

**DRAFT UNAPPROVED MINUTES OF THE MEETING**

**of**

**THE BOARD OF DIRECTORS**

**of**

**THE NEW YORK RACING ASSOCIATION, INC.**

Conducted on December 4, 2013 at 3:00 p.m.

A regular meeting of the Board of Directors (the “Board”) of The New York Racing Association, Inc. (“NYRA”) was conducted on December 4, 2013 at 3:00 p.m. in the 37<sup>th</sup> Floor Conference Room of the Office of the NYS Empire State Development Corporation, located in New York, New York pursuant to notice duly given.

The following Directors or Special Advisors were present (either in person or via teleconference):

Anthony J. Bonomo  
Rick Cotton  
Michael J. DelGiudice  
Michael Dubb (*via teleconference*)  
C. Steven Duncker (*via teleconference*)  
Robert Flay  
Stuart S. Janney, III  
Earle Mack (*via teleconference*)  
Barry Ostrager  
Leonard Riggio  
David J. Skorton, Chair  
Stuart Subotnick  
Vincent Tese  
Charles V. Wait

Chester Broman, *ex officio*  
Richard Violette, *ex officio*  
John Hendrickson, Special Advisor for Saratoga  
Michael Kotlikoff, Special Advisor for Equine Health and Safety

The following Directors were not present:

Robert Megna  
Jane Rosenthal  
Joseph Spinelli

Also present were Christopher Kay, CEO and President; Glen Kozak, Vice President of Facilities and Racing Surfaces; David O'Rourke, Vice President of Corporate Development; Susanne Stover, Senior Vice President and Chief Financial Officer; Martin Panza, Senior Vice President of Racing Operations; Sid Anthony, Vice President of Security and Operations; Pasquale Viscusi, Acting Corporate Secretary; Eric Wing, Director of Communications and Media Relations; Charles Kruzansky, Cornell University; and NYRA Business Integrity Counsel Jonathan Sack and Judith Mogul of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer P.C.

Dr. Skorton called the meeting to order. Mr. Viscusi recorded the minutes. A roll call of the Directors and Special Advisors was conducted.

**1. Approval of August 28, 2013 Regular Board Meeting Minutes.**

The first item addressed concerned the minutes of the August 28, 2013 regular meeting of the Board. A motion to approve the minutes was made by Mr. Bonomo and seconded by Mr. Tese. The resolution was carried without dissent and the minutes were ordered to be added to the permanent records of the corporation. (There were no abstentions among the Directors who were present). A copy of the resolution is attached hereto as **Exhibit 1**.

**2. Report of the Chair.**

Dr. Skorton reflected on what has occurred during 2013. On behalf of the racing public and the people of New York, Dr. Skorton thanked the Board members, Advisors, and the press for all their work. Dr. Skorton also discussed the progress that has taken place, in hiring a new CEO and President and in improving jockey and equine safety.

**3. Report of the CEO and President.**

Mr. Kay reported on the progress of the three priority areas that NYRA is focusing on: (1) enhancing the guest experience, (2) improving the quality of racing and (3) preparing the corporation for re-privatization. Mr. Kay led a lengthy discussion on the proposed 2014 Operating and Capital Budget. Mr. Kay also thanked the Board and the NYRA management team on their work on the 2014 Operating and Capital Budget.

**4. Report of the SVP/CFO.**

Ms. Stover provided the financial update. Ms. Stover gave the report of the third quarter results and year-to-date results. Ms. Stover also presented in detail the proposed 2014 Operating and Capital Budget.

## 5. New Business.

### a. Account Deposit Wagering

Mr. O'Rourke reported on the completion of the request for proposal ("RFP") process for an Advanced Deposit Wagering platform, which business was awarded to Global Betting Exchange.

### b. Long Term Planning

Mr. O'Rourke reported on the completion of the RFP for a Long Term Planning strategy consultant, which business was awarded to A.T. Kearney, Inc.

### c. Senior Management Personnel

Mr. Kay introduced Martin Panza as NYRA's new Senior Vice President of Racing Operations. Mr. Panza discussed his plans and goals for NYRA in his new position.

### d. Racing Dates 2014

Mr. Kay discussed the 2014 racing dates and the proposed stakes schedule for the Aqueduct Racetrack 2014 winter/spring meeting, as proposed by the Racing Committee.

## 6. Committee Reports.

### a. Long Term Planning Committee

Mr. Flay gave the report of the Long Term Planning Committee. The Committee met to discuss the recently completed RFP process for the Long Term Planning strategy consultant

### b. Compensation Committee

Mr. Kay gave the report of the Compensation Committee. The Committee met to discuss the creation of a three-tiered leadership development program and the development of succession planning for NYRA.

### c. Finance Committee

Mr. Subotnick gave the report of the Finance Committee. The Committee met to discuss the third quarter results (and KPMG's formal review of same) and the 2014 Operating and Capital Budget. Mr. Subotnick read a proposed resolution to approve NYRA's 2014 Operating and Capital Budget. The matter was discussed and a motion approving the resolution was made by Mr. Tese and seconded by Mr. Janney. The resolution was carried with one Director opposing (Mr. Ostrager). (There were no

abstentions among the Directors that were present). A copy of the resolution is attached hereto as **Exhibit 2**. In addition to approving the 2014 Operating and Capital Budget, Dr. Skorton requested that NYRA management conduct market research to see the response of the market to certain items proposed in the budget.

d. Audit and Compliance Committee

Mr. Subotnick gave the report of the Audit and Compliance Committee. The Committee met to discuss the third quarter results and KPMG's formal review of same. Also discussed were internal audit updates and future hiring.

e. Nominations and Corporate Governance Committee

Mr. DelGiudice gave the report of the Nominations and Corporate Governance Committee. The Committee met to discuss NYRA's Corporate Governance Guidelines. Mr. DelGiudice read a proposed resolution to approve NYRA's Corporate Governance Guidelines. The matter was discussed and a motion approving the resolution was made by Mr. Riggio and seconded by Mr. Subotnick. The resolution was carried without dissent. (There were no abstentions among the Directors who were present). A copy of the resolution is attached hereto as **Exhibit 3**.

f. Racing Committee

(This item was discussed before the Nominations and Corporate Governance Committee report).

Mr. Riggio gave the report of the Racing Committee. The Committee met to discuss the 2014 racing dates and the proposed stakes schedule for the Aqueduct Racetrack 2014 winter/spring meeting. Mr. Riggio read a proposed resolution to approve the 2014 racing dates and the proposed stakes schedule for the Aqueduct Racetrack 2014 winter/ spring meeting. The matters were discussed and a motion approving the resolution was made by Mr. Bonomo and seconded by Mr. Janney. The resolution was carried without dissent. (There were no abstentions among the Directors who were present). A copy of the resolution is attached hereto as **Exhibit 4**.

**7. Dates for Board Meetings.**

Dr. Skorton discussed the proposed schedule of 2014 Board meetings, which was included in the current meeting materials.

**Adjournment.**

Dr. Skorton called for additional business. There being no further business to come before the Board, the meeting was concluded at 5:20 p.m.

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Pasquale Viscusi, Esq.