

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD SEPTEMBER 22, 2011**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the "Fund") was held at 10:00 a.m. on September 22, 2011 at the Fund's office in Saratoga Springs, New York.

Present

John Sabini, Chairman	Chairman, Racing and Wagering Board
Harry Snyder (via phone)	Commissioner, State Racing Commission
John Tesiero	Commissioner, State Racing Commission
Geoff Palmer	Deputy Commissioner, Agriculture and Markets (by proxy)
Jeff Cannizzo	NYTB, Executive Director
William Wilmot, DVM	Breeder
Howard Nolan	Breeder
Joseph McMahon	Breeder
John Graziano	Breeder
Tracy Egan	Executive Director NYTBDF
Michael DeMarco	Chief Financial Officer
Kyle Flaherty	Counsel
Rick Goodell	Counsel RWB
Ron Ochrym	Guest RWB
Kristen Buckley	Guest RWB
Chris DelGuidice	Guest NYTB Lobbyist

Chairman Sabini called the meeting to order at 10:00 a.m. As the first order of business, Chairman Sabini asked the Board members to review the August 4, 2011 Minutes.

Minutes

After review, Mr. McMahon noted that in the last paragraph, the Minutes should be amended by adding the word "unanimously" before the word "approved". With this

change, a motion to accept the amended Minutes was duly made, seconded and approved by the Board.

Financials

Chairman Sabini asked Michael DeMarco to review the Fund's Financial Reports for the periods ending June and July 2011. Mr. DeMarco reviewed the highlights of those reports. After a review, a motion to accept each of those Reports was duly made, seconded and approved by the Board.

Proposed 2012 Budget

As the next order of business, Chairman Sabini noted that the Fund's proposed 2012 budget had been circulated for the Board's review and asked Ms. Egan and Mr. Demarco to review the proposed budget with the Board members. Ms. Egan noted that the proposed budget assumes that video lottery terminals will be in place by October 2011, as projected. Mr. Demarco added that based upon different projections that others have done for this source of revenue, it is his view that the projection the Fund is using is fairly conservative. Mr. McMahon then inquired whether the revenue projections underlying the 2012 budget are too conservative. A general discussion then ensued concerning the projected budget. After a great deal of discussion, a motion was made to accept the 2012 projected budget without change. This motion was duly seconded and approved. It was noted that if the revenues, in fact, prove to be greater than the projections, the Board will adjust the budget at that time.

Promotional Activities

As the next order of business, Chairman Sabini asked Mr. Cannizzo to give the NYTB's promotional report. Mr. Cannizzo then distributed NYTB's promotional report and spoke to the Board about the promotional activities that the Breeders had done since the August meeting.

Chairman Sabini noted, as a matter of general interest, that as Chairman of the Racing and Wagering Board, he had recently created a Racing Fan Advisory Council and noted that he had appointed four of the five members of that Board, including its chairman, Patrick M. Connors, Professor of Law, Albany Law School.

As the next item on the Agenda, Chairman Sabini asked Ms. Egan to discuss the various promotional activities that the Fund has undertaken itself. Ms. Egan then discussed various print and television advertisements that the Fund has placed since the last meeting.

Mr. Sabini, with several Board Members concurring, congratulated Ms. Egan for the quality of the advertisements that she placed for the Fund, particularly noting the limited budget with which she had to work.

Purse Parity

As the next order of business, Chairman Sabini asked Ms. Egan to report to the Board concerning the Fund's recent request that NYRA apply "purse parity" for New York bred races, and NYRA's response. **Ms. Egan then shared with the Board NYRA's response that it opposes the practice of purse parity.** A general discussion then ensued objecting to NYRA's position and noting that the Board may wish to reconsider its owners awards program in light of NYRA's stance on the purse parity issue.

Mission Statement

Chairman Sabini then noted that the subcommittee responsible for revising the Fund's mission statement had re-written the mission statement, which had been circulated for the Board's review. The revised draft **mission statement reads as follows: "To promote by monetary incentives the responsible breeding of quality thoroughbred race horses in keeping with the founding legislation to preserve New York's irreplaceable farm land"**. A motion to accept this draft as the Fund's new mission statement was duly made, seconded and **unanimously approved.**

New Business re: check policy

Under new business, Dr. Wilmot noted that a New York breeder had recently explained that his bank would not cash an awards check from the Fund due to there being multiple endorsers on the check. A question was posed regarding the Fund's policy in paying awards in circumstances where there may be multiple partners entitled to an award. Ms. Egan noted that the Fund has always had a "one horse, one check" policy, and that doing anything else would be extremely cumbersome and difficult to administer. **The Fund will be posting a form on its website such that partners can file paperwork with the Fund that will designate just one partner to receive checks. That person will be responsible for filing 1099's for other members of the partnership.**

AD HOC COMMITTEE TO REVIEW AWARDS

Chairman Sabini asked Joe McMahon and Dr. Wilmot to join Fund staff into looking into options for improving Breeder Awards and possibly raising caps.

With no further business pending before the Board, the meeting was adjourned. The next meeting is scheduled for October 22, 2011 at Belmont Park at a time to be determined.