

RESOLUTION No. 10-01

WHEREAS, the Franchise Oversight Board ("Oversight Board") was established pursuant to Chapter 18 of the Laws of 2008 to review and make recommendations regarding the operation of The New York Racing Association, Inc. (NYRA); and

WHEREAS, the Oversight Board desires to exercise its authority with the diligence and responsibility commensurate with its duties, powers, and functions; and

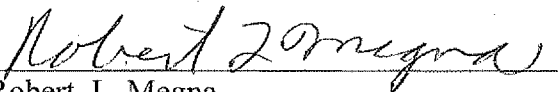
WHEREAS, pursuant to the provisions of Racing, Pari-Mutuel Wagering and Breeding Law §212, NYRA submitted its 2009 Operating Budget on January 29 2010; and

WHEREAS, the Oversight Board's members have now completed a review of NYRA's 2010 Operating Budget;

THEREFORE, the Oversight Board hereby finds that:

1. NYRA's Operating Budget for the fiscal year commencing January 1, 2010 is presented in an acceptable format;
2. The Budget appears to be an accurate portrayal of the Associations projected revenues and expenditures for 2010 and is an effective document for ensuring fiscal control;
3. The Budget as constructed reflects a 6% decline in revenues while costs rise at the rate of 3% - a leverage position that is not sustainable on a long term basis. Therefore the board recommends that NYRA immediately and henceforth institute policies and processes to ensure that the revenue and expense projections and assumptions included in the budget are regularly evaluated with the objective being increased revenues and reduced expenditures over and above the levels included within this budget, and:
4. It is the Board's expectation that NYRA will provide the Board with quarterly updates of the Association's efforts to comply with finding 3 and that the Association will regularly adjust its operating budget to reflect implementation of such revenue enhancement and cost reduction initiatives.

Adopted.


Robert L. Megna
Chair.
Franchise Oversight Board

2/10/10
Date