

**NEW YORK STATE THOROUGHBRED BREEDING AND  
DEVELOPMENT FUND CORPORATION  
MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS HELD DECEMBER 8, 2020**

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 8, 2020 via video conference using Zoom technology as permitted pursuant to Governor Cuomo's Executive Order 202.1.

Present

John Poklemba	Chairman
Barry Sample	Chairman, NYS Gaming Commission
Richard Ball	Commissioner, Agriculture & Markets
William Wilmot, DVM	Member
Jeff Cannizzo	NYTB, Executive Director
John Graziano	Member
Philip Birsh	Member
Tracy Egan	Executive Director
Jill LaBoissiere	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel
Jackie Moody Czub	Dep. Commissioner, Agriculture & Markets
Najja Thompson	Guest

Chairman Poklemba opened the meeting by noting that there was a quorum.

As the first order of business, Chairman Poklemba sought approval of the Minutes of the August 4, 2020 and October 29, 2020 Board of Directors' meetings. Motion to adopt both sets of Minutes was made, duly seconded and unanimously approved.

As the next order of business, Chairman Poklemba asked the Fund's Comptroller Jill LaBoissiere to present the Fund's preliminary results of the October 2020 year-to-date financial statements. Ms. LaBoissiere reviewed the highlights of the financial statements and reported generally that the Fund's finances are slightly better than the adjusted budget due to better VLT revenues than had been projected. She reported that it appears likely that the Fund could get close to a 10% to 15% holdback for the year, which would be substantially better than had been projected earlier in the year.

Chairman Poklemba next asked Ms. LaBoissiere to present to the Board the administrative spends that are in excess of \$5,000 for Board approval. She reported that the Tech 2 agreement,

which is a multi-year agreement that the Fund entered into several years ago, amounts to a \$11,400 spend for 2021. She stated that Tech 2 provides technical support to the Fund office and has done very good work in delivering those services during the pandemic. A motion to approve this spend for 2021 was made, duly seconded and unanimously approved by the Board.

As the next order of business, Ms. LaBoissiere was asked to discuss FLRA's use of purse enrichment in 2020. She noted that reviewing this usage for 2020 is difficult because the actual number of races in 2020 has been down so much, but she explained that the average purse per race has remained fairly steady.

Fund's Executive Director Tracy Egan was asked to address the Board concerning a potential ratification of an amendment to the FLRA purse enrichment agreement. She explained that in October, FLRA sought approval to use certain of the purse enrichment money that it received from the Fund in a manner that was different from the parties' agreement due to the pandemic. She explained that this action had been approved by the Board in October via a pass-around vote but needs to be ratified by the full Board. A motion to ratify the FLRA purse enrichment agreement for 2020 was made, duly seconded and unanimously approved.

As the next order of business, Chairman Poklemba asked Dr. Wilmot to address the Board concerning the Fund's tentative agreement with NYRA for 2021 under which NYRA will provide numerous sponsorship opportunities to the Fund for \$120,000. He explained that the contract is very similar to the 2020 agreement with NYRA, and noted that NYRA will allow a credit to the Fund of \$50,000 from the Fund's payment under its 2020 contract with NYRA. In addition, it was noted that at the Fund's request, a force majeure provision was added to the agreement with NYRA. Fund counsel reported that the parties are in the process of working out the final terms of the agreement and that it is likely that the parties will finalize their agreement soon. He suggested that the Board approve the NYRA agreement, subject to Fund counsel review of the final terms of the agreement. Motion to approve the NYRA contract as it currently exists be approved by the Fund, subject to Fund counsel review, was duly seconded and unanimously approved.

The next agenda item was consideration of allowing breeder awards to be paid in full. Board member Jeff Cannizzo explained that under the Racing Law, the Board can increase the maximum breeders awards from 50% to 65% of revenue by a two-thirds vote of the Board for the current year. After some discussion, a motion to increase breeders awards to the statutory maximum for 2020 was made, duly seconded and unanimously approved.

Dr. Wilmot was asked to provide an update on Zweig Fund research matters. Dr. Wilmot gave a brief update on the Zweig Fund's research matters and noted that due to a decrease in overall revenue, there were fewer projects approved by the committee.

Under new business, Mr. Cannizzo announced that this will be his last meeting as a member of the Board and thanked all of the Board members and Fund staff for all of the help they have given to him over the years. He also introduced his successor, Najja Thompson, to the Board members. Mr. Thompson made brief remarks to the Board and was welcomed by all Board members. Chairman Poklemba and all of the Board members and Ms. Egan thanked Mr. Cannizzo for the tremendous contributions he made to the Fund over the years.

Dr. Wilmot noted that NYRA has done better in 2020 than they had initially thought they would and retroactively boosted purses from races that had been run in the earlier part of the year. It was noted that these supplemental monies paid by NYRA are essentially owner bonuses. Several individuals have asked the Fund to pay higher awards due to the retroactive boost in purses. Ms. Egan stated that the Jockey Club does not recognize these retroactive increases in purses in the thoroughbred's racing history and does not believe that the Fund should be obligated to pay higher awards due to this action by NYRA. Fund counsel agreed and stated that the Fund should be obligated to pay awards based upon the value of the purses that exist as of the date of the race and should not be changed by any supplemental increases that may be made by the track.

As a matter of new business, Ms. LaBoissiere noted that the 50% holdback is still in effect and questioned whether that holdback should be adjusted to a lesser percentage for 2021. A discussion ensued about the best approach to handle the holdback in 2021 in light of the uncertainty that continues to exist. After substantial discussion, a motion to modify the holdback for 2021 from 50% to 25% was made, duly seconded and unanimously approved.

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