the VLT Premises, the Common Facilities and the Future Development Area, at such time as Sublessor or any other Occupant commences any Future Development, at no cost to Sublessee. Sublessor shall not be entitled to the use of the Existing Utility Systems while it is constructing the VLT Premises; however, in and to the extent Sublessor cannot obtain adequate temporary utilities for use during such construction or for operation of temporary VLT Operations, Sublessee, upon request by Sublessor, shall provide to Sublessor the use of such utilities as are currently existing on the Facilities Ground Leased Premises provided Sublessor's use thereof does not adversely affect or interfere with Sublessee's supply of, distribution or use of the Existing Utility Systems other than to a de minimus extent, and Sublessor shall be responsible for the cost of its demand for and consumption of such utilities in an equitable and proportionate manner.

(d) Sublessor agrees that if the water pipe currently existing within the Facilities Ground Leased Premises has sufficient capacity to accommodate water consumption by both Sublessor and Sublessee and thus will not adversely affect Sublessee's use or delivery of its water supply, it shall allow both Sublessor and Sublessee the use of the water pipe. Sublessor and Sublessee shall have separate water meters installed at the cost of Sublessor so that each party may be assessed water consumption separately. However, in the event separate water meters cannot be installed, Sublessor and Sublessee agree to adjust the cost of water consumption in an equitable and proportionate manner, taking into account Sublessee's seasonal and limited use of the Subleased Premises.

(e) If any meters or submeters are shared, and Sublessee disagrees in good faith with any determination or adjustment of the amount charged to Sublessee (the "Actual Charge") Sublessee shall notify Sublessor thereof within one (1) year after Sublessor gives Sublessee notice of such determination or adjustment or if Sublessee believes (i) there is a change in the rate by which Sublessor is charging Sublessee ("Sublessor's Rate") or (ii) Sublessee is paying in excess of the entire cost of Sublessee's demand for and/or consumption of, electricity, including, without limitation, by reason that electrical equipment is removed or altered within the Subleased Premises, or if Sublessee decreases its hours of operation, Sublessee shall notify Sublessor thereof. If the parties cannot reach agreement with respect to any of the contested items listed above, then in each case, Sublessor shall retain, at Sublessee's expense, or at Sublessor's expense if the consultant substantially agrees with Sublessee, an independent electrical consultant reasonably satisfactory to Sublessee who shall survey the demand for, and consumption of, electricity by Sublessee and, if applicable, each other Occupant who shares such submeter, and the determination made by the electrical consultant shall be binding on Sublessor and Sublessee. If Sublessee fails to so disagree with any determination or adjustment made by Sublessor, or to request that Sublessor obtain an independent electrical consultant, within such ninety (90) day period, such determination

or adjustment shall be conclusive and binding on Sublessee. Pending the determination of such consultant, Sublessee shall pay the Actual Charge determined by Sublessor and upon such determination by the consultant, an appropriate adjustment shall be made retroactive to the date of the relevant change. Sublessor shall refund to Sublessee any overpayment as hereinabove provided within fifteen days after Sublessor is notified of such consultant's determination. Surveys of Sublessee's electrical consumption shall take into account that the Sublessor's Rate or the electric consumption of Sublessee during the period that the survey is conducted may be different than the Sublessor's Rate or electric consumption of Sublessee during the period covered by the Actual Charge that Sublessee is contesting.

(f) Sublessor shall cooperate, at the sole cost and expense of Sublessee, in Sublessee's efforts to obtain electrical utility incentives for which Sublessee may be qualified, provided, that such efforts shall not in any way adversely impact Sublessor, any Occupants in the Building or the operation of the Building.

(g) As of the date hereof, the providers of Sublessee's Existing Utility Systems are as follows:

- (i) Electrical Supplier: Juice
- (ii) Electrical Delivery: Consolidated Edison
- (iii) Gas Supplier: NATGASCO
- (iv) Gas Delivery: National Grid
- (v) Water Supplier: The New York City Water Board

(h) Sublessor and Sublessee agree that to the extent feasible, any of the Building systems serving the Subleased Premises shall be kept separate and distinct from those Building systems serving the remaining portions of the Building and the Common Facilities.

3.4 PAYMENT OF TAXES.

Sublessee shall have no obligation to pay any property taxes, special assessments and special ad valorem levies (as defined in NY Real Property Tax Law, Section 102, subdivisions 14, 15, 20) levied or assessed against the Facilities Ground Leased Premises and Improvements (together, "Taxes"), during the Term, which are payable by the State pursuant to the Legislation. Sublessee shall pay its proportionate share of Additional Charges pursuant to Section 3.2(b) herein.

3.5 SECURITY DEPOSIT.

Sublessee shall not be obligated to pay a security deposit to Sublessor at any time during the Term of this Sublease.

ARTICLE IV
CONDITION AND USE OF THE SUBLEASED PREMISES

4.1 COVENANT OF TITLE, AUTHORITY AND QUIET POSSESSION.

(a) Sublessor's Representations, Warranties and Special Covenants. Sublessor hereby represents, warrants and covenants as follows:

(i) Binding Obligation. This Sublease will be a valid obligation of Sublessor and is binding upon Sublessor in accordance with its terms once approved by the applicable state authorities, including, but not limited to the State Comptroller.

(ii) Authority. Sublessor is a duly authorized corporation, validly existing and in good standing under the laws of the State of Delaware and has been duly authorized by all requisite corporate action to enter into, deliver and perform under this Sublease. Neither the execution and delivery of this Sublease by Sublessor, nor the performance of its obligations hereunder, will result in violation of any law applicable to Sublessor or provision of the organizational documents of Sublessor.

(iii) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Sublessor to enter into this Sublease or make the agreements herein contained, other than those which have been obtained.

(iv) Quiet Enjoyment. So long as the Franchise Agreement is in full force and effect and there has been no revocation of the Franchise, Sublessee shall have the quiet enjoyment and peaceable possession of the Subleased Premises and the Common Facilities, in common with Sublessor and any Occupants during the Term of this Sublease in accordance with the terms of this Sublease, against hindrance or disturbance of any person or persons whatsoever claiming by, through or under Sublessor.

(v) Proceedings. To the knowledge of Sublessor, there are no actions, suits or proceedings pending or threatened or asserted against Sublessor which would, if successful, prevent Sublessor from entering into this Sublease or performing its obligations hereunder.

(vi) Limitations. Except as otherwise expressly provided herein, this Sublease is made by Sublessor without representation or warranty of any kind, either express or implied, as to the condition of the Subleased Premises, title to the Facilities Ground Leased Premises (except pursuant to the Facilities Ground Lease, Sublessor hereby represents that it is the lessee under a valid ground lease), the Facility's merchantability, its condition or its fitness for Sublessee's intended use or for any particular purpose and all of the Subleased Premises is leased or licensed on an "as is" basis with all faults, provided, however, Sublessor covenants and warrants that it has not taken any action or done anything that has or would adversely affect the Sublessee's

ability to (i) conduct its racing operations on the Racetrack Ground Leased Premises, (ii) conduct its Permitted Uses, (as such terms are hereinafter defined) within the Subleased Premises, or (iii) abrogate any rights of Sublessee under the terms and conditions of this Sublease.

(vii) Subordination. Sublessor covenants and warrants that as of the date of this Sublease it has not in any manner encumbered its leasehold interest as lessee under the Facilities Ground Lease and Sublessor agrees that it will not in any manner encumber its leasehold interest as lessee under the Facilities Ground Lease during the Term of this Sublease. Notwithstanding the foregoing, Sublessor shall have the right to encumber its leasehold interest under the Facilities Ground Lease provided Sublessor procures from the lender and delivers to Sublessee a Subordination and Non-Disturbance Agreement ("SNDA") in favor of the Sublessee, which SNDA shall be acceptable to Sublessee.

(b) Sublessee's Representations, Warranties and Special Covenants.
Sublessee hereby represents, warrants and covenants as follows:

(i) Existence. Sublessee is a not-for-profit racing corporation duly incorporated pursuant to Section 402 of the Not-for-Profit Corporation Law of the State of New York, as authorized by Chapter 18 of the Laws of 2008, validly existing and in good standing under the laws of the State of New York and its adopted and currently effective articles of incorporation.

(ii) Authority. Sublessee has all requisite power and authority to operate its business, own its property, enter into this Sublease and consummate the transactions herein contemplated, and by proper action has duly authorized the execution and delivery of this Sublease and the consummation of the transactions herein contemplated.

(iii) Binding Obligations. This Sublease constitutes a valid and legally binding obligation of Sublessee and is enforceable against Sublessee in accordance with its terms.

(iv) No Default. The execution by Sublessee of this Sublease and the consummation by Sublessee of the transactions contemplated hereby do not, as of the Commencement Date, result in a breach of any of the terms or provisions of, or constitute a default or a condition which upon notice or lapse of time or both would ripen into a default under the Legislation, the articles of organization of Sublessee, or under any resolution, indenture, agreement, instrument or obligation to which Sublessee is a party or by which the Subleased Premises or any portion thereof is bound; and does not to the knowledge of Sublessee, constitute a violation of any order, rule or regulation applicable to Sublessee or any portion of the Subleased Premises of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over Sublessee or any portion of the Subleased Premises.

(v) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Sublessee to enter into this Sublease or make the agreements herein contained, other than those which have been obtained.

(vi) Proceedings. To the knowledge of Sublessee, there are no actions, suits or proceedings pending or threatened or asserted against Sublessee which would, if successful, prevent Sublessee from entering into this Sublease or performing its obligations hereunder.

4.2 USE OF SUBLEASED PREMISES.

(a) Sublessee's use of the Subleased Premises shall be primarily for the management and operations of all functions as may be necessary or appropriate to conduct racing, racing operations, pari-mutuel and simulcast wagering (collectively, the "Uses"), together with various activities related thereto, including, without limitation, live wagering and retail, food, beverage, trade expositions and entertainment facilities, racing equestrian, social and community activities, and other uses and activities historically conducted on the Facilities Ground Leased Premises (collectively, the "Ancillary Uses," and, together with the Uses being the "Permitted Uses") at or with respect to the Subleased Premises and the Common Facilities, subject to and in compliance with the provisions of the Franchise Agreement, applicable Requirements, including, without limitation, the Legislation. Sublessee shall not conduct, manage or otherwise operate VLT Operations at the Subleased Premises or any other area of the Facilities Ground Leased Premises.

(b) In the event that this Sublease is terminated pursuant to an amendment to the Franchise Agreement and the Legislation whereby Sublessee is permitted to discontinue operating its business within its Subleased Premises, this Sublease shall terminate and Sublessee shall have no further obligations to Sublessor with respect to this Sublease. If Sublessee discontinues its operations in the Subleased Premises pursuant to this section, Sublessee shall deliver the Subleased Premises back to Sublessor vacant, clean and in safe condition, whereby the physical condition of the Subleased Premises would not detract from the commercial appeal of the VLT Operations.

4.3 SUBLETTING AND ASSIGNING.

(a) Assignment. Sublessee may, subject to requirements of Section 138 of the State Finance Law and the receipt of all required governmental approvals in connection with any permitted assignment (if any) of Sublessee's rights and obligations under the Franchise Agreement, assign, sublease, license or otherwise transfer Sublessee's leasehold interest granted to Sublessee under this Sublease, in whole only (and not in part). It is understood and agreed that Sublessee's interest in this Sublease may only be assigned or transferred to a party in which the Franchise is being assigned and which party shall hold the Franchise at the time of assignment, or any successor thereto. Upon any such assignment, the assignee shall execute and deliver to Sublessor a

written assumption of all of the obligations of Sublessee under this Sublease. Sublessee shall be released from any obligations arising under this Sublease which accrue from and after such an assignment, but not those accruing before such assignment.

(b) Concessions, Sub-subletting and Licensing. Sublessee shall have the right from time to time, without the prior written consent of Sublessor but with the consent of the State to the extent required by the Legislation (including without limitation Section 206 thereof), to grant concessions at the Subleased Premises as Sublessee may deem proper for the conduct at the Subleased Premises of Ancillary Uses as permitted in Section 4.2 hereof ("Concessions"). All Concessions shall be entered into in compliance with the Legislation (including without limitation Section 208-6 thereof), and other Requirements. Agreements for the operation of Concessions may, at the election of Sublessee, be in the form of sub-subleases, licenses or concession agreements; provided, that no sub-subletting or licensing shall relieve Sublessee of any of its obligations under the Sublease, and all Concessions, whether in the form of sub-subleases, licenses or concession agreements, shall be strictly subject and subordinate to the terms and provisions of this Sublease.

(c) Other than with respect to the grant of Concessions, Sublessee may not sublet all or any portion of the Subleased Premises without the prior written consent of the State, as required by Section 138 of the State Finance Law, but without the consent of Sublessor, upon the receipt of all required governmental approvals in connection with any sub-sublease or transfer. Notwithstanding anything to the contrary contained herein, (x) the stabling of horses belonging to third parties shall not constitute a sublease under the terms of this Sublease and (y) those subleases set forth on Exhibit J hereto (the "Permitted Subleases") shall not be subject to the general subleasing prohibition set forth in this Section 4.3(a) and Sublessor hereby consents to the Permitted Subleases. In addition to the foregoing, Sublessee shall also have the right to enter into any sublease or occupancy agreement with The New York Thoroughbred Breeders Inc., The New York Thoroughbred Horsemen's Association (or such other entity as is certified and approved pursuant to Section 228 of the New York State Racing, Pari-Mutuel Wagering and Breeding Law, as amended), The New York State Racing and Wagering Board, The New York State Department of Taxation and Finance, and with any governmental authorities, agencies, boards or regulators of the State, without the consent of Sublessor or the State.

(d) General Provisions. Sublessee shall, in connection with any assignment, license or sub-sublease, provide notice to Sublessor, as provided below in Section 7.2, of the name, legal composition and address of any Concessionaire, together with a complete copy of the agreement under which such Concession is granted. In addition, Sublessee shall provide Sublessor with a description of the nature of the Concessionaire's business to be carried on in the Subleased Premises.

4.4 LEASEHOLD MORTGAGE.

Sublessee shall have the right, subject to any requirements of the Legislation and the Franchise Agreement and the State's reasonable approval of the form

and content of the loan documentation evidencing such mortgage or encumbrance, to mortgage or encumber this Sublease and/or in any improvements made and owned by Sublessee and/or in Sublessee's personal property, furniture, fixtures and equipment (collectively, "Sublessee's Property"). No mortgagee shall foreclose upon Sublessee's leasehold interest hereunder, unless such mortgagee or a purchaser at the foreclosure sale is a holder of the Franchise at the time of such foreclosure.

4.5 COMPLIANCE WITH LAWS/MAINTENANCE OF SUBLEASED PREMISES.

(a) Sublessee shall use, operate and maintain the Subleased Premises and the improvements situated thereon in compliance with all Requirements and the Building Standard.

(b) Sublessee shall have the right to contest the validity, enforceability or applicability of any Requirements applicable to the Land, Building and Improvements constituting the Subleased Premises, provided that there is no danger of an imminent threat of Sublessor losing title to the Subleased Premises and provided that Sublessee's failure to comply with any Requirements would not subject Sublessor or the State to criminal liability and/or create interference in any material respect with the VLT Operations. During such contest, compliance with any such contested Requirements may be deferred by Sublessee; provided, however, that Sublessee shall promptly comply with the final determination of any such contest. If non-compliance shall result in a lien being filed against the Subleased Premises, Sublessor may require Sublessee to deposit with Sublessor a surety bond issued by a surety company of recognized responsibility guaranteeing and securing the payment in full of such lien. Prior to instituting such proceeding, if required by law, Sublessee shall provide notice to the Attorney General of the State of New York, which may choose to be a party in such contest. Any such proceeding instituted by Sublessee shall be commenced as soon as is reasonably possible after the issuance of any such contested matters, or after actual notice to Sublessee of the applicability of such matters to the Subleased Premises, and shall be prosecuted with reasonable dispatch. In the event that Sublessee shall institute any such proceeding, Sublessor shall cooperate with Sublessee in connection therewith, and Sublessee shall be responsible for the reasonable and actual out-of-pocket costs and expenses incurred by Sublessor in connection with such cooperation.

(c) Sublessor shall comply with all Requirements affecting the Facilities Ground Leased Premises, other than that portion of the Subleased Premises Sublessee is obligated to maintain pursuant to Section 4.7. Sublessor shall have the right to contest the validity, enforceability or applicability of any Requirements provided that Sublessor's failure to comply with any Requirements would not subject Sublessee or the State to criminal liability and/or create interference in any material respect with Sublessee's operations within the Subleased Premises. Any such proceeding instituted by Sublessor shall be commenced as soon as is reasonably possible after the issuance of any such contested matters, or after actual notice to Sublessor of the applicability of such matters to the Facilities Ground Leased Premises, and shall be prosecuted with reasonable

dispatch. During such contest, compliance with any such contested Requirements may be deferred by Sublessor; provided, however, that Sublessor shall promptly comply with the final determination of any such contest.

4.6 SUBLESSOR COVENANTS.

(a) **Sublessor Services.** From and after the date hereof, provided that Sublessee is not in default in the payment of Rent after the expiration of any applicable notice and cure period, Sublessor shall furnish Sublessee through existing facilities at the Facilities Ground Lease Premises, with the following services in connection with the Subleased Premises:

(i) hot and cold water in sufficient quantities to meet the needs of Sublessee, its employees, customers and invitees for use in the restrooms and, (ii) elevator service, (iii) electricity in accordance with the terms and conditions contained in Section 3.3, (iv) access to the Subleased Premises for Sublessee and its employees 24 hours per day/ 7 days per week, (v) the right to connect to the Building's standard telecommunication system and service at the point of connection on each floor of the Subleased Premises and (vi) such other services as Sublessee shall reasonably require.

(ii) heat, ventilation and air-conditioning ("hvac") to the Subleased Premises as required by Sublessee. Notwithstanding the foregoing, Sublessor shall not be held liable to Sublessee for failure to provide any such services which failure is caused by any utility provider.

Notwithstanding the foregoing, Sublessor shall not be obligated to provide any utility services to Sublessee in the Subleased Premises to the extent that Sublessee is obtaining its own utility services from Sublessee's Existing Utility Systems or from replacements thereof, or from any other systems that exclusively serve the Subleased Premises, and making payment for such utility services directly to the utility providers. In all other cases, Sublessor is obligated to comply with this Section 4.6(a).

(b) **Other Building Services.** Except and to the extent the following shall be Sublessee's obligation pursuant to this Sublease, Sublessor shall, at Sublessor's cost and expense (subject to reimbursement by Sublessee as Operating Expenses to the extent provided for in Section 3.2 hereof) operate, maintain, repair and replace (but only if reasonably necessary instead of repairing) (collectively, the "Sublessor Repair Obligations") (i) all exterior portions of the Facilities Ground Leased Premises (including the exterior portions of the Subleased Premises) and all appurtenances thereto including paving and landscaping of the Facilities Ground Leased Premises (excluding the Future Development Area and all improvements thereon,) including the Common Facilities, (ii) all structural parts of the Building (including the Subleased Premises), both exterior and interior, including, but not limited to, floor slabs, walls, windows and window sills, foundations, facades and roofs, and all repairs thereto necessary to make same sound and watertight, (iii) all exterior doors and plate glass, (iv) all Building systems serving the Common Facilities including concealed water, sewer, gas, electric

and other utility lines and all sprinkler systems, (v) all mechanical equipment, including but not limited to, the hvac system and any elevators and escalators, (vi) all fences located within or located at the Facilities Ground Leased Premises, including but not limited to providing crowd control, and (vii) all other portions of the Common Facilities.

(c) Future Development Area. Sublessor and Sublessee acknowledge and agree that it is anticipated that the Future Development Area will not be occupied or utilized for some time. During such time and to the extent that all or any portion of the Future Development Area is not utilized, Sublessor's maintenance and repair obligations with respect to such Future Development Area shall be minimal, and Sublessor shall only be obligated to ensure that the Future Development Area is safe, insured and does not deteriorate. Sublessor shall have the right to expand its VLT Premises into all or a portion of the Future Development Area which is not utilized by Sublessee or any Occupant, to be exercised upon thirty (30) days prior written notice to Sublessee, and, in such event, Sublessee's Building Area Proportionate Share shall be adjusted as provided herein and Sublessor shall be obligated to operate, maintain, restore, replace, repair, secure, improve and alter such expanded space consistent with its obligations with respect to the VLT Premises. Sublessor, in its reasonable discretion, shall make Alterations and shall construct at the perimeter of the Future Development Area such demising walls as are necessary to separate the Subleased Premises located within the Building from the Future Development Areas being subleased by Sublessor if such Future Development Area impinges on the non-public areas of the Subleased Premises, using materials customarily used for this type of space, the location and design of such demising walls to be reasonably acceptable to Sublessee. Sublessee shall have the right to expand its Subleased Premises into all or a portion of the Future Development Area that is not utilized by Sublessor or any Occupant, to be exercised upon thirty (30) days prior written notice to Sublessor provided Sublessee has obtained the State's consent to such expansion, and in such event, Sublessee's Building Area Proportionate Shares shall be adjusted as provided herein. Sublessee shall not make any Alterations in any portion of the Future Development Area until such portion of the Future Development Area becomes a part of the Subleased Premises other than Alterations with respect to Building systems or mechanical systems that service the Subleased Premises that are located in or run through the Future Development Area. Sublessee shall provide Sublessor with ten (10) days notice prior to commencing any Alterations in any portion of the Future Development Area, except in the case of an emergency, whereby Sublessee may make Alterations as necessary without prior notice to Sublessor. Further, Sublessee shall operate, maintain, restore, replace, repair, secure, improve and alter such expanded space consistent with its obligations with respect to the Subleased Premises, including Section 4.11 hereof.

(d) Parking. Sublessor acknowledges that the number of parking spaces provided at the Facilities Ground Leased Premises must, at all times during the Term of the Sublease, take into account Sublessee's parking requirements. Sublessor also acknowledges that on approximately three (3) days each year, which at this time is expected to be when the Wood Memorial (1 day) and the Breeders Cup (2 days)

traditionally take place ("Peak Parking Days"), Sublessee requires parking well in excess of its usual requirements. Sublessee's parking requirements on Peak Parking Days for any calendar year shall be based upon the number of parking spaces for Peak Parking Days used in the prior calendar year. Sublessee shall provide Sublessor with at least thirty (30) days prior notice to each such event advising as to the date or dates of such event. If, at any time during the Term of this Sublease, due to the use by Sublessor, Phase II Developer (hereinafter defined) and/or any Occupants, or their respective customers or invitees, of any parking spaces within the Parking Areas, or as a result of any Facilities Ground Leased Premises Development (hereinafter defined), Sublessee is unable to use any of the parking spaces on the Facilities Ground Leased Premises that are currently utilized by Sublessee, Sublessor shall provide to Sublessee and its customers and invitees alternate parking sufficient in number and convenient to the Clubhouse in order to satisfy Sublessee's and its customers' and invitees' parking requirements. For purposes of determining what parking spaces are currently utilized, such determination shall be based on the number of parking spaces utilized in the prior calendar year. Sublessor may reserve a reasonable number of parking spaces in a section to be specified by the VLT Operator, of the Parking Areas for VIP parking and the VLT Operator's exclusive use, provided same are not located directly in front of Sublessee's entrance to the Clubhouse.

(e) **Sublessor Repair Obligations.** Sublessor shall be obligated to make all repairs which are expressly made Sublessor's responsibility under any other article of this Sublease, unless such repairs are not covered by the insurance required to be maintained by the Sublessor hereunder and are necessitated by the negligence or misconduct of Sublessee or such repairs as are necessary to remedy any defect, structural or otherwise, in any portion of the Facilities Ground Leased Premises (including but not limited to the Subleased Premises and the Common Facilities) existing by reason of Sublessor's failure to perform properly its obligations under this Sublease.

(f) **Sublessor's Warranties.** It is agreed and understood that Sublessee shall have the benefit of all warranties which Sublessor may have with respect to all mechanical equipment, including but not limited to, the hvac system, for as long as all such warranties continue in force and effect.

(g) **Construction Costs, Interference and Obligations.** Sublessor covenants and agrees that (i) Sublessee shall have no responsibility or obligation to incur any costs in connection with the construction, maintenance or repair in connection with the VLT Operations, the Future Development Area (except as specifically set forth in this Sublease) or the Phase II Development, (ii) at Sublessee's reasonable discretion and subject to Section 4.6(j) Sublessor shall construct at the perimeter of the VLT Premises and/or Future Development Area such demising walls as are necessary to separate the Subleased Premises and/or the Common Facilities located within the Building from the VLT Premises and Future Development Area using materials customarily used for this type of space, the location and design of such demising walls to be reasonably acceptable to Sublessee, (iii) the VLT Premises shall be maintained in a manner comparable to other first class VLT Premises facilities operating similar operations under similar conditions

in the United States, and (iv) Sublessor shall, and shall cause any Occupant to, not interfere in any material respect with Sublessee and with Sublessee's Permitted Uses, which obligation shall survive the termination of this Sublease, for the benefit of Sublessee as lessee under the Racetrack Ground Lease.

(h) Trade Union Workers. Sublessee currently employs union workers on the Subleased Premises and in other areas of the Facilities Ground Leased Premises pursuant to the Racetrack Ground Lease, including but not limited to plumbers, laborers, carpenters, heavy equipment workers and window washers. Since the union workers will continue to work at the Subleased Premises and the Parking Areas and during and after the Facilities Ground Leased Premises Development (hereinafter defined), Sublessor and Sublessee agree that, in order to prevent strife between and among competing union workforces, Sublessor and its employees and Contractors shall work harmoniously with such union workforces and Sublessee and its employees and Contractors shall work harmoniously with Sublessor's union workforces. Any issues arising in connection with competing jurisdictions within the Subleased Premises and Common Facilities between Sublessee's union workforces and Sublessor's union workforces shall be resolved pursuant to union grievance procedures, insofar as that is permissible under state law.

(i) Security. Sublessee shall be permitted to retain and provide its own security forces ("Sublessee's Security Forces") in order to provide security to the Subleased Premises and Common Facilities, including the Parking Areas located on the Facilities Ground Leased Premises. If Sublessor desires Sublessee's Security Forces to provide security on and within the Common Facilities, Sublessee shall provide such Security Forces to the extent available and the parties agree that such costs shall be allocated equitably and proportionately between Sublessor, Sublessee, the Phase II Developer and other Occupants. Notwithstanding that the State, Sublessor or the Phase II Developer may be providing security for the Parking Areas at the Property, the Sublessee's Security Forces shall not be restricted from acting in accordance with their legal authority with respect to illegal, disruptive, dangerous or inappropriate actions occurring outside of the Subleased Premises.

(j) Coordination of VLT Premises and Subleased Premises. It is the intent of the Sublessor and the Sublessee that there may be demising walls separating the VLT Premises and the Subleased Premises in those areas of the Subleased Premises and the VLT Premises which are generally open to the public for purposes of the business being conducted at the Subleased Premises and the VLT Premises, with such demising walls to contain doors that connect the public areas of the Building with the Subleased Premises and the VLT Premises. At such time as Sublessee's business operations are closed, the connecting doors for said demising walls shall be locked and no access to the Subleased Premises will be allowed. The VLT Operator shall erect demising walls for all non-public areas within the VLT Premises as are necessary to separate the VLT Premises from such public areas using materials customarily used for this type of space, the location and design of such demising walls to be reasonably acceptable to the Sublessee.

(k) Sublessor Improvement Rights to Subleased Premises. Sublessor shall have the right, subject to Sublessee's consent, which consent shall not be unreasonably withheld, to make improvements to the Subleased Premises, which improvements shall be solely for the purpose of changing or modifying finishes within the Subleased Premises to be consistent or complementary to the finishes contained within the VLT Premises. In Sublessor's performance of such improvement work, Sublessor shall not interfere with Sublessee's business operations other than to a de minimus extent or in any manner reconfigure the Subleased Premises.

4.7 SUBLESSEE COVENANTS.

(a) Sublessee Repairs. Sublessee shall be responsible for keeping the Subleased Premises in accordance with the Building Standard. Sublessee shall be solely responsible for maintenance and repair within the Subleased Premises and may undertake the performance of any maintenance and repair within the Subleased Premises without the consent of Sublessor. Sublessee's maintenance, repair and replacement obligations shall include, without limitation, repairs to and replacements of: (i) floor covering; (ii) interior partitions, including interior windows and glass; (iii) interior doors; (iv) the interior side of demising walls; (v) electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Sublessee and located within the Subleased Premises; and (vi) air conditioning units, kitchens, personal restrooms or showers, hot water heaters, plumbing and similar facilities exclusively serving Sublessee and located within the Subleased Premises. Notwithstanding the foregoing, at such time as the VLT Operator has occupied the VLT Premises, Sublessee shall have a reasonable period of time to perform such improvement work that may be required to bring the Subleased Premises to Building Standard. Upon the Expiration Date, the Subleased Premises will be surrendered to Sublessor in accordance with the Building Standard, subject to damages caused by ordinary wear and tear or damage or destruction by acts of God, causes beyond Sublessee's control, or conditions which, under the provisions of this Sublease, it is the obligation of Sublessor to remedy.

(b) Interference and Obligations. Sublessee shall not interfere in any material respect with Sublessor or any Occupant or their respective uses of the VLT Premises and Future Development Area. This provision shall survive the termination of this Sublease.

4.8 DAMAGE CLAUSE.

(a) Notice of Damage. If the Building or the Subleased Premises shall be totally or partially damaged or destroyed by fire or other casualty (each, a "Casualty"), Sublessee shall, upon actual knowledge of the occurrence of such Casualty, give to Sublessor prompt notice thereof.

(b) Obligation to Restore. (i) If all or any portion of the Subleased Premises becomes untenable due to a Casualty, this Sublease shall not terminate except as expressly set forth herein. Sublessor, with reasonable promptness, shall cause a general

contractor selected by Sublessor to provide Sublessor and Sublessee with a written estimate (the "Completion Estimate") of the amount of time required, using standard working methods, to substantially complete the repair and restoration of the Subleased Premises and the Common Facilities necessary to provide access to the Subleased Premises and sufficient parking to meet the needs of Sublessee and its employees, customers and invitees. Sublessor shall promptly and diligently restore the Subleased Premises (including Sublessee's improvements but excluding Sublessee's Property). Such restoration shall be to substantially the same condition that existed prior to the date of the Casualty.

(c) **Substantial Damage.** If the structural portions of the Subleased Premises and/or the remainder of the Building suffers such severe damage or are destroyed to such an extent that, in Sublessor's and Sublessee's reasonable opinion exercising sound business judgment, it is in the best interests of the Parties to rebuild the Subleased Premises and/or Building in a manner different from that which existed prior to the date of the Casualty, Sublessor shall not unreasonably withhold its consent to such alternate rebuilding and shall rebuild the Subleased Premises and/or the remainder of the Building in such alternate manner, provided that the same does not materially adversely affect Sublessor and any excess costs resulting from such alternate rebuilding (in excess of insurance proceeds) shall be paid by Sublessee.

4.9 INSURANCE.

(a) Sublessor shall obtain and maintain in full force and effect all such insurance as required by the State under the Facilities Ground Lease, as amended between the Sublessor and the State, provided, however, Sublessor shall be required, at a minimum, to carry all such insurance in coverages and amounts as was required by the Sublessee, as lessee, under the Facilities Ground Lease.

(b) Sublessee shall be required to maintain the insurance, coverages and amounts as shown in the attachment attached hereto as Exhibit L.

4.10 UNPERFORMED COVENANTS OF SUBLESSOR OR SUBLESSEE.

(d) **Failure of Sublessor to Perform.** If Sublessor shall fail to perform any of the terms, provisions, covenants or conditions to be performed or complied with by Sublessor pursuant to this Sublease, or if Sublessor should fail to make any payment which Sublessor agrees to make, and any such failure shall, if it relates to a matter which is not of an emergency nature, remain uncured for a period of thirty (30) days after Sublessee shall have served upon Sublessor notice of such failure, or for a period of 48 hours after service of such notice if in Sublessee's judgment reasonably exercised such failure relates to a matter which is of an emergency nature, then Sublessee may, at Sublessee's option, perform any such term, provision, covenant or condition or make any such payment, as Sublessor's agent, and in Sublessee's sole discretion as to the necessity therefor, and the full amount of the cost and expense entailed, or the payment so made, shall immediately be owing by Sublessor to Sublessee, and Sublessee may, at its option,

deduct the amount thereof, together with interest at the Default Rate thereon from the date of payment, without liability of forfeiture, from Rents then due or thereafter coming due hereunder (the "Offset"), and irrespective of who may own or have an interest in the Subleased Premises at the time Offsets are made. Any such Offset shall not constitute a default in the payment of Rent unless Sublessee shall fail to pay the amount of the Offset to Sublessor within 30 days after final adjudication that such amount is owing to Sublessor. The option given in this article is for the sole protection of Sublessee, and its existence shall not release Sublessor from the obligation to perform the terms, provisions, covenants and conditions herein provided to be performed by Sublessor or deprive Sublessee of any legal rights which it may have by reason of any such default by Sublessor. Sublessor and Sublessee acknowledge and agree that the remedies of Rent abatement or lease termination provided for throughout this Sublease may be insufficient as Sublessee's remedy for Sublessor breaches or other events that may give rise to such remedies hereunder. In addition to the rights of Sublessee described herein, and any and all rights hereunder, at law or at equity, Sublessor and Sublessee agree that Sublessee shall have the right to seek specific performance and/or injunctive relief from a court of competent jurisdiction or in any other appropriate legal or administrative proceeding. Notwithstanding the foregoing, if Sublessor disputes Sublessee's right to take one or more Offsets or any amount constituting a portion of any such Offset, Sublessor may require that such dispute be settled by arbitration, as provided in Section 7.14 herein.

(e) **Failure of Sublessee to Perform.** If Sublessee shall fail to perform any of the terms, provisions, covenants or conditions to be performed or complied with by Sublessee pursuant to this Sublease, or if Sublessee should fail to make any payment which Sublessee agrees to make, and any such failure shall, if it relates to a matter which is not of an emergency nature, remain uncured for a period of thirty (30) days after Sublessor shall have served upon Sublessee notice of such failure, or for a period of 48 hours after service of such notice if in Sublessor's judgment, reasonably exercised, such failure relates to a matter which is of an emergency nature, then Sublessor may, at Sublessor's option, perform any such term, provision, covenant or condition or make any such payment, as Sublessee's agent, and in Sublessor's sole discretion as to the necessity therefore, and the actual out of pocket cost and expense incurred by Sublessor, shall immediately be owing by Sublessee to Sublessor, and Sublessor may, at its option, add the amount thereof, together with interest at the Default Rate thereon from the date of payment, without liability of forfeiture, to amounts then due or thereafter coming due hereunder. In addition to the rights contained herein, Sublessor shall have any legal rights or other rights they have under this Sublease which they may have by reason of any such default by Sublessee.

4.11 ALTERATIONS.

(f) Sublessee shall have the right, subject to the restrictions imposed by Legislation, the Franchise Agreement, the Omnibus Agreement and the Applicable Requirements, to develop, redevelop, refurbish, renovate or make such other improvements, capital expenditures or otherwise ("Alterations"), to the Subleased Premises and the fixtures and improvements thereon, as shall be necessary or desirable

for the operation of the Subleased Premises for the uses permitted under this Sublease and the Franchise Agreement.

(g) Sublessee has heretofore delivered to Sublessor a five-year capital expenditure plan (such capital plan as amended and extended from time to time, as approved by the State, the "Capital Plan") setting forth in reasonable detail the capital expenditures and the budgeted costs therefore which Sublessee proposes to make with respect to the Subleased Premises for the Sublease Years 2008-2013, and which has been approved by the State. A copy of the approved Capital Plan 2008-2013 is annexed hereto as Exhibit I. Sublessee shall submit to Sublessor all amendments and extensions of the Capital Plan approved by the State, promptly upon such approval, which shall be similar to the detail contained in the then-existing approved Capital Plan.

(h) Sublessee shall be entitled to perform all Alterations which are set forth in the approved Capital Plan. If Sublessee desires to perform any Alterations which are not set forth in the approved Capital Plan, Sublessee shall obtain the prior written consent of the State, in accordance with the Omnibus Agreement, to such Alterations, unless such Alterations (i) do not affect any structural elements or Building systems or the improvements and (ii) in the good faith estimation of Sublessee's architect or engineer, cost more than \$100,000 to complete, which, in the case of (i) and (ii) above, the State's prior written consent shall not be required.

(i) Prior to performing any proposed Alterations, Sublessee shall, at Sublessee's expense, procure and maintain in its possession and provide to Sublessor: (i) detailed plans and specifications for such Alterations, to the extent same is required by any governmental authorities having jurisdiction over the Subleased Premises, (ii), insurance certificates from all Contractors evidencing the insurance coverages required under this Sublease, and (iii) all permits, approvals, and certifications required by any governmental authorities having jurisdiction over the Subleased Premises. Upon completion of any Alterations, Sublessee shall obtain any certificates of final approval of such Alterations required by any governmental authority, together with the "as-built" plans and specifications for such Alterations (together, the "Completion Documents"). Upon Sublessor's request, Sublessee shall promptly provide to Sublessor, in hard copy or electronic form (as Sublessor may request), any or all of the documents required to be obtained under this Section 4.11(d) including the Completion Documents, upon the completion of the Alteration.

(j) All Alterations shall be made and performed, in all material respects, in accordance with the plans and specifications therefore, as same may be modified from time to time. All Alterations shall be made and performed in a good and workmanlike manner, using materials substantially similar in quality to the existing materials at the Subleased Premises, and in good compliance with all applicable Requirements, as well as requirements of insurance bodies having jurisdiction over the Subleased Premises. No Alterations shall impair the structural integrity of soundness of any improvements and cause damage to any of Sublessor's property.

(k) All Contractors that Sublessee proposes to employ in connection with the performance of Alterations in the Subleased Premises, must be properly bonded and licensed. Notwithstanding the foregoing, all Contractors shall have such insurance coverage and bonding (i) as is commercially reasonable with respect to the form and amounts of coverage, taking into account the size and cost of the Alterations, or (ii) as otherwise required by the State, using the same standard.

(l) All Alterations made by Sublessee shall become the property of Sublessor or the State, as the case may be, upon the expiration of the Sublease. Throughout the Term of this Sublease, to the extent permitted under the applicable tax laws, rules and regulations, Sublessee shall have the sole and exclusive right to take depreciation of all Alterations made by Sublessee.

(m) Any Alterations made to the Facilities Ground Leased Premises, whether performed by Sublessor or any Occupant, when performed or completed, will not impair the structural integrity or soundness of the Building, impede the operation of any of Sublessee's Building systems within the Subleased Premises or cause damage to Sublessee's Property. In no event shall any structure or obstruction of any kind be erected at the Facilities Ground Leased Premises which would in any manner block access to the entrance to the Aqueduct Racetrack, the Building, or the Parking Areas, unless specifically set forth herein.

(i) Indemnification for Mechanics Liens.

(A) Sublessee will pay or cause to be paid all costs and charges for work performed by Sublessee or caused to be performed by Sublessee in or to the Subleased Premises. Sublessee will indemnify Sublessor against, and hold Sublessor and the Facilities Ground Leased Premises free, clear and harmless of and from, all mechanics' liens and claims of liens, and all other liabilities, liens, claims and demands on account of such work by or on behalf of Sublessee. If any such lien, at any time, is filed against the Facilities Ground Leased Premises or any part thereof, on account of work performed or caused to be performed by Sublessee in or to the Subleased Premises, Sublessee will cause such lien to be discharged of record within forty-five (45) days after the filing of such lien. If Sublessee fails to pay any charge for which a mechanics' lien has been filed, and has not discharged same of record as described above, Sublessor may, at its option, in addition to exercising any other remedies Sublessor has under this Sublease on account of a default by Sublessee, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees incurred in connection with the removal of such lien, will be immediately due from Sublessee to Sublessor.

(B) Sublessor will pay or cause to be paid all costs and charges for work performed by Sublessor or caused to be performed by Sublessor in or to the Facilities Ground Leased Premises. Sublessor will indemnify Sublessee against, and hold Sublessee and the Subleased Premises free, clear and harmless of and from, all mechanics' liens and claims of liens, and all other liabilities, liens, claims and demands

on account of such work by or on behalf of Sublessor. If any such lien, at any time, is filed against the Facilities Ground Leased Premises or any part thereof, on account of work performed or caused to be performed by Sublessor in or to the Facilities Ground Leased Premises, Sublessor will cause such lien to be discharged of record within forty-five (45) days after the filing of such lien. If Sublessor fails to pay any charge for which a mechanics' lien has been filed, and has not discharged same of record as described above, Sublessee may, at its option, in addition to exercising any other remedies Sublessee has under this Sublease on account of a default by Sublessor, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees incurred in connection with the removal of such lien, will be immediately due from Sublessor to Sublessee.

4.12 SIGNAGE.

(n) Sublessor hereby consents to any and all of Sublessee's signage and sponsorship signage that is currently installed on the Facilities Ground Leased Premises ("Sublessee's Existing Signage") and to any upgrade of Sublessee's Existing Signage, provided such signage does not detract from the commercial appeal of the VLT Operations. Sublessee may sell, lease or otherwise permit any signage or sponsorship signage that is related to Sublessee's business operations to be erected within the Subleased Premises, without the consent of Sublessor. Subject to Sublessor's reasonable approval thereof, Sublessee shall have the right to install and maintain any other of its signs or its sponsor's signs on any part of the Facilities Ground Leased Premises, including the exterior of the Facilities Ground Leased Premises, the Building and the Common Facilities. All such signs shall be furnished, installed and maintained by Sublessee at its sole cost and expense but Sublessor shall, at Sublessee's sole reasonable cost and expense, provide the electrical connections and wiring for all such signs as required by Sublessee. Sublessor agrees that if a pylon sign is erected at or near the Facilities Ground Leased Premises or Building and the Occupants of the Facilities Ground Leased Premises are permitted to place their logo signs on said pylon sign, then Sublessee shall, at its sole cost and expense, be permitted to place its logo on the pylon sign. In the event such a sign is erected, such sign shall be kept in good order and repair by Sublessor and lighted during the evening hours, as determined by Sublessor, and Sublessee shall pay Sublessee's Building Area Proportionate Share of the costs thereof. In no event shall Sublessee erect any signage in any area of the Facilities Ground Leased Premises to competitors of Sublessor and Sublessee shall, upon written notice from Sublessor, not renew or extend any current lease or license for any signage that is leased or licensed to competitors of Sublessor.

(o) Sublessor may sell, lease or otherwise permit signage or sponsorship signage (other than sponsorship signage for racing) to be erected on or about the Facilities Ground Leased Premises other than the Subleased Premises, including but not limited to the exterior of the Building and the Common Facilities, without the consent of Sublessee provided such signage does not block any of the windows of the Subleased Premises or is not placed on the exterior portions of the Subleased Premises or the Clubhouse. Notwithstanding the foregoing, if Sublessor commences VLT Operations

within the VLT Premises, Sublessor shall be permitted to install and maintain signs or sponsorship signage on or about the VLT Premises, provided same do not impede or interfere with Sublessee's signs. In no event shall Sublessor or any other Occupant sell or lease signage or advertising space on or about the VLT Premises or the Facilities Ground Leased Premises, including but not limited to the exterior of the Building and the Common Facilities, to competitors of Sublessee and in no event shall Sublessor erect sponsorship signage which relates to racing operations in or on any area of the Property. This provision shall survive the termination of the Sublease, for the benefit of Sublessee as lessee under the Racetrack Ground Lease.

4.13 SUBLESSOR MORTGAGE

Sublessor represents and warrants that, as of the date hereof, except for a mortgage disclosed to Sublessee which is subject to a non-disturbance agreement executed by Sublessee and such mortgagee, it has not mortgaged or encumbered its leasehold interest in the Facilities Ground Leased Premises. Sublessor may not mortgage or encumber all or any part of the Facilities Ground Leased Premises that includes all or any portion of the Subleased Premises without obtaining a non-disturbance agreement in favor of Sublessee, which may be on such mortgagee's customary form, in form and content reasonably satisfactory to Sublessee, modified as necessary to preserve Sublessee's rights under this Sublease, including that under no circumstances may this Sublease be terminated except as set forth herein.

4.14 NAME OF RACETRACK.

The name of the racetrack shall be Aqueduct Racetrack, and such name shall not be changed during the term of this Sublease without the written consent of both Sublessor and Sublessee having been first obtained. Sublessor may not use the name of the racetrack for any purpose or in any manner that would benefit any competitor of Sublessee.

4.15 INDEMNIFICATION, WAIVER AND RELEASE.

(p) Sublessee Indemnification. Sublessee shall indemnify, defend and hold harmless Sublessor, Empire State Development Corporation, the FOB and their respective officers, directors, trustees, employees, members, managers, and agents (collectively, the "Indemnitees"), from and against any and all claims, actions, damages, liability and expense which (i) arise from or in connection with the possession, use or occupancy of the Subleased Premises, (ii) result from or are in connection with any act or omission by Sublessee or its agents, Contractors or employees, (iii) result from any default or breach of this Sublease or any provision herein by Sublessee, or (iii) result in injury to person or property or loss of life sustained within the Subleased Premises, except if caused by the negligence, acts or omissions of Sublessor, or its agents, Contractors or employees. In case any Indemnitee shall be made a party to any litigation covered by this indemnity, whether or not also commenced by or against Sublessee, then Sublessee shall protect and hold the Indemnitees harmless and shall pay all costs,

expenses and reasonable attorneys' fees incurred or paid by such parties in connection with such litigation.

(q) **Sublessor's Indemnification.** Sublessor shall indemnify, defend and hold harmless Sublessee from and against any and all claims, actions, damages, liability and expense which (i) arise from or in connection with the possession, use or occupancy of the Common Facilities, (ii) result from or are in connection with any act or omission by Sublessor, its agents, Contractors or employees, (iii) result from any default or breach of this Sublease or any provision herein by Sublessor, or (iii) result in injury to person or property or loss of life sustained within the Common Facilities, except if caused by the negligence, acts or omissions of Sublessee or its agents, Contractors or employees. In case Sublessee shall be made a party to any litigation covered by this indemnity, whether or not also commenced by or against Sublessor, then Sublessor shall protect and hold Sublessee harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by such parties in connection with such litigation.

ARTICLE V DEVELOPMENT CLAUSE

5.1 DEVELOPMENT OF THE FACILITIES GROUND LEASED PREMISES.

(a) The parties acknowledge that from time to time during the Term of this Sublease, (i) Sublessor shall develop and construct all or a portion of the VLT Premises for the operation of video lottery gaming terminals and activities and uses associated with such operation (the "VLT Operations") and in such capacity, Sublessor may from time to time be referred to herein as the "VLT Operator", (ii) Sublessor may expand its VLT Operations into all or a portion of the Future Development Area and/or may sublease or license, for the direct benefit of the State, all or any portion of the Future Development Area to any Occupant, subject to applicable Requirements, provided Sublessor shall not sublet or license any Future Development Area to any competitor of Sublessee other than for executive offices for New York City OTB (the "Future Development"), and (iii) Sublessor may release one or more of those portions of the Facilities Ground Leased Premises identified as the "Real Estate Development Parcels" (each, a "Real Estate Development Parcel"), to the State to lease or license to a third party entity or entities selected in accordance with the terms of the Franchise Agreement (collectively, the "Phase II Developer") for the development of retail, hotel and entertainment facilities or such other uses and facilities as are approved by the FOB (the "Phase II Development"), provided there shall be no pari-mutuel or simulcast wagering or horse racing conducted at the Aqueduct Racetrack by any party other than Sublessee, and from and after such release, the provisions of this Sublease shall not apply to the portions so released. The construction and development of the VLT Premises, the Future Development and the Phase II Development, to the extent undertaken on the premises subject to the Facilities Ground Lease, may herein be collectively referred to as the "Facilities Ground Leased Premises Development" and shall at all times be conducted in a manner which satisfies the conditions set forth in the Franchise Agreement and Article 5 of this Sublease. The

provisions of this paragraph prohibiting Sublessor from subletting or licensing any Future Development Area to any competitor of Sublessee other than New York City OTB shall survive the termination of this Sublease, for the benefit of Sublessee as lessee under the Racetrack Ground Lease.

(b) Pursuant to the Omnibus Agreement, and in connection with the Phase II Development, Sublessee shall be entitled to receive from the State such information, including, but not limited to, site development and construction plans, specifications, schedules, reports, contracts, agreements, budgets, surveys and such other documentation (the "Development Documentation"), as shall be in the possession of the State in order to allow Sublessee to determine the nature, scope, design and conformity of such Phase II Development to the Development Requirements (defined below). Sublessor shall also provide to Sublessee such Development Documentation as it has in its possession. At such times as Sublessor expands its VLT Operations or commences Future Development, Sublessor shall also provide Sublessee with all available Development Documentation for its review. Sublessor covenants that the Facilities Ground Leased Premises Development shall not interfere with Sublessee's Permitted Uses and Ancillary Uses of the Subleased Premises in any material respect.

5.2 DEVELOPMENT REQUIREMENTS.

Supplementing Section 5.1 of this Sublease, in connection with any or all of the Facilities Ground Leased Premises Development undertaken on premises then subject to the Facilities Ground Lease, Sublessor agrees that Sublessor shall comply with the following requirements, which are collectively defined as the "Development Requirements":

(a) Compliance with Franchise Agreement. Sublessor shall have complied, and continue to comply, with the requirements contained in Section 2.13(a) of the Franchise Agreement applicable to Sublessor.

(b) Development Costs. Sublessee shall not be required to incur any costs in connection with the development and construction of the Facilities Ground Leased Premises Development.

(c) Timing, Noise and Interference During Initial Construction. Sublessor acknowledges that, due to the presence of horses on the Property, the Property should not be subjected to excessive noise to the extent commercially practicable. Sublessee acknowledges that the construction of the Facilities Ground Leased Premises Development will inherently create noise and disruption. Sublessor therefore agrees that it will take appropriate measures to minimize the likelihood and extent of interference with horse racing, training and stabling of horses. In particular, the initial construction of the Facilities Ground Leased Premises Development or any part thereof (the "Initial Phase II Construction") which could reasonably be expected to interfere with racing, training and stabling of horses shall, to the extent commercially practicable, be conducted at such times and in such manner so as to minimize the likelihood of any such

interference, but Sublessor or any Occupants shall not be obligated to incur any additional overtime costs in order to minimize noise and disruption on the Property. In order to cooperate and to assist with the compliance of this provision, at such time as there is any construction work or any other activity scheduled that is reasonably likely to interfere with racing, training and stabling of horses, the Parties shall establish a procedure of coordination with each other in order to make each other aware of such potential disruption so that the Parties can take appropriate action. Sublessor agrees that it will take appropriate measures to minimize the likelihood and extent of interference with Sublessee's and its employees', customers' and invitees' use and occupancy of the Facilities Ground Leased Premises and the Ground Leased Premises, including parking, as a result of the development and construction of the Facilities Ground Leased Premises Development, including, without imitation, the staging of all construction related vehicles and equipment and the storing of construction materials and supplies. This provision shall survive the termination of this Sublease, for the benefit of Sublessee as lessee under the Racetrack Ground Lease.

(d) Timing, Noise and Interference Other Than During Initial Construction. Other than during Initial Phase II Construction, which is covered by subparagraph 5.2(c) above, Sublessee and Sublessor each agree and Sublessor shall require any Occupants to agree that each party shall conduct or permit the conduct of its respective permitted uses in a manner that does not interfere in any material respect with the other party's operations within the Facilities Ground Leased Premises or the Ground Leased Premises. Other than during the Initial Phase II Construction, to the extent that either Sublessee, Sublessor or Occupant engages in an activity that is reasonably likely to cause interference in any material respect with another party's operations (an "Impact Activity"), each party engaging in the activity shall provide, or Sublessor shall require Occupant to provide, to the other party or parties, as applicable, with five (5) business days notice of its intention to engage in such Impact Activity (the "Impact Notice"). In the event that a party (the "Objecting Party") objects to another party's (the "Non-Objecting Party") Impact Activity, the Objecting Party shall have two (2) business days from the date of receipt of the Impact Notice in question to object thereto, provided that, if the Objecting Party shall not object within such two (2) business days, the Objecting Party shall be deemed to have no objection thereto. In the event that the Objecting Party does object to a particular Impact Activity, the Objecting Party and the Non-Objecting Party shall cooperate in good faith to determine a date and time during which the Non-Objecting Party may engage in the applicable Impact Activity (such date not to be more than ten (10) days subsequent to Objecting Party's receipt of the Impact Notice). Notwithstanding the foregoing, nothing contained in this Section 5.2(d) shall be construed to require any party to incur overtime costs or incur other extra expense. This provision shall survive the termination of the Sublease, for the benefit of Sublessee as lessee under the Racetrack Ground Lease.

ARTICLE VI
DEFAULT CLAUSE

6.1 EVENTS OF DEFAULT NOT RESULTING IN FRANCHISE
REVOCAION

The following events shall each constitute a "Non-Revocation Event of Default" under this Sublease:

(a) Monetary Defaults. Failure on the part of Sublessee to pay Rent or any other sums and charges when due to Sublessor hereunder and the continuation of such failure for ten (10) days after written notice to Sublessee.

(b) Nonmonetary Defaults. Failure on the part of Sublessee to perform any of the terms or provisions of this Sublease other than the provisions (x) requiring the payment of Rent, and (y) breach of which would give rise to the revocation of the Franchise Agreement pursuant to the terms thereof, and the continuation of such failure for thirty (30) days after written notice to Sublessee, provided that if the default is of such character as to require more than thirty (30) days to cure, if Sublessee shall fail to commence curing such default within thirty (30) days following notice and thereafter to use reasonable diligence in curing such default.

6.2 REMEDIES FOR NON-REVOCAION EVENT OF DEFAULT NOT
RESULTING IN FRANCHISE REVOCAION

If a Non-Revocation Event of Default shall occur, Sublessor shall be entitled, at Sublessor's election, to exercise any remedies available at law or in equity on account of such Non-Revocation Event of Default, including without limitation, to bring one or more successive suits for monetary damages and/or specific performance, but Sublessor shall not be entitled to terminate this Sublease and remove Sublessee from possession of the Subleased Premises. In addition to the foregoing, Sublessor may undertake to cure such Non-Revocation Event of Default for the account of Sublessee, and Sublessee shall be responsible for the reasonable and actual out of pocket cost and expenses incurred by Sublessor in performing such cure (with interest accruing at the Default Rate) which shall immediately be owing by Sublessee to Sublessor.

6.3 REVOCAION OF FRANCHISE AGREEMENT

Notwithstanding anything in this Sublease to the contrary, if Sublessee's Franchise shall be duly revoked pursuant to Racing Law §§244 and 245, then this Sublease shall be deemed automatically, without further notice or legal action, terminated as of the date of such Franchise revocation, and Sublessor shall have the right, at Sublessor's election, to exercise any of the remedies set forth in Section 6.4 of this Sublease which are applicable following termination of the Sublease. Sublessee shall have the right to remain in possession of the Subleased Premises for a period of not more than thirty (30) days following termination of the Sublease, solely for the purposes of

orderly vacating the Subleased Premises in the condition required by this Sublease, TIME BEING OF THE ESSENCE to the obligation of Sublessee to vacate the Subleased Premises as provided in this Sublease no later than the thirtieth (30th) day following the termination of this Sublease. Sublessor has no other rights to terminate this Lease other than those stated in this Section 6.3.

6.4 LEASE TERMINATION FOLLOWING REVOCATION OF FRANCHISE AGREEMENT

(a) If this Sublease shall be terminated as provided in Section 6.3, Sublessor, without notice, may re-enter and repossess the Subleased Premises using such force for that purpose as may be necessary and permissible pursuant to applicable laws, without being liable to indictment, prosecution or damages therefore and may dispossess Sublessee by summary proceedings or otherwise.

(b) No termination of this Sublease pursuant to Section 6.3, or taking possession of or reletting the Subleased Premises or any part thereof, shall relieve Sublessee of its liabilities and obligations under this Sublease which shall survive such expiration, termination, repossession or reletting.

6.5 NO WAIVER

No failure by Sublessor to insist upon the strict performance of any covenant, agreement, term or condition of this Sublease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Sublease to be performed or complied with by Sublessee, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Sublessor. No waiver of any breach shall affect or alter this Sublease, but each and every covenant, agreement, term and condition of this Sublease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

6.6 REMEDIES CUMULATIVE

All amounts expended by either party to cure any default by the other party or to pursue remedies hereunder shall be paid by the defaulting party to such other party upon demand. Each right and remedy of Sublessor and Sublessee provided for in this Sublease shall be cumulative and shall be in addition to every other right or remedy provided for in this Sublease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by either party to this Sublease of any one or more of the rights or remedies provided for in this Sublease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by such party of any or all other rights or remedies provided for in this Sublease or now or hereafter existing at law or in equity or by statute or otherwise.

ARTICLE VII
MISCELLANEOUS

7.1 ESTOPPEL CERTIFICATES

Either party shall, at any time and from time to time upon not less than ten (10) days' prior request by the other Party, execute, acknowledge and deliver to such other Party, a statement in writing certifying (i) its ownership of its interest hereunder, (ii) that this Sublease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (iii) the dates to which the rent and any other charges have been paid, and (iv) that, to the best of its knowledge, no default hereunder on the part of the other Party exists (except that if any such default does exist, such Party shall specify such default).

7.2 NOTICES

All notices hereunder to the respective Parties will be in writing and will be served by personal delivery or by prepaid, express mail (next day) via a reputable courier service, or by prepaid, registered or certified mail, return receipt requested, addressed to the respective parties at their addresses set forth below. Any such notice to Sublessor or Sublessee will be deemed to be given and effective: (i) if personally delivered, then on the date of such delivery, (ii) if sent via express mail (next day), then one (1) business day after the date such notice is sent, or (iii) if sent by registered or certified mail, then three (3) business days following the date on which such notice is deposited in the United States mail addressed as aforesaid. For purposes of this Sublease, a business day shall be deemed to mean a day of the week other than a Saturday or Sunday or other holiday recognized by banking institutions of the State of New York. Copies of all notices will be sent to the following:

If to Sublessee:

The New York Racing Association, Inc.
Aqueduct Racetrack
110-00 Rockaway Boulevard
South Ozone Park, New York 11417
Attn: General Counsel

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Brian S. Rosen, Esq.

If to Sublessor:

Genting New York LLC
c/o Steven Wilner
1 Liberty Plaza
New York, NY 10006

With a copy to:

The New York State Franchise Oversight Board
Franchise Oversight Board
c/o Executive Chamber
The Capitol
Albany, NY 12224
Attention: Chairman
Telecopy: _____

With a copy to:

The State of New York
Office of the Attorney General
of the State of New York
The Capitol
Albany, New York 12224-0341
Attention: Nancy Hershey Lord, Esq.
Fax: (508) 408-2057

With a copy to:

Charities Bureau
Department of Law
120 Broadway - 3rd Floor
New York, New York 10271

With a copy to:

The Racing and Wagering Board
Chairman
N.Y.S. Racing and Wagering Board
1 Broadway Center, Suite 600
Schenectady, New York 12305
Telecopy: (518) 347-1250

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attn: Alan S. Kornberg, Esq.

7.3 ACCESS TO SUBLEASED PREMISES

Sublessee shall permit Sublessor and the authorized representatives of Sublessor to enter the Subleased Premises at reasonable times upon prior reasonable notice to Sublessee (i) for the purpose of serving or posting or keeping posted thereon notices required by law; (ii) for the purpose of conducting periodic inspections of the same and (iii) for the purpose of performing any work thereon required to be performed by Sublessor pursuant to this Sublease or that Sublessor, in the reasonable exercise of Sublessor's judgment, is required to perform to prevent waste, loss, damage or deterioration to or in connection with the Subleased Premises.

7.4 WAIVER OF PERFORMANCE BY EITHER PARTY

No waiver of any of the provisions of this Sublease shall be deemed, or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, nor shall a waiver in any instance constitute a continuing waiver, nor shall a waiver in any instance constitute a waiver in any subsequent instance.

7.5 CAPTIONS

Captions throughout this instrument are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Sublease.

7.6 SUBLEASE BINDING ON SUCCESSORS/MODIFICATION

All covenants, agreements, provisions and conditions of this Sublease shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, executors, administrators, successors in interest and assigns and grantees, and shall be deemed to run with the land. No modification of this Sublease shall be binding unless evidenced by an agreement in writing signed by Sublessor and Sublessee.

7.7 BROKERAGE COMMISSION

Sublessor and Sublessee represent and warrant one to the other that no broker commission, finder's fees or similar compensation is due to any party claiming through Sublessor or Sublessee, as applicable, and Sublessor and Sublessee agree to hold the other Party harmless from any liability to pay any such brokerage commission, finder's fees or similar compensation to any parties claiming same through the indemnifying Party.

7.8 ATTORNEYS' FEES

Either Party shall be entitled to recover its reasonable attorneys' fees and similar costs incurred in connection with the enforcement of its rights and remedies under this Sublease.

7.9 MEMORANDUM OF LEASE

Sublessor and Sublessee agree to execute and deliver to each other a short form of this Sublease in recordable form which incorporates all of the terms and conditions of this Sublease by reference in the form mutually agreed upon by Sublessor and Sublessee and attached hereto as Exhibit K ("Memorandum of Lease"). Sublessor and Sublessee agree that at such recording party's cost, either party may record such Memorandum of Lease, in the office of the county clerk in which the Facilities Ground Leased Premises is located.

7.10 PARTIAL INVALIDITY

If any term, provision, condition or covenant of this Sublease or the application thereof to any Party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Sublease, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Sublease shall be valid and enforceable to the fullest extent permitted by law.

7.11 APPLICABLE LAW AND VENUE

This Sublease shall be governed by and construed in accordance with the laws of the State of New York.

7.12 PRIMACY OF DOCUMENTS

In the event of a conflict between the provisions of the Legislation and the provisions of this Sublease or the Franchise Agreement, the provisions of the Legislation shall prevail. In the event of a conflict between this Sublease and the Franchise Agreement, the provisions of the Franchise Agreement shall prevail.

7.13 COUNTERPARTS

This Sublease may be executed in two or more fully or partially executed counterparts, each of which shall be deemed an original, binding the signer thereof against the other signing Party, but all counterparts together will constitute one and the same instrument.

7.14 ARBITRATION. (a) If this Sublease shall require any dispute between Sublessor and Sublessee to be settled by arbitration, then each Party shall have the right to submit such dispute to arbitration, which shall be conducted in Manhattan in accordance with the Commercial Arbitration Rules (Expedited Procedures) of the AAA. The Party requesting arbitration shall do so by giving notice to that effect to the other Party, specifying in said notice the nature of the dispute, and that said dispute shall be determined in the City of New York, by a panel of three (3) arbitrators in accordance

with this Section 7.14. Sublessor and Sublessee shall each appoint their arbitrator within five (5) days after such Party's notice. The arbitrators so appointed shall meet and shall, if possible, determine such matter within ten (10) days after the second arbitrator is appointed and their determination shall be binding on the parties. If for any reason such two arbitrators fail to agree on such matter within such period of ten (10) days, then either Sublessor or Sublessee may request ENDISPUTE/JAMS (or any organization which is the successor thereto or any other arbitration or mediation entity that is an active or retired state or federal judge) to appoint an arbitrator who shall be impartial within seven (7) days of such request and both parties shall be bound by any appointments so made within such 7-day period. The third arbitrator (and the second arbitrator if selected by the other arbitrator as provided above) only shall subscribe and swear or affirm to an oath fairly and impartially to determine such dispute. Within seven (7) days after the third arbitrator has been appointed, each of the first two arbitrators shall submit their respective determinations to the third arbitrator who must select one or the other of such determinations (whichever the third arbitrator believes to be correct or closest to a correct determination) within seven (7) days after the first two arbitrators shall have submitted their respective determinations to the third arbitrator, and the selection so made shall in all cases be binding upon the parties, and judgment upon such decision may be entered into any court having jurisdiction. In the event of the failure, refusal or inability of an arbitrator to act, a successor shall be appointed within ten (10) days as hereinbefore provided. In the case of all disputes to be determined by arbitration in accordance with this Section 7.14, the arbitrator shall be engaged in such field for a period of at least ten (10) years before the date of his appointment. The third arbitrator shall be an active or retired New York State or federal judge experienced with the subject matter with which the arbitration is concerned and shall schedule a hearing where the parties and their advocates shall have the right to present evidence, call witnesses and experts and cross-examine the other Party's witnesses and experts. Either Party shall have the right, at any time, to make a motion to the third arbitrator to grant summary judgment as to any question of law.

(b) Sublessor and Sublessee agree to sign all documents and to do all other things necessary to submit any such matter to arbitration and further agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. For such period, if any, as this agreement to arbitrate is not legally binding or the arbitrator's awards is not legally enforceable, the provision requiring arbitration shall be deemed deleted and matters to be determined by arbitration shall be subject to litigation.

(c) Except as otherwise specifically provided herein, the losing Party shall pay the fees and expenses for all arbitrators.

7.15 CLUBHOUSE PREMISES.

The parties agree and acknowledge that notwithstanding the exhibits attached hereto, in connection with the initial occupancy of the VLT Premises by the

VLT Operator, if any portion of the Clubhouse included in the exhibits as the VLT Premises is not actually demised under this Sublease to the VLT Operator for the VLT Premises, such portion of the Clubhouse shall become part of the Subleased Premises. If any part of the Clubhouse that is not included in the exhibits as VLT Premises is required by the VLT Operator for VLT gaming, the parties shall negotiate in good faith to allocate a reasonable amount of alternate or additional space within the Clubhouse to reasonably accommodate the requirements of both parties, provided that the Sublessee shall be under no obligation to agree to any allocation of alternate or additional space to the VLT Operator within the Clubhouse if such allocation would result in an adverse impact upon Sublessee's operations or customer experience within the Subleased Premises to more than a de minimus extent. If the Parties' good faith negotiations result in a reasonable accommodation that is mutually satisfactory to each, in such case the Subleased Premises and the VLT Premises shall be appropriately adjusted. Moreover, if the VLT Operator proposes to use or operate any additional or alternate space within the Clubhouse for non-gaming activities, such as dining, Sublessee shall participate in good faith discussions with the VLT Operator regarding such activities, however, Sublessee shall be under no obligation to agree to any such activities within the Clubhouse if such activities or allocation of spaces attendant thereto would result in an adverse impact upon Sublessee's operations or customer experience within the Subleased Premises to more than a de minimus extent.

7.16 RESTRICTIONS ON PARI-MUTUEL WAGERING.

The Parties hereby acknowledge and agree that there shall be no pari-mutuel or simulcast wagering or horse racing conducted at the Aqueduct Racetrack by any party other than Sublessee.

7.17 TIME PERIOD FOR PAYMENT OBLIGATIONS.

All payments to be made by Sublessor and Sublessee pursuant to this Sublease shall be made within ten (10) business days after demand therefor, unless a time period for such payment is otherwise specifically set forth herein. If either Party fails to make any payment due within the time period required under this Sublease, then such Party shall pay to the other Party the amount so due together with interest thereon at the Default Rate, which interest shall accrue from the date such payment is due through the date such payment is made.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Sublessor and Sublessee have executed this Sublease as of the day and year first above written.

SUBLESSOR:

GENTING NEW YORK LLC

By: 
Name: Barry Hoffman
Title: Director

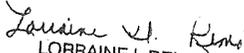
SUBLESSEE:

THE NEW YORK RACING
ASSOCIATION, INC.

By: 
Name: Patrick L. Kehoe
Title: General Counsel

APPROVED AS TO FORM
NYS ATTORNEY GENERAL

SEP 08 2010


LORRAINE I. REMO
ASSOCIATE ATTORNEY

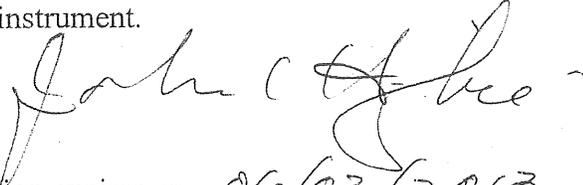
APPROVED September 13 2010

FOR THE STATE COMPTROLLER

ACKNOWLEDGMENTS

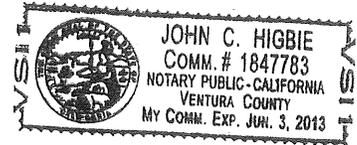
On the 13 day of August, in the year 2010, before me, the undersigned, personally appeared Barry A.L. Hoffman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature



My Commission expires on

06/03/2013



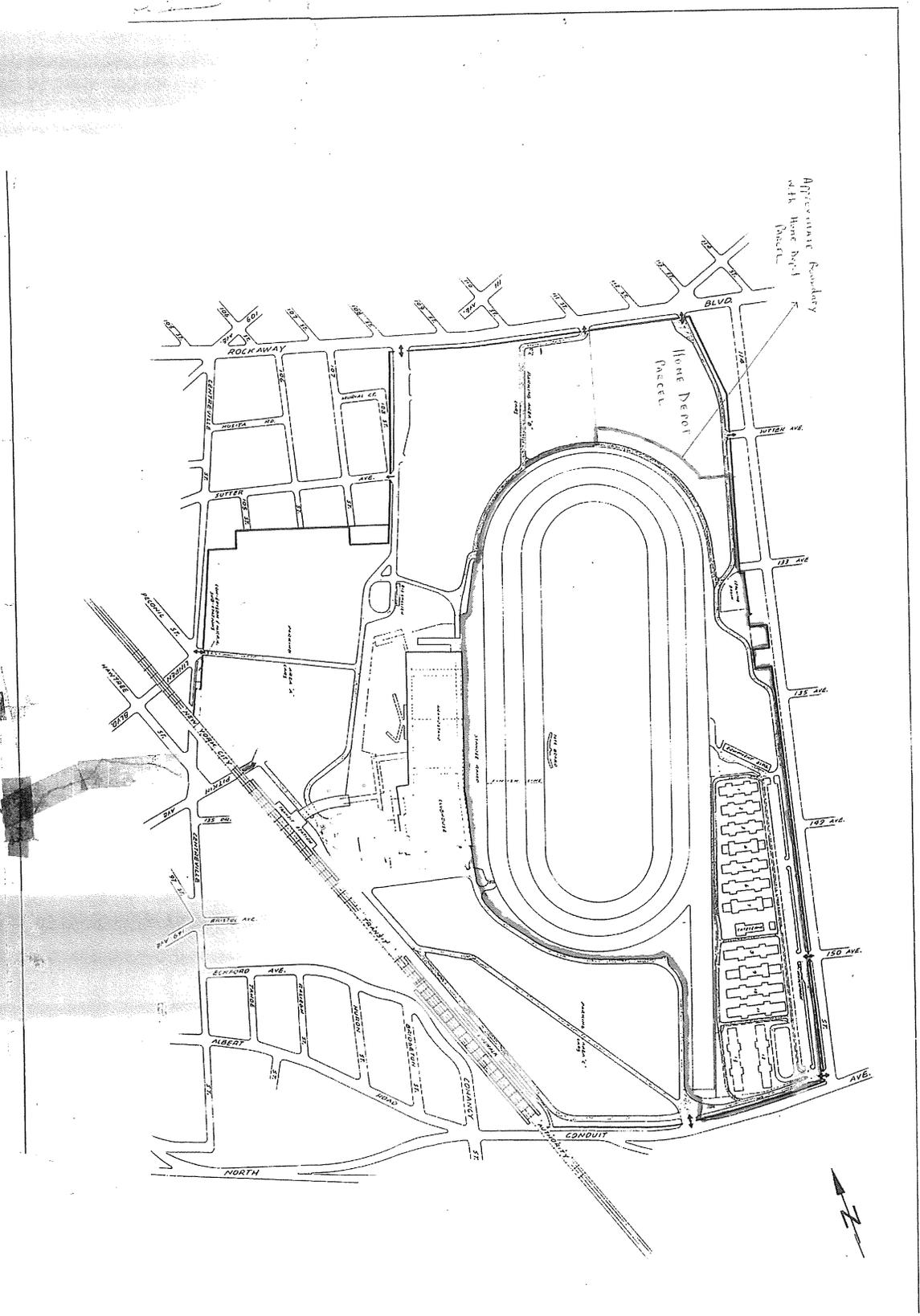
On the ___ day of _____, in the year 2010, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature

My Commission expires on _____

EXHIBIT A-1

PROPERTY



Approximate Boundary
with Home Dept
Parcel

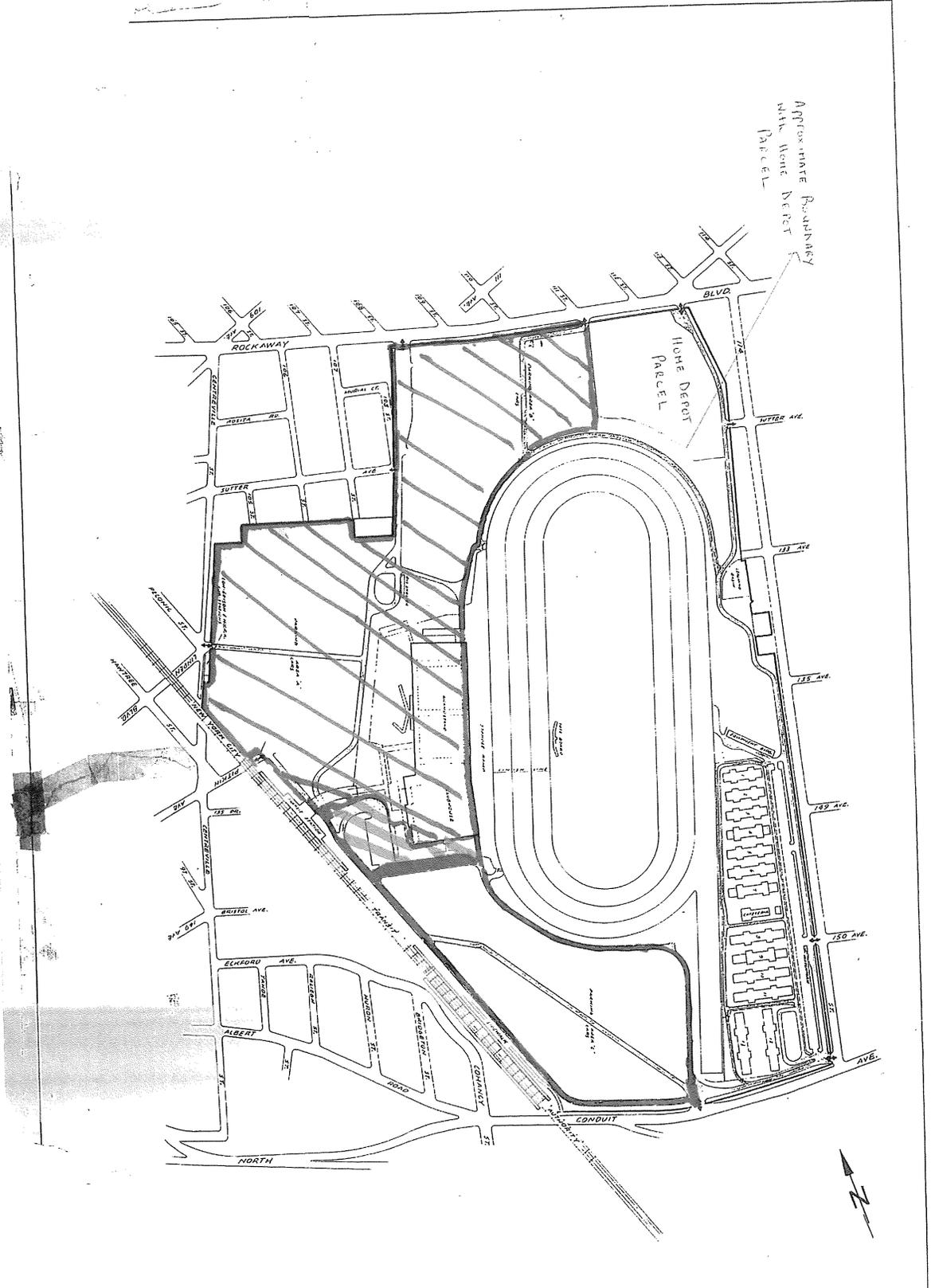
Home Depot
Parcel



AQUEDUCT
RACE TRACK
GROUND
LEASE

LEASED PREMISES

GENERAL SITE PLAN
AQUEDUCT RACE TRACK
THE NEW YORK RACING ASSOCIATION INC.
SCALE 1" = 100'



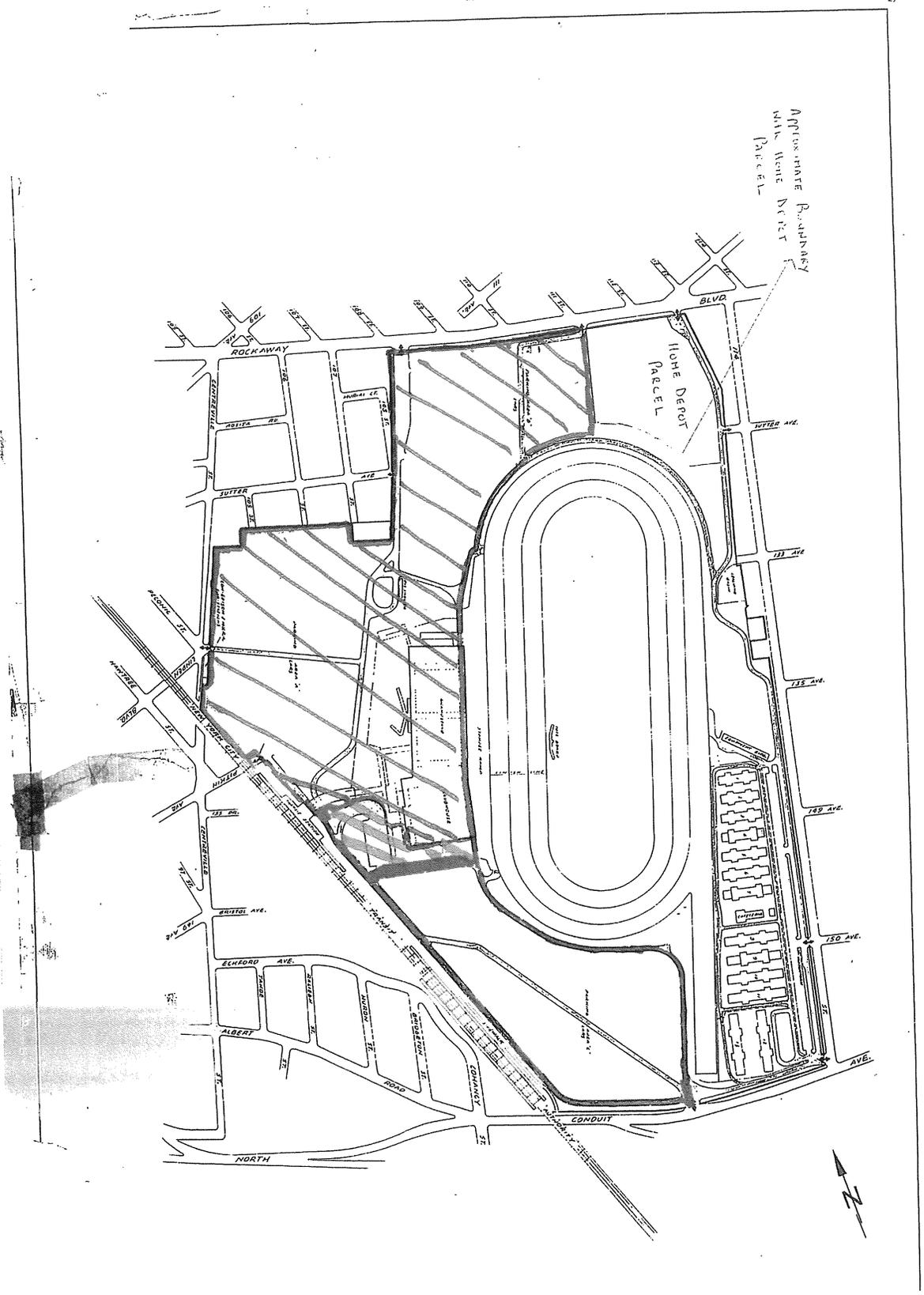
AVE DUCT
 FACETRACK
 FACILITIES
 GROUND
 LEASE

LEASED PREMISES IS
 CROSS - HATCHED AND BLUE
 AND ORANGE ROAD (ORANGE
 ROAD IS COMMON USE WITH
 Port Authority of NY NJ)

GENERAL SITE PLAN
 RACETRACK
 THE NEW YORK RACING ASSOCIATION INC.
 1964

EXHIBIT A-2

FACILITIES GROUND LEASED PREMISES



RAVEDUCT
 FACETRACK
 FACILITIES
 GROUND
 LEASE

LEASED PREMISES IS
 CROSS-HATCHED AND BLUE
 AND ORANGE ROAD (ORANGE
 ROAD IS COMMON USE WITH
 PORT AUTHORITY OF NY NJ)

GENERAL SITE PLAN
 AQUEDUCT RACING ASSOCIATION INC.
 THE AQUEDUCT RACING ASSOCIATION INC.

EXHIBIT B

SUBLEASED PREMISES

The Subleased Premises shall be comprised of the following interior portions of the Building:

Ground Floor: The entire floor comprising the ground level, with the exception of approximately 28,000 square feet, the location of which is to be agreed to between Sublessor and Sublessee, to be used by the VLT Operator for retail purposes (but in no event greater than 1,000 square feet for such purpose), trade shops, utilities and building systems, maintenance, food and beverage storage, building storage, and armored car access bay and secured back of house room.

The ground floor Common Facilities shall include the "tunnel" on the racetrack side of the Building and hallways needed for general access to the areas provided above, the location of which is to be agreed to between Sublessor and Sublessee.

First Floor: The entire Clubhouse located on the first floor. Notwithstanding the foregoing, ~~to the extent required in any of the bid proposals submitted on or prior to September 12, 2008 by potential bidders,~~ the VLT Operator shall be entitled to utilize up to approximately 55,000 square feet of the first floor of the Clubhouse that is adjacent to the Grandstand, but in no event will the VLT Premises comprise (i) any area that is between the glass windows facing the racetrack and the second row therefrom of interior structural columns, running from the south wall to the north end of the viewing end of the paddock, and (ii) any area between the south wall and the sixth row therefrom of structural columns running from the east side to the west side of the Building.

~~BAK~~
PLK

The ground level entry that allows ingress and egress to the first floor by means of the escalator existing on ~~September 12, 2008~~ shall be deemed Common Facilities. June 8, 2010, the date of the Mandatory Bidders Conference,

~~BAK~~
PLK

Second Floor: The entire second floor of the Clubhouse.

Third Floor: The entire third floor of the Clubhouse up to and including the space known as the Manhattan Terrace and including the interior area above the third floor Clubhouse area.

Roof: All improvements and structures located on the roof in existence on ~~September 12, 2008~~ and utilized for racing operations, including without limitation, the press box, the judges box, the steward stand and the photo finish box.
June 8, 2010

~~BAK~~
PLK

PLK
Patrick L. Kehoe
SRVP, GC, Corp Sec.
NYRA
9-2-2010

~~BAK~~
Barry A.L. Hoffman
Director
Genting New York LLC
9/1/10

EXHIBIT C

VLT PREMISES

The VLT Premises shall be comprised of those areas within the interior of the Building selected by the VLT Operator as the VLT Premises and which shall exclude the Subleased Premises, the Future Development Area and the Common Facilities.

EXHIBIT D

FUTURE DEVELOPMENT AREA

The Future Development Area shall be comprised of those areas within the interior of the Building which shall exclude the Subleased Premises, the VLT Premises and the Common Facilities.

EXHIBIT E

CLUBHOUSE

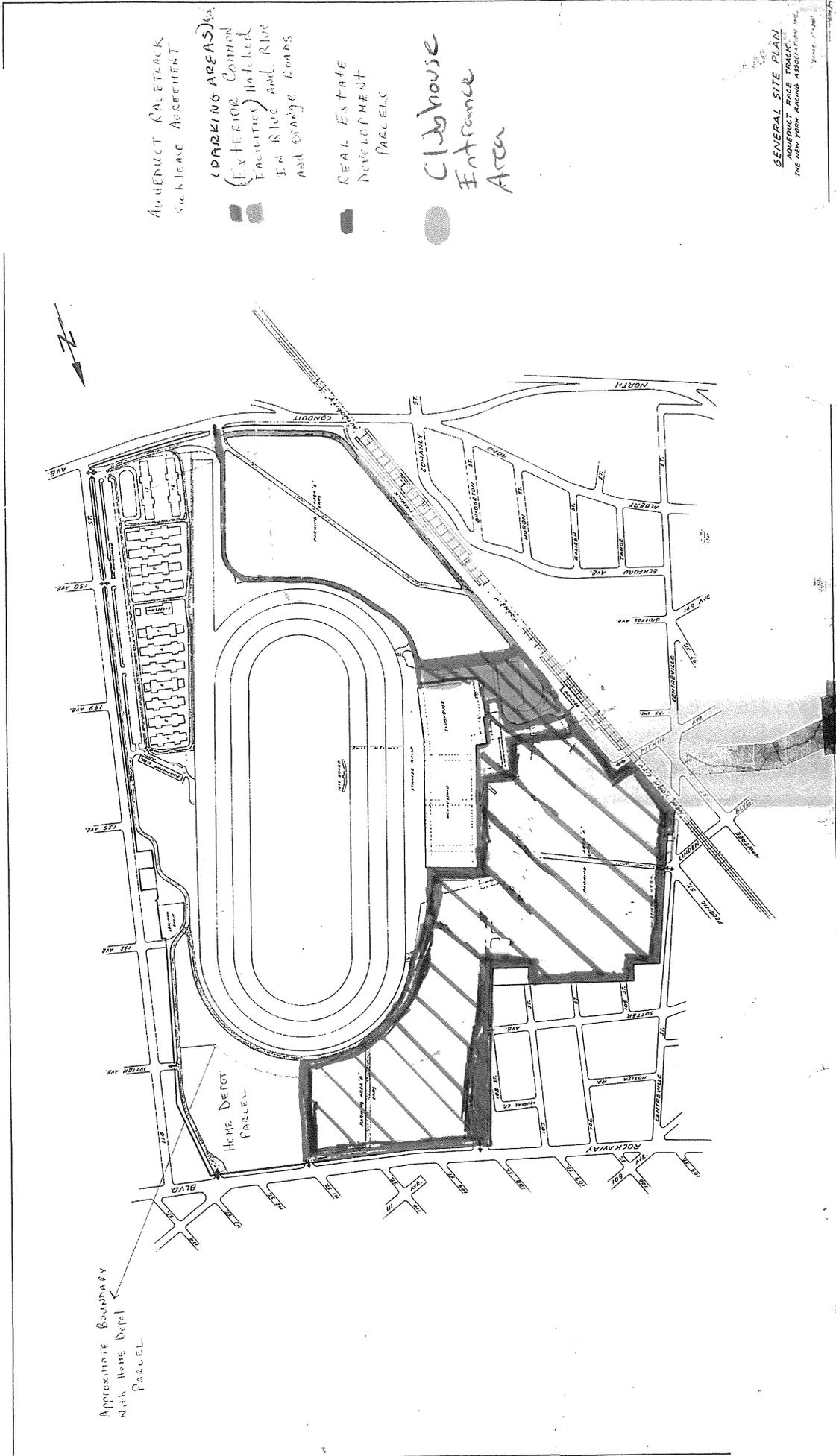
The Clubhouse shall be comprised of the space that is currently utilized by Sublessee as of September 12, 2008, the charges for entrance thereto being different than the charges to the Grandstand (as of September 12, 2008) and which shall include on the third floor of the Building the area commonly known as the Manhattan Terrace.

EXHIBIT F

GRANDSTAND

The Grandstand shall be comprised of all interior areas of the Building other than the Clubhouse and the ground floor.

EXHIBIT G
PARKING AREAS



See Exhibit G-1
attached hereto

EXHIBIT G-1

If a Phase II Developer desires to change the Clubhouse Entrance Area (as shown on the attached Exhibit G), the Parties shall negotiate in good faith to accommodate the needs of the Parties, and upon reaching agreement, the Clubhouse Entrance Area shall be included in the Real Estate Development Parcel in accordance with such agreement, provided that Sublessee shall not be under any obligation to agree to any change which would result in an adverse impact upon Sublessee's operations or customer experience, except to a de minimus extent.

The roads within the Real Estate Development Parcels may be modified only if comparable alternate road(s) to access the Clubhouse are provided which are convenient to Sublessee and its customers and invitees. The Parties shall negotiate in good faith regarding such modification.

EXHIBIT H

REAL ESTATE DEVELOPMENT PARCELS

Refer to Exhibit G

EXHIBIT I
CAPITAL PLAN

**PROPOSED FIVE-YEAR CAPITAL
IMPROVEMENT PLAN**

2008 - 2012



THE NEW YORK RACING ASSOCIATION INC.

September 28, 2007

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Master Schedule 1

Aqueduct Racetrack 2

Belmont Park Racetrack 3

Saratoga Race Course 4

General Equipment Schedule 5

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**MASTER SCHEDULE
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012 Total
AQUEDUCT					
Grandstand and Clubhouse	460,000	2,270,000	3,340,000	160,000	10,000
Backstretch and Paddock	25,000	1,350,000	1,335,000	1,825,000	1,825,000
Other Stable Areas	25,000	0	2,100,000	2,000,000	0
Parking Lots	0	335,000	260,000	0	0
Track and Infield Maintenance	0	850,000	540,000	0	0
Miscellaneous	3,000,000	0	0	0	0
SUBTOTAL	3,510,000	4,805,000	7,575,000	3,985,000	1,835,000
BELMONT					
Grandstand and Clubhouse	375,000	3,135,000	5,280,000	5,010,000	710,000
Backstretch and Paddock	676,000	1,645,000	1,210,000	2,210,000	835,000
Dormitories	125,000	125,000	125,000	125,000	65,000
Facilities, Other	2,500,000	1,500,000	3,500,000	1,800,000	500,000
Parking and Roadways	0	200,000	2,775,000	100,000	100,000
Track and Infield Maintenance	0	300,000	15,000,000	10,585,000	12,000,000
Miscellaneous	2,190,000	8,500,000	6,000,000	3,000,000	0
SUBTOTAL	5,866,000	15,405,000	33,890,000	22,830,000	14,210,000
SARATOGA					
Grandstand and Clubhouse	480,000	1,217,000	1,996,000	1,345,000	26,422,000
Backstretch and Paddock	670,000	2,020,000	2,031,200	2,242,848	2,229,962
Dormitories	40,000	340,000	1,090,000	2,995,000	1,151,200
Facilities, Other	1,570,000	1,390,000	1,400,000	3,450,000	1,290,000
Track and Infield Maintenance	650,000	100,000	0	75,000	12,279,000
Miscellaneous	3,160,000	850,000	4,700,000	0	0
SUBTOTAL	6,570,000	5,917,000	11,217,200	10,107,848	43,372,162
EQUIPMENT GENERAL	1,819,000	2,454,000	2,243,700	1,825,800	1,964,500
GRAND TOTAL	17,765,000	28,581,000	54,925,900	38,748,648	61,381,662
					201,402,210

2

**AQUEDUCT RACETRACK
PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012 TOTAL
PARKING LOTS					
Repave Roads	0	260,000	260,000	0	520,000
Recoat Rockaway Parking Lot	0	75,000	0	0	75,000
SUBTOTAL	0	335,000	260,000	0	595,000
TRACK AND INFIELD MAINTENANCE					
Clean & Waterproof Ponds	0	750,000	0	0	750,000
Warning Lights on Main and Training Track	0	100,000	0	0	100,000
Install New Safety Rail on Inner Track	0	0	235,000	0	235,000
Install New Safety Rail on Outer Track	0	0	305,000	0	305,000
SUBTOTAL	0	850,000	540,000	0	1,390,000
MISCELLANEOUS					
New Data Center: (includes Back-up Power Generation, Buildout, and HVAC upgrade)	3,000,000	0	0	0	3,000,000
SUBTOTAL	3,000,000	0	0	0	3,000,000
AQUEDUCT TOTALS	3,510,000	4,805,000	7,575,000	3,985,000	21,710,000

**AQUEDUCT RACETRACK
PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

GRANDSTAND & CLUBHOUSE

Turf and Field Club and Clubhouse Entrances: Estimate is based upon a combining of the two entrances into one at the Southwest corner of the building, outside of the Chairman's office. Cost includes demo of the existing window wall, establishing new roadways, installing a glass enclosed elevator from ground to fourth floor and a rebuild to match the look of the casino entrance. No drawings were commissioned, so estimate is based upon the scale of the job. Input was given by Tishman and John Olin based on cost for the casino entrance.

Reference: 6(a), 6(b), 6(e), 6(f), 6(g)

Est. Cost: \$ 3,000,000

Remodel Pari-Mutuel Bays 2nd Floor Clubhouse: Open up the mutuel window areas to a bank teller, open counter format. Will improve surveillance of activity and would include modification to Interior access routes, rest rooms and money room distribution points.

Reference: 6(a), 6(b), 6(c), 6(g)

Est. Cost: \$ 800,000

Install Exterior Lighting: Enhance exterior lighting to improve safety and security of patrons and staff.

Reference: 6(e)

Est. Cost: \$ 200,000

Remodel Jockey's Room: Continued renovation of a 30 year-old facility to provide operating efficiencies, laundry operations, increased storage and upgraded conditioning equipment and food service.

Reference: 6(a), 6(c), 6(g)

Est. Cost: \$ 300,000

Upgrade Electrical System: Capacity-Upgrade to accommodate additional TV's, SAMS, computers and fax machines. Need transformers, control panels, outlets. This number is applicable for casino or non-casino.

Reference: 6(e), 6(f)

Est. Cost: \$ 100,000

Hazardous Materials Abatement Program (Grandstand): Remove asbestos.

Reference: 6(f)

Est. Cost: \$ 500,000

Sound System: Upgrade exterior speakers, improve interior acoustics.

Reference: 6(b), 6(c), 6(g)

Est. Cost: \$ 300,000

Exterior Walls/Grandstand Seating: Water leaking through the roof and wall seams has caused a progressive deterioration of the steel and the mortar composition of the walls. If significant structural damage is observed costs could escalate an additional \$200K.

Reference: 6(e)

Est. Cost: \$ 300,000

Renovate Facade: Update appearance and weather resistance of facade of building. Priority to seating area facade. 1700 linear ft @ \$100 linear ft inflated by 4% since 2001 estimate.
Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 210,000

Repair/Replace Deteriorated Support Columns: engineering and repair.
Reference: 6(e), 6(f),

Est. Cost: \$ 50,000

Renovate Press Box: Upgrade a 40 year-old area with current technologies for the interactive communication: improve HVAC and safety measures.
Reference: 6(c), 6(e), 6(f), 6(g)

Est. Cost: \$ 400,000

Renovate 2nd Floor Box Seat Area: First stage of renovation will be completed summer of 2007. One-third of the seats most used will be done. To complete the remaining two-thirds will require additional painting, ceiling and heaters.
Reference: 6(e), 6(g)

Est. Cost: \$ 80,000

BACKSTRETCH & PADDOCK

Replace Barn Sliding Doors: Doors in need of immediate attention.
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 90,000

Replace 200 Stall Doors: Continue the annual replacement program for stall and tack room doors. Cost of in-house labor must be added.
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 70,000

Replacement of Barn Windows: Initiate a replacement program for the 24 doublewide double tier steel casement windows in each barn. Highest priority.
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 2,000,000

New Roofs: Continue replacement program for the eight remaining barn roofs.
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 3,200,000

Renovate Garage: Total upgrade of the garage facility.
Reference: 6(c), 6(g)

Est. Cost: \$ 1,000,000

OTHER STABLE AREAS:

CAFO: Allocation for potential impact of CAFO Regulations.
Reference: 6(f), 6(g)

Est. Cost: \$ 4,000,000

Renovate Recreation Hall & Kitchen Area: Renovate existing structure to provide a more durable and patron friendly facility.
Reference: 6(c), 6(g)

Est. Cost: \$ 125,000

PARKING AREAS

Repave Roads: Three miles of road, 30 ft. wide \$1.1/sq/ft.
Reference: 6(e), 6(g)

Est. Cost: \$ 520,000

Rockaway: Re-coat for lasting durability.
Reference: 6(e), 6(g)

Est. Cost: \$ 75,000

TRACK AND INFIELD MAINTENANCE

Clean and Waterproof Ponds:
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 750,000

Warning Lights for Training Track and Main Track: Strobe lights on a 12 volt system to warn riders. This will replace the inadequate siren system.
Reference: 6(f)

Est. Cost: \$ 100,000

Install New Safety Rail on Inner Track: Replace existing rail to increase the safety of race participants.
Reference: 6(d), 6(f)

Est. Cost: \$ 235,000

Install New Safety Rail on Outer Track: Replace existing rail to increase the safety of race participants. New rail will enable existing rail to be used as outside rail on dirt or turf tracks.
Reference: 6(d), 6(e), 6(f), 6(g)

Est. Cost: \$ 305,000

MISCELLANEOUS

Build New Data Center: New Data Center to include back-up power generation, appropriate HVAC capacity, security and "clean" environment adequate to house equipment and personnel associated with current and anticipated technology initiatives.
Reference: 6(a), 6(c), 6(d), 6(f), 6(g)

Est. Cost: \$ 3,000,000

GRAND TOTAL AQUEDUCT

\$ 21,710,000

3

**BELMONT PARK RACETRACK
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012	Totals
GRANDSTAND AND CLUBHOUSE						
Teletheater Sports Bar	0	0	0	4,000,000	0	4,000,000
Upgrade Escalators and Elevators	75,000	100,000	150,000	100,000	100,000	525,000
Replace LIRR Escalators and Elevators	0	1,250,000	0	0	0	1,250,000
Upgrade Electrical Transformers	25,000	25,000	25,000	25,000	25,000	125,000
Replacement sprinklers piping work	60,000	60,000	60,000	60,000	60,000	300,000
New Grandstand Lighting	0	100,000	100,000	100,000	100,000	400,000
Replace Roof Gutters	0	50,000	50,000	50,000	50,000	200,000
Replace Water Lines	50,000	50,000	50,000	50,000	50,000	250,000
Remodel Pari-Mutuel Bays	0	300,000	300,000	300,000	300,000	1,200,000
New Jockey's Room	0	0	3,360,000	0	0	3,360,000
Replace Roof (Flat Roof)	0	600,000	600,000	300,000	0	1,500,000
Replace Emergency Back-Up Generators	0	150,000	150,000	0	0	300,000
Replace Spine Ceiling Area and Floors	0	50,000	50,000	0	0	100,000
Repair Exterior Doors	25,000	25,000	25,000	25,000	25,000	125,000
Establish 4 West Party Rooms	0	60,000	60,000	0	0	120,000
Main Lobby Ceiling area proximate to entrances and slate floor	0	315,000	300,000	0	0	615,000
New Rubber in Horse Tunnel and Paddock	140,000	0	0	0	0	140,000
SUBTOTAL	375,000	3,135,000	5,280,000	5,010,000	710,000	14,510,000
BACKSTRETCH AND PADDOCK						
Replace Roofs	350,000	350,000	350,000	350,000	350,000	1,750,000
Replace Exterior Siding	0	375,000	375,000	375,000	375,000	1,500,000
Replace Wood Floors	30,000	30,000	30,000	30,000	30,000	150,000
Upgrade Electrical Systems	50,000	50,000	50,000	50,000	50,000	250,000
Paddock Patio & Walkway Lighting	0	150,000	0	0	0	150,000
Upgrade Marquee Tent AC & Heating	0	250,000	0	0	0	250,000
Poured Rubber Paddock Walking Ring	0	200,000	0	0	0	200,000
Construct New Paddock Pavilion	0	0	0	1,000,000	0	1,000,000
Upgrade Barn Area Transformer	30,000	30,000	30,000	30,000	30,000	150,000
New Backstretch Kitchen & Rec Hall	0	0	375,000	375,000	0	750,000
New Pony Barn Pre-Fab	216,000	0	0	0	0	216,000
Replace Sprinkler Heads	0	60,000	0	0	0	60,000
Replace Paddock Entrance	0	150,000	0	0	0	150,000
SUBTOTAL	676,000	1,645,000	1,210,000	2,210,000	835,000	6,576,000

**BELMONT PARK RACETRACK
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012 Totals
DORMITORIES					
Electrical System	100,000	100,000	100,000	100,000	450,000
New Roofs	25,000	25,000	25,000	25,000	115,000
SUBTOTAL	125,000	125,000	125,000	125,000	65,000
FACILITIES, OTHER					
Build New Maintenance Garage and Demolish old	0	0	2,000,000	0	2,000,000
CAFO Upgrades	1,500,000	1,500,000	1,500,000	1,500,000	6,500,000
Drainage System	250,000	0	0	0	250,000
New Greenhouse & Upgrade	0	0	0	300,000	300,000
Develop backyard area adjacent to Paddock in the					
Saratoga "backyard" style	750,000	0	0	0	750,000
SUBTOTAL	2,500,000	1,500,000	3,500,000	1,800,000	9,800,000
PARKING AND ROADWAYS					
Upgrade LIRR Platforms to ADA Standards	0	100,000	100,000	100,000	400,000
Gate 5 and Gate 6 Entrances	0	100,000	0	0	100,000
Install Weigh Station	0	0	75,000	0	75,000
Repave Blue Field	0	0	2,600,000	0	2,600,000
SUBTOTAL	0	200,000	2,775,000	100,000	3,175,000
TRACK AND INFIELD MAINTENANCE					
Install New Safety Rail Inside of main track	0	0	0	385,000	385,000
Either Upgrade or Polytrack Main Dirt Track	0	0	15,000,000	0	15,000,000
Warning Lights on Main and Training Track	0	100,000	0	0	100,000
Training Track Lighting	0	200,000	0	0	200,000
Polytrack Training Track	0	0	0	0	0
Install Infield Irrigation System	0	0	0	12,000,000	12,000,000
Double Width Turf Track	0	0	0	200,000	200,000
	0	0	0	10,000,000	10,000,000
SUBTOTAL	0	300,000	15,000,000	10,585,000	37,885,000

**BELMONT PARK RACETRACK
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012 Totals
MISCELLANEOUS					
IT Infrastructure Networking	630,000	0	0	0	630,000
IT Infrastructure Cabling	340,000	0	0	0	340,000
IT Infrastructure Servers	300,000	0	0	0	300,000
IT Infrastructure Security	160,000	0	0	0	160,000
IT Infrastructure Telephony	90,000	0	0	0	90,000
Consolidated Desktops	70,000	0	0	0	70,000
Wireless Networking	100,000	0	0	0	100,000
Replace existing soon to be obsolete CCTV equipment	0	6,000,000	0	0	6,000,000
Fibre Runs to support Simulcast equipment	0	2,000,000	0	0	2,000,000
Additional IT infrastructure and applications to support racing	500,000	0	1,000,000	500,000	2,000,000
Install Ingress and Egress Tunnel under the track to make Infield Event accessible	0	0	5,000,000	0	5,000,000
Purchase and Install Facility Management Software System	0	500,000	0	0	500,000
Purchase and Install KEENELAND STYLE DAKTRONICS PORTABLE DISPLAY SYSTEM	0	0	0	2,500,000	2,500,000
SUBTOTAL	2,190,000	8,500,000	6,000,000	3,000,000	19,690,000
BELMONT TOTALS	5,866,000	15,405,000	33,890,000	22,830,000	92,201,000

**BELMONT PARK RACETRACK
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

GRANDSTAND & CLUBHOUSE

Teletheater Sports Bar: Construct a year round full-service facility that would contain pari-mutuel areas, food service and television viewing. Per Tishman \$800 sq. ft. on 5,000 sq. ft

Reference: 6(a), 6(b), 6(c), 6(g)

Est. Cost: \$ 4,000,000

Upgrade Escalators and Elevators: Refurbish 30 year-old equipment both electrically and mechanically.

Reference: 6(d), 6(e), 6(g)

Est. Cost: \$ 525,000

Replace LIRR Escalators and Elevators: Replace 3 LIRR Escalators and 2 ADA Elevators with VLT's this will be effectively part of the entrance to the facility and much more highly trafficked

Reference: 6(d), 6(e), 6(g)

Est. Cost: \$ 1,250,000

Upgrade Electrical Transformers: Reduces the possibility of power outages.

Reference: 6(e), 6(f)

Est. Cost: \$ 125,000

Replace pendent sprinkler: Recommendation from Chubb Group Of Insurance Companies.

Reference: 6(f)

Est. Cost: \$ 300,000

New Grandstand Lighting: Replace old 30-year fixture with energy efficient ones.

Reference: 6(e), 6(g)

Est. Cost: \$ 400,000

Replace Roof Gutters: Replace rusted roof gutters.

Reference: 6(e)

Est. Cost: \$ 200,000

Replace Water Lines: Replace 30-year-old water pipes that are deteriorating, in part because of the need to drain the system each winter to avoid freezing.

Reference: 6(d), 6(f)

Est. Cost: \$ 250,000

Remodel Pari-Mutuel Bays: Open up the pari-mutuel windows to a bank teller, open counter format. Will improve surveillance of activity and would include improved interior access to money room. Est.

Reference: 6(a), 6(c), 6(g)

Est. Cost: \$ 1,200,000

New Jockey's Room: Relocate Jockey's Room to ground level in closer proximity to the paddock. Will reduce "change time" and offer operating efficiencies and upgraded conditioning equipment. Per Tishman 11,200 sq. ft. @ \$300 sq. ft.

Reference: 6(a), 6(c), 6(g)

Est. Cost: \$ 3,360,000

Replace Roof: Replace the existing 30-year-old roof.
Reference: 6(e), 6(g)

Est. Cost: \$ 1,500,000

Replace Emergency Back-Up Generators: To provide additional power.
Reference: 6(f)

Est. Cost: \$ 300,000

Replace Ceiling: Replace deteriorating spine ceiling.
Reference: 6(e), 6(g)

Est. Cost: \$ 100,000

Repair Exterior Doors: Repair doors to access facility.
Reference: 6(e), 6(g)

Est. Cost: \$ 125,000

Establish Four New Catering Rooms: Four new rooms on 2nd & 3rd floor, West end of Grandstand.
Reference: 6(b)

Est. Cost: \$ 120,000

Main Lobby: Replace damaged flooring and replace damaged plaster ceiling proximate to entrance. Per Tishman 12,300 sq. ft @ \$50 per sq. ft.
Reference: 6(b), 6(g)

Est. Cost: \$ 615,000

New Poured Rubber Walkways: Replace old pavers with poured rubber. Per contractor estimate
Reference: 6(e) 6(f) 6(g)

Est. Cost: \$ 140,000

BACKSTRETCH & PADDOCK

Replace Roofs: Continue the replacement of 60-year-old roofs.
Reference: 6(d), 6(f), 6(g)

Est. Cost: \$ 1,750,000

Replace Exterior Siding: Replace wood with CDX material to reduce maintenance expense.
Reference: 6(d)

Est. Cost: \$ 1,500,000

Replace Wood Floors: Install new wood based flooring.
Reference: 6(c), 6(d), 6(g)

Est. Cost: \$ 150,000

Upgrade Electrical Systems: Upgrade the 90-year-old electrical systems in approximately 20 barns to reduce fire risk and reduce maintenance expense.
Reference: 6(e), 6(f)

Est. Cost: \$ 250,000

New Lighting in Paddock Walkway and Patio: Install lighting on walkways and patio.
Reference: 6(e)

Est. Cost: \$ 150,000

Upgrade Marquee Tent Heating & AC:

Reference: 6(e)

Est. Cost: \$ 250,000

Paddock Walking Ring: Install new poured rubber throughout the Walking Ring.

Reference: 6(e), 6(g)

Est. Cost: \$ 200,000

Construct New Paddock Pavilion: Construct New Paddock Pavilion: Incorporate pari-mutuel bays, restrooms, Self Service Machines and TV monitors under one roof for patron convenience and operating efficiency

Reference: 6(e), 6(g)

Est. Cost: \$ 1,000,000

Upgrade Barn Area Transformers: Replace, upgrade, repair test for transformers & all high voltage connections. Reference: 6(f)

Est. Cost: \$ 150,000

New Backstretch Kitchen & Rec Hall: Demolish existing structure and rebuild kitchen and recreation areas.

Reference: 6(d)

Est. Cost: \$ 750,000

Build New Pony Shed: Replace pony tent 5,400 Sq. ft. @\$40 per sq. ft. per contractor quote.

Reference: 6(f)

Est. Cost: \$ 216,000

Replace Sprinkler Heads: Code Compliance and safety upgrades.

Reference: 6(f)

Est. Cost: \$ 60,000

Replace Paddock Entrance:

Reference: 6(f)

Est. Cost: \$ 150,000

DORMITORIES

Electrical System: Upgrade to comply with current code.

Reference: 6(f)

Est. Cost: \$ 450,000

New Roofs: Continue program to install new roofs.

Reference: 6(f), 6(g)

Est. Cost: \$ 115,000

FACILITIES, OTHER

Build New Maintenance Garage and Demolish old: To accommodate mechanical work in all weather conditions and to comply with OSHA codes. Per Tishman 8,000 sq. ft. @ \$250 per sq. ft.
Reference: 6(c), 6(f)

Est. Cost: \$ 2,000,000

CAFO: Allocation for potential impact of CAFO regulations.
Reference: 6(f), 6(g)

Est. Cost: \$ 6,500,000

Drainage System EPA MANDATES: Compliance mandate.
Reference: 6(f), 6(g)

Est. Cost: \$ 250,000

New Greenhouse: Upgrade the existing buildings.
Reference: 6(a), 6(g)

Est. Cost: \$ 300,000

Develop Backyard Area Adjacent to Paddock: Develop this area to emulate the yard area at Saratoga. Replicate the "carnival" style inclusive of benches, TV deployment, restroom facilities, Concession Areas, etc.
Reference: 6(a), 6 (e), 6(g)

Est. Cost: \$ 750,000

PARKING & ROADWAYS

Upgrade LIRR Platform to ADA Standards: Repair and update deteriorating train platform. Some costs are responsibility of MTA
Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 400,000

Gate 5 and Gate 6: Continue renovation of Gate 6 and renovate Gate 5 to allow for safer and easier ingress and egress.
Reference: 6(e), 6(f)

Est. Cost: \$ 100,000

Install Weigh Station: Improve management of straw and waste removal contractors.
Reference: 6(e), 6(f)

Est. Cost: \$ 75,000

Repave Blue Field: Repave the cracking asphalt which has deteriorated due to salt and water corrosion 1,300,000 sq. ft. \$2.00
Reference: 6(d), 6(e), 6(f), 6(g)

Est. Cost: \$ 2,600,000

TRACK & INFIELD MAINTENANCE

Install New Safety Rail Inside Track: Replace existing rail improving safety for race participants.
Reference: 6(d), 6(f)

Est. Cost: \$ 385,000

Either Polytrack or Upgrade Main Dirt Track: New limestone base will make Track safer & easier to maintain.

Reference: 6(d), 6(f)

Est. Cost: \$ 15,000,000

Warning Lights for Training Track and Main Track: Strobe lights on a 12 volt system to warn riders.
This will replace the inadequate siren system

Reference: 6(f)

Est. Cost: \$ 100,000

Training Track Training Lights: Lights and poles to be placed around the training track to illuminate the training track on dark morning and early mornings.

Reference: 6(f)

Est. Cost: \$ 200,000

Polytrack the Training Track: Track will be safer & easier to maintain.

Reference: 6(d), 6(f)

Est. Cost: \$ 12,000,000

Install Infield Irrigation System: Diminish ongoing operating expense and improve appearance

Reference: 6(d), 6(f)

Est. Cost: \$ 200,000

Double Width Turf Track: Consolidation of the two turf tracks will increase the amount of available turf lanes.

Reference: 6(d), 6(f)

Est. Cost: \$ 10,000,000

MISCELLANEOUS

IT Infrastructure Networking: 2 Packeteers, 2 6509 Cisco switches, 6 Cisco Routers, 50 Cisco switches, 2 Cisco FW modules, 2 Cisco 4500 switches

Reference: 6(c), 6(d)

Est. Cost: \$ 630,000

IT Infrastructure Cabling: Network runs, Fiber runs IDF Closets.

Reference: 6(c), 6(d)

Est. Cost: \$ 340,000

IT Infrastructure Servers: Replacement older outdated Servers

Reference: 6(c), 6(d)

Est. Cost: \$ 300,000

IT Infrastructure Security: 1 Iron Port Systems, 1 Infoblox, 1 Varonis, 1 Reconix.

Reference: 6(c), 6(d)

Est. Cost: \$ 160,000

IT Infrastructure Telephony:

Reference: 6(c), 6(d)

Est. Cost: \$ 90,000

Consolidated Desktops:

Reference: 6(c), 6(d)

Est. Cost: \$ 70,000

Wireless Networking: AirDefense, Aruba Networks.

Reference: 6(c), 6(d)

Est. Cost: \$ 100,000

Replace existing soon to be obsolete CCTV equipment: Existing system will be obsolete in 2009. Old equipments reliability is diminishing over time.

Reference: 6(a), 6(d)

Est. Cost: \$ 6,000,000

Fibre Runs to support Simulcast equipment:

Reference: 6(a), 6(d)

Est. Cost: \$ 2,000,000

Additional IT infrastructure and applications to support racing: CRM, Reserved and admissions seating, data warehousing, query tools, General ledger automation.

Reference: 6(a), 6(b), 6(c), 6(d), 6(e), 6(g)

Est. Cost: \$ 2,000,000

Install Ingress and Egress Tunnel under the track to make Infield Event accessible:

to further accommodate large crowds on weekends and special days. Include the cost of all related facilities such as concessions, pari-mutuels, CCTV, restroom facilities, etc.

Reference: 6(a), 6(b), 6(e), 6(g)

Est. Cost: \$ 5,000,000

Purchase and Install Facility Management Software System: Manpower management tool to drive planning, management and effective and efficient use of resources.

Reference: 6(c)

Est. Cost: \$ 500,000

Purchase and Install KEENELAND STYLE DAKTRONICS PORTABLE DISPLAY SYSTEM: Upgrade current dated equipment to significantly improve appearance and capability of on track communication devices.

Reference: 6(a), 6(b), 6(g)

Est. Cost: \$ 2,500,000

GRAND TOTAL BELMONT:

\$ 92,201,000

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**SARATOGA RACE COURSE
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012	Totals
GRANDSTAND & CLUBHOUSE						
Escalator/Elevator Improvements	100,000	150,000	300,000	125,000	100,000	775,000
Fire Safety Systems Upgrades	50,000	50,000	50,000	50,000	50,000	250,000
Upgrade Electrical/Lighting Systems	125,000	150,000	150,000	125,000	125,000	675,000
Grandstand/Clubhouse Area Plumbing, HVAC Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Concession Area Improvements		337,000	50,000	50,000	50,000	487,000
Awning & Canopy Replacement & Modification	75,000	150,000	150,000	150,000	25,000	550,000
Two-Story Tent, At the Rail	0	0	0	0	4,162,000	4,162,000
Permanent Roof 2nd Floor CH Terrace	0	0	0	0	2,000,000	2,000,000
Paddock Mutuel Building, Roof Replacement	0	0	416,000	0	0	416,000
Renovate Mutuel Facilities	0	50,000	100,000	250,000	200,000	600,000
New Saddling Shed	0	0	0	190,000	0	190,000
Repave the Grandstand/Clubhouse Apron	0	0	250,000	0	0	250,000
Reserved Seat Replacement Grandstand	0	0	0	0	180,000	180,000
Paint Grandstand/Clubhouse Structural Steel	0	0	150,000	150,000	25,000	325,000
New Floors in 3 Public Restrooms	0	0	50,000	25,000	0	75,000
Paddock Tent Improvements	0	0	0	0	675,000	675,000
Clubhouse Extension	0	0	0	0	18,000,000	18,000,000
New Furniture for Patron Areas	50,000	50,000	50,000	50,000	50,000	250,000
Improve Walking Ring Viewing Area	0	0	0	100,000	0	100,000
Clubhouse Slate and Metal Roofing	0	0	0	0	300,000	300,000
Grandstand Slate Roofing	0	0	0	0	400,000	400,000
Rehabilitate Clubhouse Wood Floors	0	100,000	100,000	0	0	200,000
Restore Decorative Iron Work, Fencing, Wood Finishes	0	100,000	100,000	0	0	200,000
Upgrade Roads and Horsepaths	30,000	30,000	30,000	30,000	30,000	150,000
SUBTOTAL	480,000	1,217,000	1,996,000	1,345,000	26,422,000	31,460,000

**SARATOGA RACE COURSE
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012	Totals
BACKSTRETCH & PADDOCK						
Stable Area Drainage Improvements	100,000	250,000	250,000	250,000	250,000	1,100,000
Stable Area Electrical Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Stable Area Plumbing Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Fire Safety System Upgrade	50,000	50,000	50,000	50,000	50,000	250,000
Barn Jacking and Renovation	280,000	280,000	291,200	302,848	314,962	1,469,010
New Barn Construction	0	1,200,000	1,200,000	1,200,000	1,200,000	4,800,000
Barn Roof Replacement and Reconditioning	100,000	100,000	100,000	100,000	100,000	500,000
Additional Bathroom Facilities	0	0	0	200,000	200,000	400,000
Upgrade Roads and Horsepaths	40,000	40,000	40,000	40,000	15,000	175,000
SUBTOTAL	670,000	2,020,000	2,031,200	2,242,848	2,229,962	9,194,010
DORMITORIES						
Dormitory Fire Safety Systems Upgrades	0	0	0	1,875,000	0	1,875,000
Renovations to Dormitories	0	300,000	300,000	300,000	300,000	1,200,000
New Dormitory Construction	0	0	750,000	780,000	811,200	2,341,200
Dormitory Roof Replacement and Reconditioning	40,000	40,000	40,000	40,000	40,000	200,000
SUBTOTAL	40,000	340,000	1,090,000	2,995,000	1,151,200	5,616,200
FACILITIES, OTHER						
CAFO Upgrades	1,000,000	1,000,000	1,000,000	3,000,000	1,000,000	7,000,000
Infield Pond Improvements, Water	300,000	0	0	0	0	300,000
Sanitary and Storm Water System Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Upgrade Maintenance Shops and Office	40,000	40,000	50,000	100,000	60,000	290,000
Sidewalks & Curbs for Union Avenue	30,000	150,000	150,000	150,000	30,000	510,000
Rehab Perimeter Wrought Iron Fencing & Gates	80,000	80,000	80,000	80,000	80,000	400,000
Rehab Perimeter Chain Link Fencing	40,000	40,000	40,000	40,000	40,000	200,000
Tree Planting	30,000	30,000	30,000	30,000	30,000	150,000
SUBTOTAL	1,570,000	1,390,000	1,400,000	3,450,000	1,290,000	9,100,000

**SARATOGA RACE COURSE
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

	2008	2009	2010	2011	2012	Totals
TRACK AND INFIELD MAINTENANCE						
Install New Safety Rail on Main Track	0	0	0	0	279,000	279,000
New Turf Track	0	0	0	0	12,000,000	12,000,000
Warning Lights on Main and Training Track	0	100,000	0	0	0	100,000
Main Turf Course Irrigation System	650,000	0	0	0	0	650,000
New Rail Claire Court	0	0	0	75,000	0	75,000
SUBTOTAL	650,000	100,000	0	75,000	12,279,000	13,104,000
MISCELLANEOUS						
Purchase and Install KEENELAND STYLE DAKTRONICS DISPLAY SYSTEM	0	0	2,200,000	0	0	2,200,000
Infrastructure Cabling	340,000	0	0	0	0	340,000
Infrastructure Network	220,000	0	0	0	0	220,000
Wireless Network	100,000	0	0	0	0	100,000
Install/Lease complete back-up data center for 100% redundancy	0	850,000	2,500,000	0	0	3,350,000
Replace soon to be obsolete Broadcasting equipment with 100% redundancy back-up	2,500,000	0	0	0	0	2,500,000
SUBTOTAL	3,160,000	850,000	4,700,000	0	0	8,710,000
SARATOGA TOTALS	6,570,000	5,917,000	11,217,200	10,107,848	43,372,162	77,184,210

**SARATOGA RACE COURSE
PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

GRANDSTAND & CLUBHOUSE

Escalator/Elevator Improvements: Upgrade and improve all existing elevators, escalators and related equipment. Most equipment is over 30 years old. Install a passenger elevator somewhere in the Grandstand.

Reference: 6(d), 6(e), 6(f)

Est. Cost: \$ 775,000

Fire Safety Systems Upgrade: Upgrade fire detection, fire alarm and reporting systems as needed.

Reference: 6(e), 6(f)

Est. Cost: \$ 250,000

Upgrade Electrical and Lighting Systems: Upgrade facility electrical systems as required to keep pace with growing demand and code requirements. Improve the quality and efficiency of lighting in all areas. Replace deteriorated fixtures and add lighting in deficient areas.

Reference: 6(d), 6(e), 6(f)

Est. Cost: \$ 675,000

Grandstand/Clubhouse Area Plumbing, HVAC Improvements: Upgrade water mains and services including expansion of hot water service. Upgrade sanitary and waste water lines. Improve air-conditioning systems. Reference: 6(e), 6(g)

Est. Cost: \$ 250,000

Concession Area Improvements: Improvements to permanent concession facilities including hot water, sanitary sewer connections, interior upgrades, and permanent exterior facilities.

Reference: 6(e), 6(f)

Est. Cost: \$ 487,000

Awning & Canopy Replacement and Modification: Existing units need to be replaced on a rotating basis due to normal wear and tear. Modifications as required. East Union Ave Entrance, Clubhouse/Paddock Building Connector, Paddock Escalator, Stairway to Clubhouse Terrace, Clubhouse Entrance, Rail Tent Entrance, Backyard Pari-mutuel Buildings, Winner's Circle Scale, 13 TV Umbrellas.

Reference: 6(e)

Est. Cost: \$ 550,000

Two-Story Tent, At the Rail: Installation of a two-story aluminum-frame tent structure to replace the "At the Rail" dining tent. Include all utilities, furnishings, air conditioning, site preparation. The existing service building will need to be replaced by a much larger 2 story structure with kitchen/service facilities, rest rooms, utilities, elevator service, etc. Will not be necessary if Clubhouse extension project is approved. \$3.7 million 2008 inflated by 4% per annum

Reference: 6(e)

Est. Cost: \$ 4,162,000

Permanent Roof, 2nd Floor Clubhouse Terrace: Design and install a permanent roof structure above the 2nd floor Terrace from the Carousel to the Clubhouse Dining Terrace. Include all necessary electrical, plumbing, fire alarm and sprinkler work. Rehabilitate all concrete deck areas. Open pari-mutuel bays for accessibility and air flow. Upgrade concessions.

Reference: 6(e), 6(g)

Est. Cost: \$ 2,000,000

Paddock Pari-Mutuel Building, Roof Replacement: Replace deteriorating slate roofing and wood decking. Check structural members. Rework all valley areas and dormers; repair louvers and paint. All new copper flashing and ridge caps. 16,600 sq. ft in 2008 dollars inflated at 4% per annum
Reference: 6(c), 6(g)

Est. Cost: \$ 416,000

Renovate Pari-Mutuel Facilities: Rehabilitate the interior and exterior of mutual bays; upgrade catwalk areas, money rooms, and offices.
Reference: 6(c), 6(e)

Est. Cost: \$ 600,000

New Saddling Shed: Design and construct a new, larger saddling shed with a permanent roof structure to replace the existing, seasonal canvas cover. Add additional stalls, and upgrade the Paddock Judges office 1,900 sq. ft \$175K in 2008 dollars inflated by 4% per annum.
Reference: 6(c), 6(g)

Est. Cost: \$ 190,000

Repave the Grandstand/Clubhouse Apron: Current paving is cracked, deteriorated, and uneven in many areas. Due to build up from past paving, this area needs to be milled and regraded before new paving is added. Address any utility issues before new paving is installed. A follow-up seal coat would be advisable.
Reference: 6(c), 6(e)

Est. Cost: \$ 250,000

Reserved Seat Replacement, Grandstand: Replace all stadium seating in the 1964 Grandstand addition area (Sections M through Y) with weather resistant seating units. Approximately 4,300 seats.
Reference: 6(e), 6(g)

Est. Cost: \$ 180,000

Paint Grandstand/Clubhouse Structural Steel: Professional cleaning, surface preparation and painting of structural steel and high ceiling areas of the 1st floor Grandstand and Clubhouse
Reference: 6(f), 6(g)

Est. Cost: \$ 325,000

New Floors in 3 Public Restrooms: Upgrade the floors in the Paddock Ladies' Room and the Ladies and Men's Rooms in the Garden Terrace.
Reference: 6(c), 6(e), 6(g)

Est. Cost: \$ 75,000

Paddock Tent Improvements: Replace the existing tent and service building with a permanent open pavilion type structure with kitchen facilities, storage, public restrooms, pari-mutuels, etc. \$600K 2008 dollars 6000 sq. ft inflated at 4% per annum
Reference: 6(b), 6(c), 6(e), 6(f)

Est. Cost: \$ 675,000

Clubhouse Extension: Design and construction of an architecturally compatible addition to the west of the existing Clubhouse encompassing the "At the Rail" tent facility. Include new boxes, patron dining facilities, reserved seats, concessions, pari-mutuels, restrooms, offices, and related facilities. Renovations to the existing 1928 Clubhouse and terrace areas.
Reference: 6(b), 6(e), 6(g)

Est. Cost: \$ 18,000,000

New Furniture for Patron Areas: Purchase of additional and replacement park benches, picnic tables, tables, chairs, seating units and other equipment to enhance patron comfort.

Reference: 6(e), 6(g)

Est. Cost: \$ 250,000

Improve the Walking Ring Viewing Area: Install paved walkways and standee areas around the exterior of the Walking Ring to improve patron viewing of this area.

Reference: 6(e), 6(f)

Est. Cost: \$ 100,000

Clubhouse Slate and Metal Roofing: Replacement of aging slate and metal roofing on the circa 1928 Clubhouse structure. Include decking replacement as needed. Replace gutters and downspouts.

Reference: 6(e), 6(g)

Est. Cost: \$ 300,000

Grandstand Slate Roofing: Replace slate roofing on the 1964 Grandstand addition. Include decking replacement as needed. Replace gutters and downspouts.

Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 400,000

Rehabilitate Clubhouse Wood Floors: Wood, tongue and groove flooring in many areas of the Clubhouse is worn significantly and large areas need replacement.

Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 200,000

Restore Decorative Iron Work, Fencing, Wood Finishes: Implement a program to restore various decorative wrought iron and cast iron fixtures, railings, fencing and decorative features. Restore and/or replace wood finishes as required.

Reference: 6(g)

Est. Cost: \$ 200,000

Upgrade Roads and Horsepaths: Improvements to roads, pedestrian walkways and horsepath areas to address safety standards and eliminate potential hazards.

Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 150,000

BACKSTRETCH AND PADDOCK

Stable Area Drainage Improvements: Design and installation of a variety of engineered and natural systems including manholes, piping, catch basins, dry wells, etc. to provide better drainage throughout the Stabling Area. Connect to City of Saratoga Springs where feasible.

Reference: 6(f), 6(g)

Est. Cost: \$ 1,100,000

Stable Area Electrical Improvements: Upgrade electrical systems in barns/dorms including new services, panels, wiring, receptacles, lighting.

Reference: 6(f), 6(g)

Est. Cost: \$ 250,000

Stable Area Plumbing Improvements: Install new water services to barns/dorms as required. Deepen shallow mains, re-pipe barns as needed, and additional spigots where needed.
Reference: 6(f), 6(g)

Est. Cost: \$ 250,000

Fire Alarm and Sprinkler System Improvements: Improvements and upgrades to fire detection, fire alarm, and fire suppression systems and related equipment as required.
Reference: 6(f)

Est. Cost: \$ 250,000

Barn Jacking and Rehabilitation: There are approximately 12 barns that are currently in need of rehabilitation work including jacking and straightening, new sills, siding and interior board replacement as needed, electrical upgrades, stall flooring, etc.
Reference: 6(g)

Est. Cost: \$ 1,469,010

New Barn Construction: Design and construction of new barns with up to 200 additional stalls including all related facilities and utilities; tack/feed rooms, hay storage, offices, etc. Conforms to Saratoga Historical Society Spec.
Reference: 6(g)

Est. Cost: \$ 4,800,000

Barn Roof Replacement and Reconditioning: Replace and/or rehabilitate existing barn roofs, as needed, including slate, metal, asphalt shingle.
Reference: 6(g)

Est. Cost: \$ 500,000

Additional Bathroom Facilities: Refurbish stable area bathroom facilities. Design and construct additional bathroom facilities.
Reference: 6(c), 6(f)

Est. Cost: \$ 400,000

Upgrade Roads and Horsepaths: Improvements to roads, pedestrian walkways and horsepaths.
Reference: 6(f), 6(g)

Est. Cost: \$ 175,000

DORMITORIES

Dorm Fire Safety Systems Upgrades: Installation of dry-pipe fire sprinkler systems in all dormitories.
Reference: 6(f)

Est. Cost: \$ 1,875,000

Renovations to Dormitories: Structural and interior renovations to cottages and dormitories including doors, windows with screens, ceiling and wall coverings, shelving and clothes racks, electrical, lighting and alarm systems.
Reference: 6(f)

Est. Cost: \$ 1,200,000

Dormitory Construction: Construction of one new dormitory per year to provide additional housing for backstretch personnel. 14 rooms each.
Reference: 6(f)

Est. Cost: \$ 2,341,200

Dormitory Roof Replacement and Reconditioning: Replace and/or rehabilitate deteriorating roofing on dorms and cottages as required.
Reference: 6(f)

Est. Cost: \$ 200,000

FACILITIES, OTHER

CAFO: Allocation for potential impact of CAFO regulations.
Reference: 6(f)

Est. Cost: \$ 7,000,000

Infield Pond Improvements, Water: Develop and implement a plan to deepen the infield pond and install a liner. Install a well system with pump(s) to provide water for lake and possibly for future irrigation of the turf courses. Investigate additional sources of water in other areas of property.
Reference: 6(d), 6(g)

Est. Cost: \$ 300,000

Sanitary and Storm Water System Improvements: Upgrade sanitary and storm water drainage systems as needed and where feasible. Installation of sewer pumps at the Dupont and Sanford area stabling facilities.
Reference: 6(f)

Est. Cost: \$ 250,000

Upgrade Maintenance Shops and Office: Remodel the interior of the Facilities Office. Interior and exterior improvements to maintenance shops including safety systems. Dust control system for carpenter shop (Installation of a dust control system covering all major equipment in the Carpenter Shop).
Reference: 6(c), 6(f), 6(g),

Est. Cost \$ 290,000

Sidewalks and Curbs for Union Avenue: Installation of sidewalks and curbing as needed along Union Avenue from East Avenue toward I-87, both sides. Work with the City of Saratoga Springs and NYSDOT.
Reference: 6(e), 6(f), 6(g)

Est. Cost: \$ 510,000

Rehabilitate Perimeter Wrought Iron Fencing & Gates:
Reference: 6(g)

Est. Cost: \$ 400,000

Rehabilitate Perimeter Chain Link Fencing:
Reference: 6(g)

Est. Cost: \$ 200,000

Tree Planting: Replacement of damaged and/or diseased trees throughout the Facility. Additional plantings where feasible.
Reference: 6(g)

Est. Cost: \$ 150,000

TRACK AND INFIELD MAINTENANCE

Install New Safety Rail on Main Track: New "Safety" to replace old and outdated rail.
Reference: 6(f), 6(g)

Est. Cost: \$ 279,000

New Turf Track: New track will allow for turf racing in all weather.
Reference: 6(a), 6(b)

Est. Cost: \$ 12,000,000

Warning Lights for Training Track and Main Track: Strobe lights on a 12 volt system to warn riders. This will replace the inadequate siren system
Reference: 6(f)

Est. Cost: \$100,000

Main Turf Course Irrigation: Replace existing agricultural pipe system which is inadequate and inconsistent.
Reference: 6(d), 6(g)

Est. Cost: \$650,000

New Rail Claire Court: Existing wooden rails need to be replaced on this training oval.
Reference: 6(f), 6(g)

Est. Cost: \$ 75,000

MISCELLANEOUS

Purchase and Install KEENELAND STYLE DAKTRONICS DISPLAY SYSTEM
Reference: 6(f), 6(g)

Est. Cost: \$ 2,200,000

Infrastructure Cabling: 800 Network runs, 200 Fiber runs, 12 IDF closets
Reference: 6(c), 6(d)

Est. Cost: \$ 340,000

Infrastructure Network: 2 Cisco 6509 switches, 2 Cisco FW modules
Reference: 6(c), 6(d)

Est. Cost: \$ 220,000

Wireless Network: Airdefense, Aruba Networks
Reference: 6(c), 6(d)

Est. Cost: \$ 100,000

Install/Lease complete back-up data center for 100% redundancy: Assumes construction of a 2,500 sq. ft. computer facility with back-up power for data center only and 2.5 million hardware and network expense
Reference: 6(d)

Est. Cost: \$ 3,350,000

Replace soon to be obsolete Broadcasting equipment with 100% redundancy back-up: Preliminary Pricing
CCTV

Reference: 6(a), 6(c), 6(d)

Est. Cost: \$ 2,500,000

GRAND TOTAL SARATOGA

\$ 77,184,210

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EQUIPMENT
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN

	EQUIPMENT - GENERAL					
	2008	2009	2010	2011	2012	TOTALS
Track Equipment: Aqueduct, Belmont, Saratoga	717,000	787,000	773,500	825,000	845,000	3,947,500
Security: Aqueduct, Belmont, Saratoga	21,000	18,000	19,000	24,000	25,000	107,000
Parking: Aqueduct, Belmont, Saratoga	70,000	-	-	-	-	70,000
Ambulance (Horse/Human)	290,000	300,000	90,000	105,000	330,000	1,115,000
Vanning	-	-	-	-	-	-
Cleaning	15,000	20,000	16,200	16,800	17,500	85,500
Special Equipment (Trams)	-	600,000	572,000	-	-	1,172,000
Maintenance Equipment: Aqueduct	211,000	207,000	225,000	226,000	227,000	1,096,000
Maintenance Equipment: Belmont	320,000	340,000	352,000	435,000	320,000	1,767,000
Maintenance Equipment: Saratoga	175,000	182,000	196,000	194,000	200,000	947,000
EQUIPMENT-GENERAL GRAND TOTAL	1,819,000	2,454,000	2,243,700	1,825,800	1,964,500	10,307,000

*This total assumes that NYRA leases equipment whenever possible. If all equipment was purchased the total may increase by as much as 100%.

**EQUIPMENT
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN**

EQUIPMENT - GENERAL PARKING - AQUEDUCT/BELMONT/SARATOGA						
2008	2009	2010	2011	2012	TOTALS	
19-93 Chevy Van 20-93 Chevy Van	35,000 35,000					70,000
	70,000	0	0	0	0	70,000
EQUIPMENT - GENERAL AMBULANCE - HORSE/HUMAN						
2008	2009	2010	2011	2012	TOTALS	
252 1986 Kinsey Horse Amb. 324 Ford Human Ambulance	210,000 80,000	322-99 Ford Human Amb. 224 1992 Kinsey Horse Amb.	90,000 105,000	2003 Ford Ambulance Human 255 Chevy Horse Ambulance	105,000 225,000	330,000
	290,000	300,000	90,000	105,000	1,115,000	1,115,000
EQUIPMENT - GENERAL VANNING						
2008	2009	2010	2011	2012	TOTALS	
	0	0	0	0	0	0
EQUIPMENT - GENERAL CLEANING						
2008	2009	2010	2011	2012	TOTALS	
L525-98 Factory Cat Scr.	15,000	JD Gator	16,200	John Deere Tractor	16,800	17,500
	15,000	20,000	16,200	16,800	17,500	85,500
EQUIPMENT - GENERAL SPECIAL EQUIPMENT (TRAMS)						
2008	2009	2010	2011	2012	TOTALS	
		New Tram 1 New Tram 2	260,000 312,000			572,000
	0	300,000 300,000	260,000 312,000			1,172,000
	0	600,000	572,000	0	0	1,172,000

EXHIBIT J
PERMITTED SUBLEASES

Permitted Subleases

1. Lease Agreement dated November 26, 2003 between The New York Racing Association, Inc., as landlord, and MMNY Land Company, Inc., as tenant.

EXHIBIT K

(Space above this line for Recording Data)

Title of Document: Memorandum of Lease

Date of Document: _____, 200__

Sublessor: [VLT Operator]

Sublessor's Address:

Sublessee: The New York Racing Association, Inc.

Sublessee's Address: 110-00 Rockaway Boulevard, South Ozone Park,
New York 11417

Full Legal Description: See Attached Legal Description on page _____

Reference Book(s) and Page(s), if required:

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (hereinafter this "Memorandum") is made and entered by and between [VLT OPERATOR, a _____ ("Sublessor"), whose address is _____, and THE NEW YORK RACING ASSOCIATION, INC., a not-for-profit racing corporation incorporated pursuant to Section 402 of the Not-For-Profit Corporation Law of New York, as authorized by Chapter 18 of the Laws of 2008 as ("Sublessee"), with a place of business at 110-00 Rockaway Boulevard, South Ozone Park, New York 11417 to evidence their execution of a certain Sublease Agreement dated _____, 200__.

RECITALS

A. Sublessor, as sublessor and Sublessee, as sublessee are parties to that certain Sublease Agreement (the "Sublease") dated _____, 20__, pursuant to which, *inter alia*, Sublessor subleases to Sublessee and Sublessee subleases from Sublessor certain premises located at the Aqueduct Racetrack, as more particularly described therein (the "Subleased Premises");

B. Sublessee is the holder of the ground leasehold interest in a portion of the property known as the Aqueduct Racetrack and defined in the Sublease as the Facilities Ground Leased Premises pursuant to that certain Facilities Ground Lease dated _____, 20__, by and between The People of the State of New York Acting by and Through the State Franchise Oversight Board Pursuant to Chapter 18 of the Laws of 2008, as landlord (the "State" or "Landlord") and Sublessor, as tenant, said Subleased Premises being more particularly described in Exhibit A attached hereto (the "Subleased Premises").

C. Sublessor and Sublessee desire to have the existence of the Sublease, as it relates to the Subleased Premises, become a matter of public record.

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, the parties hereby agree as follows:

1. Sublessor hereby affirms that it is the Sublessor under the Sublease of the Subleased Premises to Sublessee, and Sublessee hereby affirms that it is the Sublessee under the Sublease of the Subleased Premises from Sublessee.

2. For the purposes of the Sublease, all notices to the Sublessor and the Sublessee may be sent to the following address:

If to Sublessee:

The New York Racing Association, Inc.
Aqueduct Racetrack
110-00 Rockaway Boulevard
South Ozone Park, New York 11417
Attn: General Counsel

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Brian S. Rosen, Esq.

If to Sublessor:

[VLT Operator]

With a copy to:

The New York State Franchise Oversight Board
Franchise Oversight Board
c/o Executive Chamber
The Capitol
Albany, NY 12224
Attention: Chairman
Telecopy: _____

With a copy to:

The Attorney General of the State of New York

With a copy to:

Charities Bureau

Department of Law
120 Broadway - 3rd Floor
New York, New York 10271

With a copy to:

The Racing and Wagering Board
Chairman
N.Y.S. Racing and Wagering Board
1 Broadway Center, Suite 600
Schenectady, New York 12305
Telecopy: (518) 347-1250

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attn: Alan S. Kornberg, Esq.

2. In accordance with the terms of the Sublease, Sublessee shall have and hold the Subleased Premises for a term that, unless sooner terminated as otherwise provided in the Sublease, shall expire on _____.

3. The Sublease does not grant to Sublessee the right to purchase any right, title or interest in or to any portion of the Subleased Premises or the Sublessee's property.

4. This Memorandum and any amendment to this Memorandum may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

THE FOREGOING IS INTENDED AS A SUMMARY ONLY TO PROVIDE NOTICE OF CERTAIN LEASE PROVISIONS, AND DOES NOT LIMIT OR OTHERWISE AFFECT THE FULL PROVISIONS OF THE LEASE. PERSONS HAVING A BONA FIDE INTEREST SHOULD NOT RELY SOLELY ON THIS MEMORANDUM OF LEASE IN TRANSACTING BUSINESS WITH THE SUBLESSOR OR THE SUBLESSEE, BUT MAY REQUEST PERMISSION TO EXAMINE THE FULL TEXT OF THE SUBLEASE, (OR RELEVANT PROVISIONS) BY CONTACTING THE SUBLESSOR OR THE SUBLESSEE AT THE ADDRESSES SET FORTH ABOVE.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Sublease as of the _____ day of _____, 20__.

Sublessor:

{VLT OPERATOR}

By: _____

Name: _____

Title: _____

Sublessee:

THE NEW YORK RACING ASSOCIATION,
INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

Description of the Premises

EXHIBIT L
SUBLESSEE'S INSURANCE REQUIREMENTS

Sublessee Insurance Requirements

Prior to the date on which possession of the Subleased Premises is delivered to the Sublessee, the Sublessee shall file with The People of the State of New York, Office of General Services (together with Sublessor, collectively referred to hereinafter as "OGS"), Certificates of Insurance executed by a duly authorized representative of each insurer evidencing compliance with all requirements contained in this Sublease. Such Certificates shall be of form and substance acceptable to OGS.

Acceptance and/or approval by the OGS does not and shall not be construed to relieve Sublessee of any obligations, responsibilities or liabilities under the Sublease or represent adequacy of the insurance or limits.

All insurance required by the Sublease shall be obtained at the sole cost and expense of the Sublessee, shall be maintained with insurance carriers licensed to do business in New York State, and acceptable to OGS; shall be primary and non-contributing to any insurance or self insurance maintained by OGS; shall be endorsed to provide written notice be given to OGS, at least thirty (30) days prior to the cancellation, non-renewal, or material alteration of such policies, and Sublessee shall request that such notice be evidenced by return receipt of United States Certified Mail, and such notice shall be sent to Landlord and Sublessor and such policies shall name Sublessor, The People of the State of New York, NY State Urban Development Corp. dba Empire State Development Corp., The Franchise Oversight Board and their respective officers, agents, trustees, directors and employees as additional insureds thereunder. (General Liability Additional Insured Endorsement shall be on Insurance Service Office's (ISO) form number **CG 20 26 11 85**). The additional insured requirement does not apply to Workers Compensation or Disability coverage.

The Sublessee shall require any subcontractors hired, to carry insurance with the same provisions provided herein. Contractors involved in the construction, maintenance, renovation or repair of the Subleased Premises will maintain Commercial General Liability limits of not less than \$5,000,000 each occurrence or in the case of major construction, additions or renovations limits agreed to by OGS and General Liability Additional Insured Endorsement shall be on Insurance Service Office's (ISO) form number **CG 20 10 11 85**. Notwithstanding the foregoing, all Contractors shall have such insurance coverage (i) as is commercially reasonable with respect to the form and amounts of coverage, taking into account the size and cost of any construction, maintenance, renovation or repair of the Subleased Premises, or (ii) as otherwise required by the State, using the same standard.

The Sublessee shall be solely responsible for the payment of all deductibles and self insured retentions to which such policies are subject. Deductibles and self insured retentions must be approved by OGS. Such approval shall not be unreasonably withheld.

Each insurance carrier must be rated at least "A-" Class "VIII" in the most recently published Best's Insurance Report. If, during the term of the policy, a carrier's rating falls below "A-" Class "VII", the insurance must be replaced no later than the renewal date of the policy with an insurer acceptable to OGS and rated at least "A-" Class "VII" in the most recently published Best's Insurance Report.

The Sublessee shall cause all insurance to be in full force and effect as of the commencement date of this Sublease and to remain in full force and effect throughout the term of this Sublease and as further required by this Sublease. The Sublessee shall not take any action, or omit to take any action that would suspend or invalidate any of the required coverages during the period of time such coverages are required to be in effect.

Not less than thirty (30) days prior to the expiration date or renewal date, the Sublessee shall supply OGS updated replacement Certificates of Insurance, and amendatory endorsements.

The Sublessee, throughout the term of this Sublease, or as otherwise required by this Sublease, shall obtain and maintain in full force and effect, the following insurance with limits not less than those described below and as required by the terms of this Sublease, or as required by law, whichever is greater (limits may be provided through a combination of primary and umbrella/excess policies):

- (a) Commercial General Liability Insurance with a limit of not less than \$50,000,000 each occurrence. Such liability shall be written on the Insurance Service Office's (ISO) occurrence form CG 00 01, or a substitute form providing equivalent coverages and shall cover liability arising from premises operations, independent contractors, products-completed operations, broad form property damage including completed operations, personal & advertising injury, cross liability coverage, liability assumed in a contract including the tort liability of another and explosion, collapse and underground. The limit for Fire Damage Legal shall not be less than \$100,000.
- (b) Workers Compensation, Employers Liability, and Disability Benefits as required by New York State. If employees will be working on, near or over navigable waters, US Longshore and Harbor Workers Compensation Act endorsement must be included.

- (c) Comprehensive Business Automobile Liability Insurance with a limit of not less than \$10,000,000 each accident. Such insurance shall cover liability arising out of any automobile including owned, leased, hired and non owned automobiles.
- (d) Commercial Property Insurance covering at a minimum, the perils insured under the ISO Special Causes of Loss Form (CP 10 30), or a substitute form providing equivalent coverages, for loss or damage to any owned, borrowed, leased or rented personal property, equipment, tools, including tools of their agents and employees, and property of OGS held in their care, custody and/or control.
- (e) Rental Value Insurance providing coverage for fair rental value of any portion of the described Subleased Premises occupied by the Sublessee.
- (f) Equipment Breakdown Insurance covering all of the boilers, fired or unfired pressure vessels, heating, ventilating and air-conditioning units or any other mechanical equipment which services the premises exclusively and which may malfunction or cause damage to property or injury to persons for the Full Insurable Value of the Subleased Premises. Sublessee shall be responsible for the regular inspection of the Boiler. A joint loss agreement endorsement should be attached to the Equipment Breakdown and Commercial Property Insurance policies if with different insurance carriers. OGS is to be named as an insured.
- (g) Bailees insurance with limits of not less than \$10,000,000 covering liability arising from loss or damage to the property of others while being transported, in storage or otherwise in the care, custody or control of the Sublessee.
- (h) Garage Keepers Legal Liability Coverage with a limit of not less than \$1,000,000 at each location for Comprehensive and Collision Coverage for damage to a customer's automobile or automobile equipment in Sublessee's care, custody or control.
- (i) If the Sublessee uses, stores, handles, processes or disposes of Hazardous Materials, then Sublessee shall maintain in full force and effect through the term, Environmental Impairment Liability insurance with limits of not less than \$5,000,000, providing coverage for bodily injury, property damage or loss of use of damaged property or of property that has not been physically injured. Such policy shall provide coverage for actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of pollutants, including any loss,

cost or expense incurred as a result of any cleanup of pollutants or in the investigation, settlement or defense of any claim, suit, or proceedings against The People of the State of New York, arising from Sublessee's use, storage, handling, processing or disposal of Hazardous Materials.

- (j) If the Sublessee sells, distributes, serves or furnishes alcoholic beverages, then Sublessee shall maintain in full force and effect through the term, Liquor Liability Insurance with limits of not less than \$5,000,000.

- (k) During the performance of any Construction Work, Restoration or Alteration, the Sublessee will maintain or require the contractors to maintain Builder's risk coverage on a completed value form covering the perils insured under the ISO special causes of loss form, including collapse, water damage, and transit and theft of building materials, with deductible reasonably approved by OGS, in non reporting form, covering the total value of work performed and equipment, supplies and materials at the location of the job as well as at any off-site storage location used with respect to such work. The policy shall cover the cost of removing debris, including demolition as may be legally necessary by the operation of any law, ordinance or regulation. Such policy shall name as insureds, The People of the State of New York, the Sublessee, Contractor and Subcontractors. Consent of the carrier must be included to allow for the occupancy or use of the Subleased Premises by Sublessee and OGS.

- (l) If any Construction Work, Restoration or Alteration involves abatement, removal, repair, replacement, enclosure, encapsulation and/or disposal of any hazardous material or substance, petroleum or petroleum product, the Sublessee will require the Contractor to maintain in full force and effect throughout the term hereof, Pollution Legal Liability insurance with limits of not less than \$10,000,000, providing coverage for bodily injury and property damage, including loss of use of damaged property or of property that has not been physically injured. Such policy shall provide coverage for actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of pollutants, including any loss, cost or expense incurred as a result of any cleanup of pollutants or in the investigation, settlement or defense of any claim, suit, or proceedings against OGS arising from Contractor's work.

1. Coverage should be written on an occurrence basis. If not available and subject to the approval of OGS, coverage is

written on a claims-made policy, Sublessee shall require the Contractor to warrant that any applicable retroactive date precedes the effective date of the Contractor's contract (the "Contract"); and that continuous coverage will be maintained, or an extended discovery period exercised, for a period of not less than 2 years from the time work under the Contract is completed.

2. If the Contract includes disposal of materials from the job site, the Contractor must furnish to OGS, evidence of pollution legal liability insurance with a limit of not less than \$5,000,000 maintained by the disposal site operator for losses arising from the disposal site accepting waste under the Contract.
3. If autos are to be used for transporting hazardous materials, the Contractor shall provide pollution liability broadened coverage for covered autos (endorsement CA 99 48) as well as proof of MCS 90.

Waiver of Subrogation. Sublessee shall cause to be included in each of its policies insuring against loss, damage or destruction by fire or other insured casualty a waiver of the insurer's right of subrogation against OGS or, if such waiver is unobtainable (i) an express agreement that such policy shall not be invalidated if Sublessee waives or has waived before the casualty, the right of recovery against OGS or (ii) any other form of permission for the release of OGS.