

MINUTES OF THE MEETING
of
THE BOARD OF DIRECTORS
of
THE NEW YORK RACING ASSOCIATION, INC.

October 21, 2015 at 1:30 p.m.

A regular meeting of the Board of Directors (the "Board") of The New York Racing Association, Inc. ("NYRA") was conducted on October 21, 2015, at 1:30 p.m. in the 37th 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 and Special Advisors were present (either in person or via teleconference):

Stuart Subotnick
Michael Dubb
C. Steven Duncker
Robert Flay
Marc Holliday
Stuart S. Janney, III
Georgeanna Nugent Lussier
Earle Mack
Chris Mara
Robert Megna
Leonard Riggio
Andrew Rosen
Joseph Spinelli
Vincent Tese

Chester Broman, *ex officio*
Richard A. Violette, Jr., *ex officio*

John Hendrickson, *Special Advisor on Saratoga*

The following were not present:

Michael J. Del Giudice, *Vice Chair*
Michael Kotlikoff, *Special Advisor on Equine Health and Safety*

Also present were Christopher Kay, CEO and President; Joseph J. Lambert, Senior Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary; Glen Kozak, Vice President of Facilities & Racing Surfaces; Martin Panza, Senior Vice President of Racing Operations; Lynn LaRocca, Senior Vice President of Racing Operations;

John Durso, Jr., Director of Communications and Media Relations; and Virginia Kellner, Assistant Director of Communications.

The meeting was called to order. Mr. Lambert recorded the minutes. A roll call of the Directors and Special Advisors was conducted.

Report of the Vice Chairman

Upon motion, duly made and seconded, the Board unanimously approved Stuart Subotnick as the presider of the meeting, in the absence of Michael Del Giudice, Vice Chair of the NYRA Board.

Mr. Subotnick welcomed new Board Member, Georgeanna Nugent Lussier, who was appointed by the New York State Assembly Leader to replace former Member Rick Cotton following Mr. Cotton's departure from the NYRA Board.

Mr. Subotnick also welcomed Chris Mara, selected by the Class A Directors, to his first meeting as a Board Member and expressed his appreciation for the expertise Mr. Mara brings to the NYRA Board.

Approval of August 12, 2015 Minutes

The Board discussed the minutes of the August 12, 2015 meeting of the NYRA Board of Directors. Upon motion, duly made and seconded, the Board unanimously approved the minutes of the August 12, 2015 meeting, without dissent or abstentions, and directed that the minutes be added to the permanent records of the corporation. A copy of the resolution is attached hereto as *Exhibit 1*.

Approval of Committee Assignments

Mr. Spinelli informed the Board that the Nominations & Governance Committee met to review and discuss the Board committee structure and assignments. A copy of the list of assignments is attached hereto as *Exhibit 2*. Mr. Spinelli reported that the Committee discussed the 2016 Committee priorities, including to: (i) initiate Committee self-assessments; (ii) develop a list of potential Board candidates; (iii) maintain best practices for governance; and (iv) approve the Franchise Oversight Board Performance Assessments.

Mr. Spinelli next reported on the Nominations & Governance Committee's discussion of the significant overlap between the Finance Committee and the Audit & Compliance Committee and the efficiencies of combining such committees. Mr. Spinelli informed the Board that the Committee approved the merger of the Finance and Audit & Compliance Committees into a single committee to be called the "Finance and Audit Committee" and recommend the same for approval by the Board.

Upon motion, duly made and seconded, the Board unanimously approved the Committee assignments, as presented to the Board at its meeting, and further approved the consolidation of the Finance Committee and the Audit & Compliance Committee into a single committee to be called the Finance and Audit Committee. A copy of the resolution is attached hereto as *Exhibit 2*.

Report of the Chief Executive Officer and President

Mr. Kay presented his report to the Board in which he reviewed the 2015 Saratoga Summer Meet. Mr. Kay informed the Board that the meet was historically successful, with attendance up 9.7% over the prior year. As a result, all sources handle rose 13.2%, and revenues from food, beverage and merchandise were up 13.8% over 2014 results. Mr. Kay attributed the success of the meet to a number of factors, most notably NYRA's enhancements to the guest experience and improvements in the quality of racing.

Mr. Kay reminded the Board of the new attractions and programs in place for this year's Saratoga meet, designed to positively affect the guest experience. These included the Saratoga Race Course Walk of Fame, Fourstardave, the new state-of-the art sports bar at the lower Carousel with 40 HD television screens, and the new Tom Durkin Replay Center.

Mr. Kay then introduced Mr. Kozak who provided a detailed report on the improvements to the NYRA facilities, including the irrigation upgrade and renovation of the dorms at Saratoga Race Course. Mr. Kozak next described the renovations at Belmont Park, which include barn expansions, new dorm construction and renovations to existing dorms, as well as renovations being made at Aqueduct Racetrack, including the new Horsemen's Lounge and the installation of surveillance cameras in the receiving barns.

Mr. Kay next introduced Mr. Panza who presented the Racing Report, including an analysis of racing statistics for the Saratoga meet, which identified a number of positive trends. Mr. Panza further noted the new isolation barn at Saratoga Race Course, which will allow European horses to more easily travel to Saratoga for the race meet and creates an additional opportunity to attract quality horses to the NYRA tracks.

Ms. LaRocca then provided a detailed reported on the Fan Engagement Survey conducted at Saratoga Race Course earlier this year. Ms. LaRocca reported on the valuable results and opportunities for improvements in growth identified by the survey, including the need to increase NYRA's fan base in the 18 to 25 year old age demographic and further opportunities for the creation of partnerships with local businesses. Ms. LaRocca further noted that the results of the survey revealed the tremendous appeal of the Saratoga meet, with 82% of survey respondents rating their Saratoga experience a 9 or 10 on a scale of 1 to 10.

Next, Mr. Kay described 2015 Triple Crown winner American Pharoah's memorable visit to Saratoga Race Course and the incredible fan reaction, including thousands who gathered to watch his morning work prior to the Travers Stakes. Mr. Kay further discussed the favorable weather that greatly contributed to the success of the Saratoga Summer Meet. Mr. Kay then reviewed the 2015 Belmont Park Fall Meet through the first 16 days and noted the strong beginning with on-track handle and all source handle up 10.4% over last year.

Report of the Chief Financial Officer

In Ms. Stover's absence, Mr. Kay provided the financial update, reporting on NYRA's third quarter 2015 and year-to-date 2015 financial results, including net income, net revenue from racing operations, operating and non-operating expenses, and VLT revenue.

Mr. Kay further reported on the 2015 results from Saratoga, noting a record breaking total of all sources handle of \$697.6 million—a 13.2% increase over last year and a 13.9% increase over budget. In addition, Mr. Kay reported on the growth in popularity of the two marquee Saratoga events, Whitney Day and Travers Day which saw an increase in handle over the prior year of over \$1.5 million and \$9.8 million, respectively.

The Board discussed NYRA's third quarter 2015 and year-to-date 2015 results, noting that NYRA remains on track to meet its 2015 budget and achieve an operating profit for the second straight year. In addition, the Board discussed the results of the first 28 days of the 2015 Belmont Fall Meet which exceeded budget and expectations and further discussed the expected results for the full race meet.

Committee Reports

a. Compensation Committee

Mr. Tese provided the report of the Compensation Committee. Mr. Tese reported that the Committee met to review and discuss executive compensation levels and noted that an executive compensation company is currently undertaking a review of NYRA's executive compensation and, while initial data indicates that compensation of NYRA executives remains below industry averages, further research is required in this area. Mr. Tese further reported that the Committee discussed its priorities for 2016, which include the development of a bonus plan, the determination of a more market-competitive executive compensation program, and the execution of training programs. In addition, Mr. Tese informed the Board that the Committee discussed and approved the extension of NYRA CEO Christopher Kay's employment agreement through December 31, 2016 on essentially the same terms and conditions as contained in Mr. Kay's existing employment agreement.

b. Equine Safety Committee

Mr. Holliday provided the report of the Equine Safety Committee. Mr. Holliday reported that the Committee met to review and discuss the status of equine and jockey safety at Belmont, Aqueduct and Saratoga racetracks and noted that, for much of 2015, NYRA has been below the national average for racing fatalities. Mr. Holliday informed the Board that the Committee received a report from Glen Kozak, Vice President of Facilities & Racing Surfaces, on improvements undertaken at each of the three racetracks meant to reduce risks and enhance the safety of jockeys and equine athletes. In addition, Mr. Holliday noted the Committee's discussion on the issue of whether it is appropriate to install synthetic track surfaces at Aqueduct and in the jogging barn at Belmont Park, as well as the industry need for state-of-the-art drug testing facilities. Mr. Holliday also reported that the Committee discussed research regarding the administration of furosemide to race horses and a request from the Grayson-Jockey Club Research Foundation for funds to support further research, a joint initiative with other tracks to which NYRA has already contributed the sum of \$15,000. Lastly, Mr. Holliday noted the 2016 Committee priorities discussed at the meeting, which include the continuation of further discussion of an effective testing program, participation in Lasix trials, and the recommendation of a poly surface.

c. Nominations & Governance Committee


The Board noted that Mr. Spinelli delivered his Committee report during the aforementioned discussion of the new Committee assignments.

d. Racing Committee

Mr. Riggio provided the report of the Racing Committee. Mr. Riggio informed the Board that the Committee discussed and approved NYRA's racing schedule for 2016, which schedule has the support of the New York Thoroughbred Breeders, Inc. and the New York Thoroughbred Horsemen's Association and that the Committee further approved the 2016 Winter/Spring Stakes Schedules for Aqueduct Racetrack. Mr. Riggio noted the Committee's discussion and analysis of the NYRA purse account for the 2015 Saratoga Meet, and that the Committee found NYRA's purse cushion to be satisfactory. Mr. Riggio next reported that the Committee discussed the ARCI model rules concerning minimum penalties for multiple medication violations, which the NYSGC has approved in a proposed rule currently under review by the Governor's Office. Mr. Riggio informed the Board that the Committee expressed its strong support for the adoption of the uniform rules. Lastly, Mr. Riggio reported that the Committee discussed the New York Jockey Injury Compensation Fund, including the significant increase in premiums, the potential for self-insurance, and options under consideration for the short term.

Adjournment

The Chairman called for additional business. There being no further business to come before the Board, the meeting was concluded at 2:38 p.m.



Joseph J. Lambert

AUGUST 12, 2015 BOARD OF DIRECTORS MEETING MINUTES RESOLUTION

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the minutes of the regular August 12, 2015 Board of Directors meeting and the minutes are ordered to be added to the permanent records of the corporation.

NYRA BOARD OF DIRECTORS COMMITTEE ASSIGNMENT RESOLUTION

IT IS HEREBY RESOLVED, that upon the recommendation of the Nominations and Governance Committee, the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the NYRA Board of Directors Committee assignments, as presented to the Board at its meeting, and further approves the consolidation of the Finance Committee and the Audit & Compliance Committee into a single committee to be called the Finance and Audit Committee.



THE NEW YORK RACING ASSOCIATION, INC.
2015 REORGANIZATION BOARD COMMITTEES
(as of October 12, 2015)

Executive Committee*

Michael Del Giudice**
Michael Dubb
Leonard Riggio
Joseph Spinelli
Stuart Subotnick
Vincent Tese

Compensation Committee

Vincent Tese, *Chair*
C. Steven Duncker
Stuart Janney
Georgeanna Nugent Lussier
Earle Mack
Joseph Spinelli

Equine Safety Committee

Marc Holliday, *Chair*
Dr. Michael Kotlikoff, *Special Advisor*
Bobby Flay
John Hendrickson
Stuart Janney
Earle Mack
Richard Violette, *ex officio*
Chester Broman, *ex officio*

Finance & Audit Committee

Stuart Subotnick, *Chair*
C. Steven Duncker
Stuart Janney
Robert Megna
Andrew Rosen
Richard Violette, *ex officio*

Nominations and Governance Committee

Joseph Spinelli, *Chair*
Michael Del Giudice
Marc Holliday
Chris Mara
Robert Megna

Racing Committee

Leonard Riggio, *Chair*
C. Steven Duncker
Bobby Flay
Andrew Rosen
Stuart Subotnick
Richard Violette, *ex officio*

Long Term Planning Committee

Michael Dubb (*Co-Chair*)
Bobby Flay (*Co-Chair*)
Michael Del Giudice
Marc Holliday
Georgeanna Nugent Lussier
Chris Mara

* As of June 2, 2015 Anthony J. Bonomo has taken a leave of absence from the Board and as Chair thereof. During his absence Mr. Del Giudice, Vice Chair, will preside over meetings of the Executive Committee

** In addition to chairing the Executive Committee, the Board Chairman shall serve as an ex officio member of all committees.