

RESOLUTION No. 11-05

WHEREAS, the Franchise Oversight Board ("FOB" or "Board") was established pursuant to Chapter 18 of the Laws of 2008 to review and make recommendations regarding all significant transactions and operations of the New York Racing Association, Inc. ("NYRA"); and

WHEREAS, the FOB 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 initially submitted to the FOB its 2011 Operating Budget on December 8, 2010, and thereafter submitted a revision of such budget ("Revised Budget"); and

WHEREAS, the FOB's members have now completed a review of such Revised Budget;

NOW, THEREFORE, the FOB hereby finds and directs that:

1. The Revised Budget for the fiscal year commencing January 1, 2011 has been presented to the Board;
2. The Revised Budget appears to accurately portray the Association's projected revenues and expenditures for 2011;
3. NYRA immediately and henceforth institute policies and processes to ensure that the revenue and expense projections and assumptions included in the Revised Budget are regularly evaluated with the objective of increased revenues and reduced expenditures over and above the levels included within this Revised Budget;
4. NYRA will provide the Board with quarterly updates of its efforts to comply with finding 3, above, and that NYRA will regularly adjust its operating budget to reflect implementation of such revenue enhancement and cost reduction initiatives;
5. Beginning with the budget covering the year 2012, NYRA shall submit its annual budgets to the Board for review and recommendations before submitting such budgets to NYRA's Board of Directors for final approval;
6. NYRA shall submit its management and employee compensation plan, which shall specify such compensation paid to senior Executive staff, for 2011 and all subsequent years to the Board for review as required pursuant to Section 216 of the Racing, Pari-Mutuel Wagering and Breeding Law;
7. NYRA shall immediately develop and submit to the Board a comprehensive plan for growing its racing related revenues in the wake of the NYCOTB closure including but not limited to revenues collected from Advanced Deposit Wagering Companies including, but not limited to TVG; and
8. NYRA shall present the Board with revised and updated revenue projections before the Board's scheduled August 15, 2011 meeting.

ADOPTED: 6/20/11



Robert L. Megna
Chair
Franchise Oversight Board

6/20/11
Date