

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF APRIL 21, 2004

A meeting of the New York State Racing and Wagering Board was held on Wednesday, April 21, 2004 at 11:30 a.m. at the Racing & Wagering Board's Albany Office located at 1 Watervliet Avenue Extension, Albany, New York.

The meeting was called to order at 11:32 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Edward Martin, Executive Director

Erin Dahlmeyer, Secretary to the Board

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Joseph Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Clifford, NYSR&WB

Francesca Pizzimenti, NYSR&WB

Mark Stuart, NYSR&WB

Amy Clinton, Bennett Firm

Robert Hemsworth, Capital OTB

Brian Poulter, Division of Budget

Nick Antenucci, WEMED

OPEN COMMENT PERIOD: None.

A. The Board approved the minutes of the Board meeting held on March 30, 2004.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. BUFFALO RACEWAY REQUEST TO AMEND RACING LICENSE CANCEL DAYS

For entry into the minutes, on March 29, 2004, approval was granted for the request by Buffalo Raceway to amend its racing license for the cancellation of the previously scheduled and approved racing date of Thursday, April 1, 2004.

2. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on March 29, 2004, approval was granted for the request by Finger Lakes to amend its plan of operation enabling the export of simulcasts in-state to the Western Regional Off-Track Betting Corporation's ITW located at Batavia Downs.

Also approved is the export of simulcasts to the in-state track known as Saratoga Harness throughout the year 2004 Finger Lakes live racing season.

* For entry into the minutes, on March 29, 2004, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the export of simulcasts in-state to Monticello Raceway during the entire 2004 Finger Lakes live racing season.

* For entry into the minutes, on April 5, 2004, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the export of simulcasts to the Capital District Regional Off-Track Betting Corporation.

* For entry into the minutes, on April 12, 2004, approval was granted for the request by Finger Lakes to allow the export of the year 2004 Finger Lakes simulcast signals to all three NYRA racetracks and to Caymanas Park (in Jamaica) and to Goodwood Racing (including outlets) in Guyana through SPW, Inc. (a New York entity).

These approvals are given in accordance with the Board policy of requiring all agreements involving the export of in-state simulcast signals to be filed with the Board if such are:

- New entities
- In-State sites
- Sites in contiguous states

All other exports of in-state simulcast signals to entities not falling within the above three sectors are approved with the continuing requirement that a monthly list of receiving sites and rates charged are filed with the Board.

* For entry into the minutes, on April 16, 2004, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the export of simulcasts in-state to Buffalo Raceway, Mid-State Raceway (Vernon Downs) and the affiliated OTB's with Autotote Enterprises in Connecticut during the year 2004 Finger Lakes live racing season.

3. SARATOGA HARNESS REQUEST TO OFFER HANDICAPPING CONTEST

For entry into the minutes, on March 29, 2004, approval was granted for the Saratoga Harness Sudden Death Online Contest to be conducted between May 5th and July 31, 2004 via the official Saratoga Harness website.

This handicapping challenge will be conducted per all rules submitted to the Board with the Saratoga Harness Sudden Death Online contest promotion application, dated March 25, 2004.

4. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on March 29, 2004, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of the thoroughbred simulcast signals from the in-state thoroughbred racetrack, Finger Lakes, and the out-of-state harness track known as Raceway Park in Ohio.

These simulcasts may be utilized whenever in compliance with the Racing Law during the year 2004.

* For entry into the minutes, on April 12, 2004, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcasts from the Keeneland Race Course in Kentucky, effective through April 23rd. This approval is valid for the Spring Keeneland meet only as per the Kentucky Thoroughbred Association's letter that specifies permission for the Spring meeting only.

Further approved are agreements with Hazel Park in Michigan for its 2004 racing season and Penn National Racetracks of Penn National, Pocono Downs and The Charles Town Races during all of 2004. Also approved is the import of simulcasts from Plainridge Race Course in Massachusetts during 2004.

In regard to the Bay Meadows agreement, this simulcast may be imported and used through June 20, 2004, a date that coincides with the federally required permission letter for this interstate simulcast to take place as expressed in the Thoroughbred Owners of California (TOC) horsemen's letter.

All simulcast may be utilized whenever in compliance with the Racing Law.

5. VERNON DOWNS REQUEST TO OFFER PROMOTION

For entry into the minutes, on March 29, 2004, approval was granted for the request by Vernon Downs to conduct the "FIVE & 52 FOR YOU" opening night voucher promotion on Friday, April 23, 2004 per the submitted rules.

The Board also acknowledges the program ad on April 24th for a coupon redeemable for a free Kentucky Derby simulcast program on Saturday, May 1st, a promotion that does not require Board approval.

6. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on March 29, 2004, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the import of simulcast signals from Indiana Downs in Indiana and the export of simulcast signals to Lien Games, Inc. in North Dakota.

Fifty percent (50%) of the gross receipts resulting from the Yonkers Raceway simulcast to Lien Games, Inc. will be shared with the Yonkers Horsemen represented by the Standardbred Owners Association (SOA).

* For entry into the minutes, on April 7, 2004, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the import of simulcasts from the harness racetrack of Scarborough Downs located in Maine.

This approval is effective immediately and these simulcast signals may be utilized whenever in compliance with the Racing Law.

7. CAPITAL OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on March 29, 2004, approval was granted for the request by Capital District Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from the year 2004 Finger Lakes thoroughbred race meeting that is scheduled to begin on Friday, April 16th.

Also approved is the agreement to import the simulcasts from the Louisiana thoroughbred racetrack known as Evangeline Downs during their year 2004 race meeting. This approval further extends to Catskill Regional OTB and Western Regional OTB.

8. VERNON DOWNS REQUEST TO AMEND TRACK LICENSE - DATES

For entry into the minutes, on March 29, 2004, approval was granted for the request by Vernon Downs for the cancellation of the scheduled and previously approved live racing dates of April 3rd, 8th, 9th, 10th, 15th, 16th, 17th & 22nd. Also cancelled are the day portion of the previously approved double-header harness programs of May 1st, May 15th, June 5th and August 7th.

Approved is the change to the Vernon Downs plan of operation providing for harness racing from Friday, April 23rd through Saturday, October 30th, a total of 110 programs starting at 6:30 p.m. The exception will be a 1:05 p.m. first post on Memorial Day, Monday, May 31st, Monday, July 5th and Labor Day, September 6th. With the exception of the above named matinee programs, harness racing will be conducted nightly at 6:30 p.m. on a Wednesday through Saturday basis.

Also acknowledged are the "dark" Saturdays set aside for "special events" on July 10th, July 24th and September 11th. Within the revised date application is a tentative schedule of six days of racing in November of 2004. These dates must be applied for at least a month in advance if it is decided by the General Manager of the Racing Division of Mid-State Raceway to extend the 2004 season.

9. MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on April 5, 2004, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from Delaware Park and Plainridge Race Course during the calendar year 2004.

Also approved is the new contract providing for the export of the Monticello Raceway simulcasts to PonyUpBet in Wyoming.

* For entry into the minutes, on April 12, 2004, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from Pimlico Race Course in Maryland on Preakness Day, May 15th.

Also approved is the addition of the Oneida OTB located at 2020 Airport Drive in Green Bay, Wisconsin to the approved listing of sites receiving the Monticello Raceway simulcast signals through the Choctaw Racing Services, LLC headquartered in Durant, Oklahoma. There are to be no cash rebates to customers based on wagering at any sites processed through Choctaw Racing Services, LLC including wagering totals generated from this new site, Oneida OTB.

10. NYRA REQUEST TO OFFER PROMOTION

For entry into the minutes, on April 5, 2004, approval was granted for the request by NYRA to conduct the Spring-Summer 2004 Belmont Park Sudden Death Internet handicapping contest throughout the Belmont Park race meeting, Wednesday, May 5th through Sunday, July 25th.

There will be a ten dollar (\$10) entry fee per contestant and all paid entry fees will be returned to the winners as outlined in the rules.

11. BOARD STEWARD REQUEST FOR EXTENSION OF APPRENTICE JOCKEY ALLOWANCE - COTTO

For entry into the minutes, on April 5, 2004, approval was granted for the request for an extension of the qualified apprentice year of jockey Pedro Cotto, Jr. of an additional eight (8) days.

Mr. Cotto's date of record for the expiration of his apprenticeship allowance is now Wednesday, June 23, 2004.

12. BOARD STEWARD REQUEST FOR EXTENSION OF APPRENTICE JOCKEY ALLOWANCE - GARCIA

For entry into the minutes, on April 5, 2004, approval was granted for the request for an extension of the qualified apprentice year of jockey Alan Garcia of an additional forty-eight (48) days.

Mr. Garcia's date of record for the expiration of his apprenticeship allowance is now Tuesday, June 1, 2004.

13. NYRA REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on April 5, 2004, approval was granted for the request by NYRA for the addition of the Oneida OTB located in Green Bay, Wisconsin through the approved listing of Choctaw Racing Services, LLC headquartered in Durant, Oklahoma.

There are to be no cash rebates to customers based on wagering at any sites processed through Choctaw Racing Services, LLC including wagering totals generated from Oneida OTB. This approval is effective immediately.

14. SARATOGA HARNESS REQUEST TO AMEND PLAN OF OPERATION POST TIME

For entry into the minutes, on April 5, 2004, approval was granted for the request by Saratoga Harness to amend its plan of operation enabling a new first post time of 8:00 p.m. effective on each of the three thoroughbred Triple Crown race days.

The Triple Crown days include Saturday, May 1st (Kentucky Derby Day), Saturday, May 15th (Preakness Day) and Saturday, June 5th (Belmont Stakes Day).

15. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on April 5, 2004, approval was granted for the request by Mid-State Raceway/Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from Indiana Downs throughout their 2004 race meeting.

* For entry into the minutes, on April 12, 2004, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from Plainridge Race Course in Massachusetts during the remainder of the calendar year 2004.

Also approved is the ability to receive the Bay Meadows thoroughbred simulcast through June 20, 2004, which coincides with the federally required permission letter from the Thoroughbred Owners of California (TOC). These approvals are effective immediately.

16. NEW YORK CITY OTB REQUEST TO AMEND PLAN OF OPERATION

For entry into the minutes, on April 5, 2004, approval was granted for the request by New York City OTB to amend its plan of operation providing for

Canteen Vending to service various branches throughout the New York City OTB corporation.

17. BUFFALO RACEWAY REQUEST TO AMEND LICENSE - DATES

For entry into the minutes, on April 7, 2004, approval was granted for the request by Buffalo Raceway to amend its plan of operation for the cancellation of the seventeen (17) scheduled Thursdays remaining on the approved 2004 schedule beginning with the cancellation of Thursday, April 8, 2004.

Also approved is the addition of fifteen (15) Sunday dates beginning on Sunday, April 18th and continuing through Sunday, July 25th. Sunday, July 25th is the last Sunday prior to the close of the 2004 Buffalo Raceway meet. The final date continues to be Saturday, July 31, 2004.

18. NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on April 7, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of the 2004 thoroughbred simulcasts programs from Emerald Downs in the State of Washington.

This simulcast may be imported and utilized whenever in accordance with the Racing Law. This approval further extends to Suffolk Regional OTB.

* For entry into the minutes, on April 7, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from Plainridge Racecourse in Massachusetts, The Red Mile in Kentucky, The Downs at Albuquerque in New Mexico, Keeneland Race Course in Kentucky (through its Spring 2004 meet only), Prairie Meadows in Iowa and River Downs in Ohio.

To continue on the Keeneland contract for their Fall 2004 race meet, new federally required letters of consent from the Keeneland Race Course State regulator and the Keeneland Race Course representative horsemen's group must be filed with the Board.

This simulcast may be imported and utilized whenever in accordance with the Racing Law. This approval further extends to Suffolk Regional OTB.

* For entry into the minutes, on April 16, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred tracks known as Thistledown in Cranwood, Ohio and from Suffolk Downs in Boston, Massachusetts.

This approval further extends to Suffolk Regional OTB.

19. SUFFOLK OTB REQUEST TO OFFER PROMOTION

For entry into the minutes, on April 7, 2004, approval was granted for the request by Suffolk Regional OTB to conduct various promotional giveaways. Approved are the individual branch promotions scheduled from April 16th

through July 16th as listed on the submitted application, dated March 19, 2004.

Further approved are the Kentucky Derby related promotions as per rules listed in the March 19th and March 23rd letters describing each promotion.

Suffolk OTB is not charging any fee whatsoever to the customer and the prizes awarded will be as listed in the submitted application. All branch promotions are to be conducted under the rules submitted to the Board.

20. MONTICELLO RACEWAY REQUEST TO AMEND RACING SCHEDULE

For entry into the minutes, on April 12, 2004, approval was granted for the request by Monticello Raceway to amend its racing license by adding live racing programs on all four Thursdays in the month of May to its current schedule for the year 2004.

A further amendment to cancel the five consecutively scheduled Saturdays beginning during the month of May was also approved.

21. NYRA REQUEST FOR HANDICAPPING CONTEST

For entry into the minutes, on April 12, 2004, approval was granted for the request by NYRA for a handicapping contest to be conducted at Belmont Park on Saturday, July 10th and Sunday, July 11, 2004.

This handicapping contest is to be conducted within the rules as submitted to the Board.

22. NEW YORK CITY OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on April 12, 2004, approval was granted for the request by New York City OTB to amend its simulcast plan of operation enabling the import of the Finger Lakes in-state simulcast during the 2004 Finger Lakes racing season.

C. ITEMS PREVIOUSLY APPROVED, DENIED OR DEFERRED BY THE BOARD

1. NYRA REQUEST TO CONTINUE INDEPENDENT AUDITOR

For entry into the minutes, on March 31, 2004, the Board approved the request by NYRA to continue Deloitte & Touche, L.L.P. as its independent certified public accountant for purposes of conducting the yearly audit for calendar year 2003, pursuant to Section 231-a of the Racing, Pari-Mutuel Wagering and Breeding Law.

2. IN THE MATTER OF JOHN N. RICHTER

For entry into the minutes, on March 31, 2004, the Board approved the summary suspension of the harness racing license of John N. Richter upon a finding that the public safety and welfare imperatively require this emergency action.

3. WESTERN OTB/BATAVIA DOWNS REQUEST FOR VLT RELATED CONSTRUCTION/DEMOLITION

For entry into the minutes, on April 16, 2004, the Board approved the request by Western Regional OTB/Batavia Downs for the demolition work for the proposed Video Lottery Terminal Operations at Batavia Downs pursuant to Section 322 of the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

The approved construction consists of renovations to portions of the grandstand building, a new entrance on the west side of the building for vehicle drop-off and direct access to the VLT area as described in the OGS construction permit dated April 6, 2004. The existing 154,000 sq. foot facility will undergo a 40,000 sq. foot renovation (33,000 sq. foot on the ground level and 7,000 sq. foot on the second level).

Additional approval of the Board will be required prior to any other construction related to this project.

D. ITEMS TO BE APPROVED, DENIED OR DEFERRED BY THE BOARD

1. NYRA REQUEST TO AMEND LIST OF RACING OFFICIALS

The Board approved the request by NYRA for Samantha Rogers to be added to Category I as a Placing and Patrol Judge for the year 2004 effective immediately.

Other adjustments to the list of approved racing officials are the deletion of Don Combs from Categories I & III, Michael Prunetti from Category I and Richard Hanson and Robert Duncan as Alternate Stewards in Category III.

The approval of Samantha Rogers is in compliance with Board Rule 4005.1.

2. YONKERS RACEWAY TRACK LICENSE APPLICATION FOR 2004

The Board deferred action on the Yonkers Raceway track and simulcast license applications for 2004 pending receipt of a valid contract with the Standardbred Owners Association, Inc.

The Board assigned the racing programs for the month of May 2004 as requested. The Board will consider further action at the next Board meeting.

3. YONKERS RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number two above.

4. CAPITAL OTB REQUEST FOR NEW BOARD OF DIRECTOR TESTA

The Board approved the appointment of Mr. Peter E. Testa to the Board of Directors of the Capital District Regional Off-Track Betting Corporation as a member representing Cortland County.

5. CATSKILL OTB REQUEST FOR NEW REMOTE LOCATION - MONROE

The Board approved the request by Catskill District Regional OTB, dated February 18, 2004, to conduct wagering and display simulcasts at the Easy Street Café in Monroe, New York (Orange County). At this new remote wagering facility, all wagering is self-service and initiated in a Scientific Games (Autotote) STAN machine using cash, a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be limited to a maximum of five hundred dollars (\$500).

In addition, it is expected that Catskill OTB, using its own personnel, will occasionally inspect the Easy Street Café remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

Furthermore, the Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that effects the operation of this approved Catskill Regional OTB remote wagering facility.

This approval is conditioned upon receipt of a fully executed operating agreement between Catskill District Regional OTB and Easy Street Café.

6. NEW YORK CITY OTB REQUEST TO AMEND PLAN OF OPERATION

The Board approved the request by New York City OTB to amend its plan of operation providing for the Equibase Company to provide horse racing-related information and data for use on both the New York City OTB website and in the production of profile sheets for New York City OTB customers.

Profile sheets and related data are to be made available at all branch locations throughout the New York City OTB Corporation.

7. TAX AND FINANCE CERTIFICATION OF YEAR 2004 RACING DATES

The Board certified, pursuant to Section 228(3) and Section 318(5) of the Racing, Pari-Mutuel Wagering and Breeding Law, that Finger Lakes and Monticello Raceway have been assigned for 2004 at least 90% of program races raced in 1985 or 1986 (whichever year had the fewer).

Regarding Batavia Downs, Buffalo Raceway, Saratoga Harness and Mid-State Raceway (Vernon Downs) the Board has found that it would be uneconomical

or impractical for these associations to be assigned the prescribed number, and that such finding entitles them to be considered as if they did comply with such requirements in the year 2004.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE BINGO REGISTRATION NUMBERS APRIL 04/04-14-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between March 11, 2004 April 12, 2004.

2. GAMES OF CHANCE BELL JAR TICKETS MARCH 04/04-16-E

List of bell jar ticket authorized/denied by the Charitable Gaming Unit between

March 11, 2004 April 12, 2004.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS MARCH 04/04-15-E

List of manufacturers/suppliers licensed by the Charitable Gaming Unit, between March 11, 2004 April 12, 2004.

4. INDIAN GAMING - LICENSING STATISTICS FOR MARCH 2004 04/04-04-E

Licensing statistics for March 1, 2004 through March 31, 2004. Also included are the certifications for Turning Stone, Akwesasne and Seneca Niagara.

5. LICENSING CURRENT RACING LICENSING COUNT AS OF APRIL 2004 - 04/04-13-E

The current racing licensing counts as of April 13, 2004 are as follows: total receipts 3298 and total licenses 2312.

The meeting was adjourned at 11:55 a.m.