

File No. SD-077

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

THE APPLICATION OF BAY MEADOWS OPERATING  
COMPANY, LLC FOR APPROVAL TO SHARE IN  
THE REVENUE FROM THE CONDUCT OF OFF-TRACK  
PARI-MUTUEL WAGERING

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ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on September 1, 1999, and specially before the Nevada Gaming Commission ("Commission") on September 3, 1999, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the application of Bay Meadows Operating Company, LLC for approval to share in the revenue from the conduct of off-track pari-mutuel race wagering, as amended and supplemented, is hereby accepted as filed.

2. THAT Bay Meadows Operating Company, LLC is granted approval to share in the revenue from the conduct of off-track pari-mutuel race wagering, said approval conditioned as follows:

(a) That Bay Meadows Operating Company, LLC shall cause its affiliated company, Paine Webber Group, Inc., to (i) comply with the provisions of NRS 463.639(1) and NGC Regulation 16.330, specifically by submitting to the Board only copies of all Form 10-K's and Form 10-Q's filed with the Securities and Exchange Commission ("SEC") and any Form 8-K's filed with the SEC and any press releases that materially relate to Bay Meadows Operating Company, LLC or Bay Meadows Race Track Facility, and (ii) shall also comply with any requests for additional reporting requirements made by the Board.

(b) That the following information shall be reported to the Board, in writing, within 30 days after the end of the quarter concerning the occurrence or absence of the following:

(1) Any changes in Bay Meadows Operating Company, LLC and Paine Webber Group, Inc. officers, directors, or key personnel directly or indirectly engaged in the active administration or supervision of the gaming operations conducted at Bay Meadows Racetrack and related facilities who earn \$50,000 or more annually.

(2) All gaming related complaints, investigations into alleged misconduct, orders to show cause, and disciplinary actions instituted by, presided over, or in connection with the California Horse Racing Board, the Securities and Exchange Commission or any gaming regulatory agency, involving Bay Meadows Operating