

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD JUNE 7, 2022**

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 June 7, 2022 at Fasig-Tipton Stables in Saratoga Springs, New York.

Present

Joseph McMahon	Member
William Wilmot, DVM	Member
Najja Thompson	NYTB, Executive Director
John Hicks	Member
Patricia Cifuentes, DVM	Member
Jackie Moody-Czub	Deputy Commissioner, Ag & Markets
Tracy Egan	Executive Director
Kim Kurtzner	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel

The meeting opened with the Breeding Fund’s Executive Director noting that the Fund’s prior Chairman John Poklemba and the Gaming Commission’s prior Chairman Barry Sample had recently been replaced and would no longer be serving on this Board. On behalf of the Board members and the Breeding Fund, Ms. Egan thanked them for their excellent service over the years to the Fund. Board member Joseph McMahon noted that he would chair the meeting and identified that there was a quorum to proceed.

As the first order of business, Acting Chairman McMahon sought approval of the Minutes of the March 2022 Board of Directors’ meeting. After review, a motion to adopt the March 2022 Minutes was duly made and seconded and was unanimously approved.

As the next order of business, Comptroller Kim Kurtzner was asked to present the Fund’s Financial Report through April 2022. Ms. Kurtzner noted that the Fund’s financial results through April were strong. She noted that Catskill OTB remains delinquent on its obligations to the Breeding Fund. After some discussion, the Board determined that the Fund should send a demand letter to Catskill OTB for this delinquency and directed Fund counsel to do so. A motion to authorize Fund counsel to send a demand letter to Catskill OTB was duly made, seconded and unanimously approved.

As the next order of business, Ms. Egan was asked to provide an update on the NYRA bonus program for owners of New York-sired winners. Ms. Egan stated that NYRA, NYTHA and the Breeding Fund had come to an agreement in November 2018 for a New York-sired stallion

bonus program as an accommodation for the public mares auction regulatory changes that the Fund implemented several years ago. A discussion then ensued about efforts that are underway to encourage NYRA to increase their commitment to this program provided that the Fund similarly increase its commitment to the program. Board member Najja Thompson and Ms. Egan explained the efforts that they were undertaking to support this initiative. Acting Chairman McMahon noted that this program will be much more effective if it is created in advance of the sales season and suggested that the discussions be fast-tracked for that purpose. In discussing this issue, a lengthy discussion ensued about the Fund's promotional expenditures in support of thoroughbred aftercare programs and the importance of the Fund's efforts in that regard. The consensus of the Board was that given the importance of providing for the aftercare of thoroughbred horses in New York, the Breeding Fund should budget for aftercare support at the beginning of each year.

As the next order of business, Fund counsel noted that the Board needs to consider whether it wishes to extend NYTB's promotional services contract for the 2023 calendar year, noting that NYTB's current contract with the organization is through December 31, 2022. Counsel noted that it is difficult for the Board to consider this matter in light of the fact that it is in the midst of a Request for Information ("RFI") project in which the Fund is attempting to ascertain whether there are any qualified organizations that would be interested in engaging in a competitive bidding process to provide promotional services for the Fund. It was agreed that the Board should first get an update on the RFI project and then address the potential NYTB contract renewal. Ms. Egan described the RFI process and the potential interest that the Breeding Fund has received to date. She noted that the RFI process is still open. Acting Chairman McMahon stated that it seems premature for the Board to consider the NYTB renewal for 2023 while the RFI process is still open. The Board members discussed this issue at length and ultimately decided that it would table the NYTB contract extension until the August meeting. After some discussion, a motion was made and duly seconded to table the NYTB contract proposal until the August meeting, with Mr. Thompson recusing himself from the vote.

Under new and old business, Acting Chairman McMahon stated that at the Board's direction in the March meeting, he and Mr. Thompson met with many members of the New York stallion community to discuss whether the Breeding Fund could take certain measures to provide incentives for New York stallion owners. Mr. McMahon noted that recent statistics showed that 60% of mares go out of the state for breeding, while only 40% remain in state for breeding. He noted that this was part of a bad trend for the New York stallion industry. Mr. McMahon recounted the general views of many in the stallion industry community, including creating bonuses for New York-sired thoroughbreds and sponsoring a viable stallion stakes race program in New York. He advised that the one thing that everyone agreed upon is that if you want to influence stallion owners to continue to operate in New York, it is essential to change the existing awards structure to create proper incentives for stallion owners. Mr. McMahon further noted that it all comes down to the concept that the Breeding Fund needs to find more money for New York-sired thoroughbreds. Mr. Thompson echoed Mr. McMahon's observations and insights on the meetings that they held with the stallion community and further explained that NYTB is actively pursuing different ways in which the Breeding Fund's revenue could grow, including through legislative measures. It was agreed that the Promotion Committee will meet before the August meeting to consider whether there would be a way to increase financial incentives for New York-sired stallions.

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