§ 206. Franchise for running races and steeplechase meetings. 1. The franchised corporation referred to in this chapter shall be a not-for-profit corporation to be known as The New York Racing Association, Inc. To the extent that the provisions of the not-for-profit corporation law do not conflict with the provisions of this article, the not-for-profit corporation law shall apply to the franchised corporation and the franchised corporation shall be a type C corporation pursuant to the not-for-profit corporation law. If an applicable provision of this article relates to a matter embraced in a provision of the not-for-profit corporation law but is not in conflict therewith, both provisions shall apply. The franchised corporation shall perform its functions under a franchise agreement which, notwithstanding the provisions of section one hundred twelve of the state finance law, shall not be subject to the approval required by such section, and such other agreements as may be necessary and appropriate and shall exercise its powers through a board of directors established under section two hundred seven of this article. The franchise confers the right and responsibility to manage and operate all functions at the franchise racetracks including but not limited to and subject to appropriate racing laws and regulations the hiring and management of racing secretaries, stewards, race officials, backstretch employees and other equine and racing related functions, establishing the purses, the stakes program and owner's relations, maintenance of the franchise racetracks and associated facilities, the selection of vendors for food, beverage and other concessions and such other activities approved by the franchise oversight board. The franchised corporation, in its discretion, may permit utilization of the state racing franchise lands for business purposes unrelated to racing, provided however that upon written notice from the franchise oversight board with respect to any such activity, the franchised corporation shall cease such utilization within thirty days in order to allow the franchise oversight board approved development or alternative uses approved by the franchise oversight board. All franchise rights or interests in assets of the state racing franchise including but not limited to leasehold interests shall be limited to the term of the franchise. Upon expiration, termination or ending of the franchise by any other means provided by law, all franchise rights or interest granted to or held by the

franchised corporation shall cease and revert to the state.

Notwithstanding any provisions of law to the contrary the franchised corporation shall not conduct, manage or otherwise operate video lottery gaming activities on the lands of the state racing franchise.

2. The franchised corporation shall, upon acceptance of the franchise, franchise agreements and all enumerated conditions, be granted a franchise for a period of not more than twenty-five years, ending no later than December thirty-first, two thousand thirty-three.

3. Upon acceptance of the franchise, the franchisee's corporate duration shall be made coterminous with the expiration, revocation or relinquishment of such franchise. Such length of duration shall be deemed to be incorporated within and made part of the certificate of incorporation of the franchised corporation and no amendment to such certificate to incorporate any such provision shall be necessary to give effect to any such provision and that any provision contained within such certificate inconsistent in any manner with the provisions contained within this section shall be null and void and cease to be of effect and shall be superseded by the provisions of this section. The dissolution provisions of articles ten and eleven of the not-for-profit corporation law shall apply upon the expiration, revocation or relinquishment of such franchise.

4. The franchised corporation shall not commence operation until by-laws and a corporate governance code of conduct are adopted by its board of directors. Such by-laws and code shall ensure the franchised corporation is operated in an efficient and transparent manner, with the highest degree of integrity and is fully accountable to the people of the state of New York.

5. The franchised corporation shall comply with all applicable laws and regulations and retain an independent business integrity counsel, who, among other things, will act as an independent source to help ensure the integrity of the franchised corporation, its officers and employees, and its operations.

6. The franchised corporation shall honor and be bound by all collective bargaining agreements to which the previous franchise holder was a party for their remaining term.

The franchised corporation shall, upon the request of an off-track betting corporation, purchase simulcasting rights jointly with the off-track betting corporation so that the off-track betting corporation pays the same price for the purchased simulcasting rights that the franchised corporation pays. To the extent permitted by law, the franchised corporation shall also share simulcasting pricing information in the market with off-track betting corporations;

7. The franchised corporation shall conduct public meetings in cooperation with local advisory boards established pursuant to section two hundred twelve of this article within one hundred eighty days following the effective date of this section on or near the racetrack facilities of Aqueduct, Belmont and Saratoga. Thereafter, public meetings shall be held no less than twice yearly in cooperation with the local advisory boards established pursuant to section two hundred twelve of the racing, pari-mutuel wagering and breeding law, in order to solicit the concerns of the community surrounding the respective racing operations.