

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD DECEMBER 1, 2015**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the "Fund") was held at 11:00 a.m. on December 1, 2015 at the Fasig-Tipton Sales Pavilion in Saratoga Springs, New York.

Present

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| John Poklemba | Chairman |
| Joseph McMahon | Breeder |
| Jeff Cannizzo | NYTB, Executive Director |
| William Wilmot, DVM | Breeder |
| John Graziano | Breeder |
| Jackie Moody-Czub | Deputy Commissioner, Agriculture and Markets |
| Ed Kelly | Breeder |
| Todd Snyder (via Skype) | Gaming Commission |
| John Crotty (via Skype) | Gaming Commission |
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| Tracy Egan | Executive Director |
| Jill LaBoissiere | Comptroller |
| Adam Lawrence | Registrar |
| Kyle Flaherty | Counsel |

Chairman Poklemba called the meeting to order.

As the first order of business, the Minutes of the August 2015 meeting were reviewed.

After a review of the Minutes, a motion to accept the Minutes was duly made, seconded and unanimously approved by the Board.

As the next order of business, Fund Comptroller Jill LaBoissiere was asked to review the Fund's financials for the period ending October 31, 2015. Ms. LaBoissiere went through the financials and highlighted the key aspects of those reports.

As the next item on the agenda, the Board reviewed its recent action with respect to a purse enrichment increase. It was explained that in September 2015, the Finger Lakes Horsemen's Benevolent Protective Association notified the Breeding Fund that there may be a purse deficiency at Finger Lakes Gaming and Racetrack that could adversely affect the New York-bred

program over the last several months of 2015. It was requested that the Breeding Fund increase purse enrichment at FLRA by \$300,000 to address the issue. On October 1, 2015, by mail ballot, six (6) Board members voted in favor of increasing purse enrichment by \$500,000 in 2015, with \$300,000 of said increase to be allocated to the Horsemen's Account at Finger Lakes Gaming and Racetrack, and \$200,000 of said increase to be allocated to New York Racing Association, upon the fulfillment of certain conditions (Purse Enrichment Motion), a copy of which was distributed to the Board members and is attached hereto. None of the Board members opposed the Purse Enrichment Motion. Since the Purse Enrichment Motion was not adopted in an open meeting, it was noted that the Board should consider whether it wished to ratify that action.

After a thorough review of the issue, a motion to ratify the Purse Enrichment Motion was duly made, seconded and unanimously approved by the Board.

As the next order of business, the Board reviewed the distribution of supplemental awards for 2015.

After a thorough discussion on the issue, a motion was made and duly seconded to pay supplemental awards for 2015 among all three (3) awards categories, in amounts consistent with the 2015 allocation percentage to each category. This motion was unanimously adopted.

As the next order of business, Ms. Egan reviewed with the Board the Fund's proposed registration fee changes. Ms. Egan distributed a two-page Registration Fee Analysis document for the Board's review and consideration.

After a thorough review of the Registration Fee Analysis report and upon discussion of same, a motion to accept a new registration fee schedule was duly made, seconded and unanimously approved by the Board.

As the next order of business, Chairman Poklemba asked Ms. Egan to review with the Board members The Jockey Club's proposal for certain software re-writes and the additional costs associated with same. Ms. Egan explained that there are two additional expenditures for which she is seeking Board approval concerning the software re-write initiative. First, Ms. Egan stated that there is some additional programming that has now been identified and that she considers to be a "critical need" for the Fund. The projected additional cost for this work is approximately \$21,400. Second, Ms. Egan anticipates that in phase 2 of the project (which is going on now), there will be approximately \$25,000 in cost over-runs.

After an extended discussion on the matter, a motion to (i) authorize the Fund to pay \$21,400 to the Jockey Club Information Systems for the "critical need" software upgrades for the Fund, and (ii) pay up to an additional \$25,000, in its discretion, for any appropriate, unforeseen cost over-runs in phase 2 of the project was duly made, seconded and unanimously approved by the Board.

As the next order of business, Dr. Wilmot notified the Board of three (3) promotional spends that the Advertising Committee is considering for 2016 with The Thoroughbred Daily News (TDN), BloodHorse and the Stronach Group. Dr. Wilmot distributed a one-page document entitled "Promotional Spending Detail 2016."

After a thorough review of the "Promotional Spending Detail - 2016," a motion to authorize the promotional spends with TDN, BloodHorse and the Stronach Group was duly made, seconded and unanimously approved.

Chairman Poklemba then asked Mr. Cannizzo to provide a report regarding NYTB's promotional activities on behalf of the Fund. Mr. Cannizzo circulated a 22-page report entitled "NYTB's 2014 Breeding & Racing Statistics" and reviewed that report with the Board, as well as the various promotional activities that NYTB performs for the Breeding Fund.

As the next order of business, Chairman Poklemba asked Dr. Wilmot to provide an update on the Zweig Fund's activities in 2015. Dr. Wilmot proceeded to give a brief overview of the important work of the Zweig Fund.

As the next order of business, Chairman Poklemba asked Mr. Kelly, the Chair of the Fund's Governance Committee, to review with the Board members the Fund's various employment and operational policies. Mr. Kelly proceeded to distribute those policies, and it was agreed that the Board would table a more thorough review of same until the next meeting so as to give all Board members adequate time to review them.

As the next order of business, Chairman Poklemba recommended that the Board plan on meeting four times per year, with meetings to be held in March, June, August and December. It was agreed that specific meeting dates for 2016 would be determined at a later date.

A motion for the Board to go into executive session to discuss certain personnel and litigation matters was made, duly seconded and approved by the Board.

At the conclusion of the executive session, Chairman Poklemba went back on the record and reported that no actions were taken as a result of the session.

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