

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD DECEMBER 21, 2011**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the "Fund") was held at 10:30 a.m. on December 21, 2011 at the Fund's offices in Saratoga Springs, New York.

Present

John Sabini, Chairman	Chairman, Racing and Wagering Board
Harry Snyder	Commissioner, State Racing Commission
John Tesiero	Commissioner, State Racing Commission
Darrel Aubertine	Commissioner, Agriculture and Markets
Jeff Cannizzo	NYTB, Executive Director
William Wilmot, DVM	Breeder
Howard Nolan (phone)	Breeder
Joseph McMahon	Breeder
Ed Kelly	Breeder
John Graziano, Jr.	Breeder
Tracy Egan	Executive Director
Michael DeMarco	Chief Financial Officer
Kyle Flaherty	Counsel
Kristen Buckley	Guest
Chris DelGuidice	Guest

Chairman Sabini called the meeting to order at 10:30 a.m. As the first order of business, Chairman Sabini asked the Board members to review the October 22, 2011 Minutes. After review, a motion to accept the Minutes was duly made, seconded and approved by the Board.

As the next order of business, Chairman Sabini asked Michael DeMarco to review the Fund's financials for the months ending August, September and October 2011. Mr. DeMarco proceeded to review with the Board members the highlights of those financial reports. Mr. DeMarco also circulated a one-page "Summary" document showing 2011 revenue, purse enrichment and awards information. Upon motion duly made and seconded, the Board approved the Fund's August, September and October Financial Reports.

Chairman Sabini asked Jeff Cannizzo to give the Fund's promotional report. Mr. Cannizzo reviewed with the Board members NYTB's promotional activities conducted on behalf of the Fund since the last meeting. NYTB's lobbyist, Chris DelGuidice, gave a brief legislative update on matters pertaining to the thoroughbred industry.

As the next order of business, Chairman Sabini asked Ms. Egan to give a report on television and radio advertising that she is pursuing on behalf of the Fund. Ms. Egan discussed her efforts to procure television advertising for the Fund in 2012. Ms. Egan distributed a document entitled "2012 NYRA TV package, which sets forth a proposed advertising plan for the Fund in 2012. After a lengthy discussion, a motion was duly made and seconded to authorize the Fund to expend \$20,700 in television advertising in accordance with the 2012 NYRA TV package.

As the next order of business, Chairman Sabini asked Commissioner Snyder to review with the Board NYTB's proposed contract for 2012. Commissioner Snyder noted that the Fund's Audit Committee met to discuss NYTB's proposed contract increase from \$215,000 to \$300,000. Commissioner Snyder stated that it is the Audit Committee's view that this requested increase must be predicated upon a substantial increase in promotional activities by NYTB in 2012, and noted that such additional funds would have to be "earmarked" for additional promotional activities. Commissioner Snyder also stated that better coordination will have to be achieved between NYTB and the Fund office with respect to promotional and advertising activities. Finally, he noted a few, minor proposed language changes to the NYTB contract. After a lengthy discussion about NYTB and its promotional activities on behalf of the Fund, the Board reviewed a Sole Source Provider document identifying NYTB as a sole source for the provision of promotional activities on behalf of the Fund. A motion to renew the Sole Source Provider document was duly made, seconded and approved by the Board, with Mr. Cannizzo abstaining from the vote. After additional discussion, a motion to renew the NYTB for 2012 at an annual cost of \$300,000 was duly made, seconded and approved by the Board, with Mr. Cannizzo abstaining from the vote.

Chairman Sabini noted that in order for the Fund to pay 2011 breeder awards at the maximum rate permitted by statute, the Board must adopt a resolution authorizing such action. Upon which, a motion was duly made and seconded to increase breeder awards for 2011 to the maximum level permitted by statute. This motion passed unanimously.

Chairman Sabini then asked Ms. Egan and Mr. DeMarco to address the Board regarding the Fund's 2012 budget. Mr. DeMarco mentioned that the overall budget that was approved at the Board meeting of September 22, 2011 remained the same as far as a total amount of \$17,280,000.00 in expected revenue. Because of the changes to the Breeders' Award rates adopted at the Board meeting held on October 22, 2011, the budget reflects changes in the following line items: Breeder, Stallion and Owner Awards. It's worth noting that the purse enrichment expenditure of \$1,500,000 remains the same. (60%, or \$900-thousand dollars is earmarked for the Finger Lakes Race Track, 40% or \$600-thousand dollars is earmarked for NYRA.) Upon a motion to approve the changes to the budget, the Board unanimously approved the document.)

As the next order of business, Chairman Sabini asked Mr. DeMarco to review and approve a new Fund policy regarding the disposal of Fund assets. After Mr. DeMarco reviewed the proposed policy with the Board, the Fund's Disposal of Assets Policy was duly approved by the Board.

At Chairman Sabini's direction, Ms. Egan then reviewed with the Board the Fund's newly required Minority and Women Business Enterprise goals. Ms. Egan discussed generally the Fund's requirements under this new initiative.

Under new business, Dr. Wilmot handed out an informative 3-page State Breeding and Racing Program Comparison showing the features of the various state thoroughbred breeding programs throughout the country. In addition, Ms. Egan spoke generally about the results of a committee meeting regarding the establishment of scholarships for the pursuit of a degree in equine studies. Ms. Egan noted that the general consensus of the committee is to recommend the commitment of up to \$15,000 in scholarship money, to be allocated among six different recipients. She noted that the committee will meet again on January 12, 2012.

With no further business pending before the Board, the meeting was adjourned..