

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD OCTOBER 30, 2008**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the "Fund") was held at 10:00 a.m. on October 30, 2008 at the Fund's office in Saratoga Springs, New York.

Present

Harry Snyder	Commissioner, State Racing Commission
John Cansdale	Executive Director, Racing and Wagering Board
Jackie Moody-Czub	Deputy Commissioner, Agriculture and Markets
Ed Kelly	Breeder
Joseph McMahon	Breeder
William Wilmot, DVM	Breeder (via telephone)
Michael McMahon	NYTB President
Howard Nolan	Breeder
Martin Kinsella	Executive Director
William McCabe	Comptroller
Jim Zito	Field Identification Team
Kyle Flaherty	Counsel
Jeff Cannizzo	NYTB Executive Director

Commissioner Snyder called the meeting to order at 10:00 a.m. As the first order of business, Commissioner Snyder asked the Board members and others to observe a moment of silence in memory of Lorraine Power Tharp in view of her passing. Thereafter, Commissioner Snyder remembered Ms. Power Tharp as a woman of great character, intelligence and wisdom who had served the Board extremely well over the years and who will be greatly missed by all who had come to know her.

As the next order of business, Commissioner Snyder directed that the Board members review the Minutes of the Board's August 2008 meeting. After some discussion, Joseph McMahon noted an error on page 2 of the Minutes regarding the notation that the Fund does not participate in "NYRA 1" handle revenue. Mr. McMahon noted that the reference to "NYRA 1" should be

deleted from the Minutes and that “advanced deposit wagering” should be inserted in its stead. The Board members agreed with this change. With that change, the Minutes were duly approved.

As the next order of business, the Chair directed Martin Kinsella and William McCabe to review the Fund’s Financial Report. Mr. McCabe reviewed the highlights of the Fund’s September 30, 2008 Financial Report, first noting that the supplemental 10% reserves for breeder, owner and stallion awards that the Board had authorized at its August meeting was reflected on page 1 of the Report. Mr. McCabe then reviewed the Fund’s revenues and expenses for the first nine months of 2008, and noted that total revenue was down by approximately \$955,000 over the same period in 2007, while total awards through September 2008 were up nearly \$400,000 over that same period in 2007. Mr. McCabe noted that it will be “very close” as to whether the Fund will be required to use all of its initial 20% reserve to pay awards in the 4th quarter, and noted that it is “possible” that the supplemental 10% reserve will not be needed to pay regular awards. Turning to page 8 of the September Financial Report, Mr. McCabe stated that in light of the revenue declines in 2008, he does not believe that the projected annual revenue of \$14,445,000 is a realistic number, and suggested that the revenue projection be changed to \$14,200,000. After some discussion, a motion was made and duly seconded to change the Fund’s 2008 budget to reflect anticipated revenue of \$14,200,000. This motion passed unanimously. Mr. McCabe also distributed a handout entitled “Awards through 9/30/08,” showing the total awards earned to date in 2008 and the applicable 20% and 10% holdbacks. After an extended discussion, a motion was made and duly seconded to approve the Fund’s September 2008 Financial Report. This motion passed unanimously.

As the next order of business, Commissioner Snyder asked Mr. McCabe to distribute the Fund’s proposed Budget for 2009. Mr. McCabe distributed the Fund’s proposed Budget for 2009 along with the Fund’s Budget & Financial Plan for years 2009 through 2012. After a thorough review, the Board unanimously approved the proposed Budget for 2009.

As the next order of business, Commissioner Snyder asked Joseph Zito to deliver the Fund’s Advertising Report. Mr. Zito noted that in light of the Fund’s decline in revenues over the past year, the Advertising budget has been much leaner than in prior years. He added that in an effort to keep costs down, the Fund has not developed any new advertisements; however, he also noted that he will be working on new advertisements for 2009. Mr. Zito noted that the Fund is continuing to advertise in traditional trade publications, such as the Bloodhorse and the Thoroughbred Daily News, and noted that the Fund is continuing to run 30 second commercial spots on the in-house monitors at the NYRA tracks. Commissioner Snyder requested that on a going-forward basis, Mr. Zito also provide the Board with a report on the field identification process.

Commissioner Snyder then asked Jeff Cannizzo to give the Fund’s Promotional Report. Mr. Cannizzo then distributed a document entitled “NYTB Promotional Report” for the period August – October 2008 and reviewed the Report with the Board explaining the promotional activities that NYTB had undertaken on behalf of the Fund since the prior meeting.

As the next order of business, Commissioner Snyder asked Mr. Kinsella to report on the Fund’s negotiations for a new promotional contract with NYTB for the balance of 2008 and 2009. Mr.

Kinsella and Michael McMahon, on behalf of NYTB, stated that they had reached an agreement for 2008 and 2009 to the effect that NYTB's remuneration under the agreement would be set at 23% of the Fund's promotional budget, net of the Fund's GASB No. 45 obligations, and without a minimum guarantee of \$150,000. Fund counsel was instructed to draft a written agreement between the parties reflecting those terms.

As the next order of business, Commissioner Snyder directed Mr. Kinsella to review with the Board the Fund's investment policy, procurement contract guidelines and prompt payment policy for 2009. Mr. Kinsella then distributed, and reviewed with the Board, the Fund's investment policy, procurement contract guidelines and prompt payment policy. After some discussion, a motion to re-approve those policies and guidelines was made, duly seconded and passed unanimously.

As the next order of business, Mr. Kinsella noted that if the Board is inclined to allow the Fund to pay out awards in excess of the initial statutory maximums, the Board would need to adopt a resolution authorizing such action. Thereupon, a motion was made and duly seconded to increase all breeder, stallion and owners awards for 2008 to the maximum levels permitted by statute. This motion passed unanimously.

With respect to Board meetings held throughout 2009, Mr. Kinsella, upon consultation with the Board, proposed that the meetings be held on the following dates: February 5, 2009, May 7, 2009, August 20, 2009 and December 3, 2009.

With no further business pending before the Board, the meeting was adjourned. The next meeting is scheduled for February 5, 2009 at the Fund's office in Saratoga Springs, New York.