

**NEW YORK STATE THOROUGHBRED BREEDING AND  
DEVELOPMENT FUND CORPORATION  
MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS HELD MARCH 28, 2017**

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 March 28, 2017 at the Fasig-Tipton Sales Pavilion in Saratoga Springs, New York.

Present

John Poklemba	Chairman
Joseph McMahon	Breeder
Jeff Cannizzo	NYTB, Executive Director
William Wilmot, DVM	Breeder
Howard Nolan	Breeder
John Graziano	Breeder
Richard Ball	Commissioner, Agriculture and Markets
Tracy Egan	Executive Director
Jill LaBoissiere	Comptroller
Adam Lawrence	Breeding Fund
Kyle Flaherty	Counsel

Chairman Poklemba noted that there was a quorum and called the meeting to order.

As the first order of business, the Board considered the Minutes of the December 2016 meeting.

**A motion to accept the Minutes was duly made, seconded and approved by the Board.**

As the next order of business, Chairman Poklemba introduced the Fund's new auditors, Heather Lewis, CPA, and Joshua Mabee, CPA, of Marvin and Company to the Board members and asked them to review their 2016 audit of the Fund's financial statements. They proceeded to walk through the audit report with the Board and noted that it was a clean audit.

**A motion to accept the 2016 Audited Financial Report was duly made, seconded and approved by the Board.**

As the next order of business, Chairman Poklemba asked Jill LaBoissiere to review with the Board the Fund's February 2017 Year-to-Date Financials. Ms. LaBoissiere proceeded to review the financials with the Board. She noted that revenues are down in the first two months of 2017 due principally to VLT revenue declines from the prior year. After reviewing all of the significant elements of the Financials, Ms. LaBoissiere noted that the Fund will need to pay close attention to its revenues this year due to declines in certain revenues sources. The Board

discussed the impact that the arrangement with Nassau OTB and Resorts World will have on the Fund.

**A motion to accept the February 2017 Financial Statements was duly made, seconded and approved by the Board.**

The Board then reviewed its options for spending the Fund's 2016 surplus revenue. After some discussion, it was noted that the Fund's purse enrichment committee supports using the 2016 surplus revenue for purse enrichment, allotting 60% of the surplus to Finger Lakes Racing Association as purse enrichment and 40% of the surplus to New York Racing Association as purse enrichment.

**A motion to expend the Fund's 2016 surplus revenue as purse enrichment, allotting 60% of the surplus to Finger Lakes Racing Association as purse enrichment and 40% of the surplus to New York Racing Association as purse enrichment, was duly made, seconded and approved by the Board.**

**A motion for the Board to go into Executive Session for the reasons set forth on the Agenda was made, duly seconded, and approved. The Board then went into Executive Session.**

At the close of Executive Session, Chairman Poklemba gave a brief and general description of the nature of the items discussed in Executive Session.

Chairman Poklemba then explained that the Gaming Commission, FLRA and the Fund's purse enrichment committee had lengthy discussions concerning purse enrichment for 2017 and other matters pertaining to the impact that casino wagering in the Finger Lakes region may have on the FLRA's revenues, and noted that those discussions culminated in a term sheet to address those issues (Term Sheet). Chairman Poklemba asked Board member Jeffrey Cannizzo to address the terms that the parties have agreed upon, subject to Board approval. Mr. Cannizzo described, generally, the provisions of the Term Sheet, and specifically noted that under the Term Sheet, the Fund would commit to paying 100% of its purse enrichment for 2017 to FLRA pursuant to an arrangement that had been negotiated through the Gaming Commission.

**A motion to authorize the Fund to pay 100% of its 2017 purse enrichment to Finger Lakes Racing Association consistent with the provisions of the Term Sheet, contingent upon the Fund revenue meeting the Fund's 2017 budgeted line item, was made, duly seconded, and approved.**

As the next order of business, Chairman Poklemba noted that the Fund's various policies need to be reviewed and re-approved by the Board on an annual basis. It was noted that all of the policies under review had previously been sent to the Board members. It was further noted that the Board's Governance Committee had reviewed the policies and had found them to be in order, and that the policies are either identical, or substantially similar, to the policies that are currently in effect.

**A motion to adopt and re-approve all of the Fund's policies for 2017 was duly made, seconded and approved.**

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