

**MINUTES
NEW YORK STATE RACING AND WAGERING BOARD
MEETING OF JANUARY 13, 2004**

A meeting of the New York State Racing and Wagering Board was held on Tuesday, January 13, 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 11:33 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Edward Martin, Executive Director

Sheila Osterhout, 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

Michael A. Avella, Nassau OTB

Jason Wheatley, NYS Senate

Jerry Schweibel, USTA/Track Power

Paul D'Onofrio, Monticello Raceway

Robert Hemsworth, Capital OTB

Charles Coppola, Coppola Ryan McHugh

Ed Draves, Bolton-St. Johns

Georgio DeRosa, Bolton-St. Johns

OPEN COMMENT PERIOD: Michael Avella, Lobbyist for Nassau OTB, discussed the proposed Teletheater and the maps submitted for the Board's review. Mr. Avella stated that the maps indicated the new teletheater, "The Race Place", is located more than 15 miles from Belmont Park.

A. The Board approved the minutes of the Board meeting held on December 23, 2003.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

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

For entry into the minutes, on December 26, 2003, approval was granted for the request by New York City OTB to amend its simulcast plan of operation with the addition of the Los Angeles Turf Club for importation of thoroughbred simulcast signals from Santa Anita Park in California during the 2003-2004 Winter-Spring race meeting.

This approval further extends to all other New York State Regional Off-Track Betting Corporations including Capital, Catskill, Nassau, Suffolk and Western OTB.

* For entry into the minutes, on December 30, 2003, approval was granted for the request by New York City OTB, dated December 25, 2003, to amend its simulcast plan of operation allowing the import of simulcasts for the initial 2004 thoroughbred meeting from Golden Gate Fields in California.

This initial simulcast concludes on April 4, 2004. This approval extends to the regional OTBs of Capital, Catskill, Nassau, Suffolk and Western OTB. The Golden Gate Fields simulcasts may be imported whenever permitted under the Racing Law.

The submitted contract covers all Golden Gate Fields meetings. However, only the initial meeting has been approved by the California Racing Board and the Thoroughbred Owners of California through April 4, 2004. To continue with the second Golden Gate Fields meeting in the Fall of 2004, new commission and horsemen approval letters must be filed with the Board.

* For entry into the minutes, on December 30, 2003, approval was granted for the request by New York City OTB to amend its simulcast plan of operation allowing the import of simulcasts from Gulfstream Park Racing Association. This approval is specific for the year 2004 race meeting commencing January 3rd and ending on April 25th.

The submitted letters of permission that are required by federal law specify approval of the year 2004 meeting only. For subsequent years of this contract, new letters of permission from the Florida Commission and the

representative horsemen's association must be submitted to the Board prior to future Gulfstream Park race meetings after 2004.

This approval also extends to the Capital, Catskill, Nassau, Suffolk and Western Regional Off-Track Betting Corporations.

* For entry into the minutes, on January 2, 2004, approval was granted for the request by New York City OTB to amend its simulcast plan of operation for the extension by letter/contract between New York City OTB and The Meadowlands.

This approval is specific for the two "harness" race meetings during the year 2004. A new letter of permission from the representative "thoroughbred" horsemen's association must be filed with the Board before New York City OTB receives thoroughbred simulcasts from New Jersey in 2004.

This approval also extends to the Capital, Catskill, Nassau, Suffolk and Western Regional OTB corporations.

2. MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on December 30, 2003, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from Freehold Raceway in New Jersey during the calendar year 2004. This simulcast is permitted under the current Racing Law.

Also requested is the import of simulcasts from the Magna/Maryland Jockey Club racetrack known as Laurel Park through March 28, 2004. Although this contract is for all Maryland thoroughbred racing during 2004, to continue on this contract past March 28th requires that new federally required permission letters be filed with the Board.

* For entry into the minutes, on January 2, 2004, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from Saratoga Harness during the calendar year 2004.

* For entry into the minutes, on January 12, 2004, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from Rosecroft Raceway in Maryland during the year 2004.

This simulcast signal may be utilized whenever in accordance with the Racing Law.

3. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on December 30, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation allowing the import of simulcasts from the Maryland Jockey Club racetrack of Laurel Park through March 28th and the Maryland harness racetrack known as Rosecroft Raceway. Also approved are the simulcasts from Meadowlands/Monmouth Park and Freehold Raceway in New Jersey during the upcoming 2004 season.

The above approval of the Magna/Maryland Jockey Club racetracks of Pimlico and Laurel have letters of permission from their commission valid through March 28, 2004, that is the time period of the initial 2004 Laurel Park thoroughbred meeting only. Should Vernon Downs desire to import either of these simulcast signals (Laurel and Pimlico) after March 28th, a new Maryland Commission permission letter must be filed with the Board.

* For entry into the minutes, on December 30, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation allowing the import of simulcasts from Gulfstream Park in Florida.

* For entry into the minutes, on December 30, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation allowing the import of the year 2004 simulcasts from Northville Downs in Michigan and Golden Gate Fields through its initial 2004 meeting to conclude on April 4th.

To continue with the second Golden Gate Fields meeting in the Fall of 2004, new commission and horsemen approval letters must be filed with the Board. All simulcasts can be utilized whenever permitted under the Racing Law.

* For entry into the minutes, on December 31, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from Northfield Park in Ohio.

* For entry into the minutes, on December 31, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from the Los Angeles Turf Club thoroughbred track at Santa Anita Park in California during the 2003-2004 Winter/Spring race meeting.

* For entry into the minutes, on January 6, 2004, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcast signals from the Woodbine Entertainment Group racetracks of Mohawk Raceway and Woodbine Racecourse during all of 2004. Also approved is the agreement with Beulah Park in Grove City, Ohio through March 31, 2004.

The above approval of the Beulah Park racetrack has a letter of permission from their representative horsemen's group valid through March 31, 2004, that is the time period of the initial 2004 Beulah Park thoroughbred meeting only. Should Vernon Downs desire to import this simulcast signal after March 31st, a new horsemen's letter of permission regarding interstate simulcasts must be filed with the Board.

4. NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on January 2, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation in relation to the year 2004 acceptance of simulcasts from the harness racetrack known as Northfield Park in Ohio. Also approved are the imports of simulcasts from Turfway Park in Kentucky through April 1, 2004 and Beulah Park in Ohio through March 31, 2004.

To continue with meetings later in the year of 2004 with simulcasts from Turfway Park and Beulah Park, new federally required letters of permission must be secured from the representative horsemen's groups at each racetrack and filed with the Board. In the case of Turfway Park, a new letter from the Kentucky Racing Commission must also be filed with the Board.

These approvals extend to Suffolk Regional OTB.

* For entry into the minutes, on January 9, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation in relation to year 2004 acceptance of thoroughbred simulcasts from the Charles Town Races in West Virginia, the Fair Grounds in Louisiana, Golden Gate Fields in California, the Oaklawn Jockey Club in Arkansas, Penn National and Philadelphia Park in Pennsylvania and Sam Houston Park in Texas. Also approved are the harness racetracks of Balmoral Park in Illinois and Northville Downs in Michigan.

The permission to import the Golden Gate Fields simulcast is given through April 4, 2004 only, to coincide with the expiration date on the California Board and the Harness Horsemen's Association permission letters. To continue with Golden Gate Fields race meeting later in 2004, new federally required letters of permission must be filed with the Board.

These approvals extend to Suffolk Regional OTB. Additionally, the approval for the Charles Town Races extends to Capital, Catskill, Suffolk and Western Regional OTB's.

5. SARATOGA RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on January 6, 2004, approval was granted for the request by Saratoga Raceway to amend its simulcast plan of operation enabling the import of simulcast signals from the thoroughbred racetrack known as Philadelphia Park in Pennsylvania. This simulcast may be utilized whenever in compliance with the Racing Law.

Further approved are simulcast agreements to export the Saratoga Raceway simulcasts to in-state, contiguous state or new customers. The customers include Sunland Park in New Mexico, Western Regional OTB Corporation, Batavia Downs and Monticello Raceway.

* For entry into the minutes, on January 8, 2004, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred racetracks known as Beulah Park in Ohio and from Turfway Park in Kentucky through April 1st only. Also approved are the year 2004 agreements with Gulfstream Park in Florida, The Los Angeles Turf Club (Santa Anita) in California and the harness track of Rosecroft Raceway in Maryland. These simulcasts may be utilized whenever in compliance with the Racing Law.

To continue with the Beulah Park simulcasts after April 1, 2004, new letters of permission from the Ohio State Racing Commission and from the Ohio Division of the Horsemen's Benevolent and Protective Association (H.B.P.A.) must be filed with the Board.

To continue with the 2004 agreement with Turfway Park after April 1, 2004, new federally required letters of permission from the Kentucky Racing Commission and the Kentucky Thoroughbred Owners and Breeders, Inc. must be filed with the Board.

6. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on January 8, 2004, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the export of its simulcasts to Autotote Enterprises, Inc. d/b/a Connecticut Off-Track Betting in Connecticut, a contiguous state.

This approval is effective immediately.

7. CATSKILL OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on January 8, 2004, approval was granted for the request by Catskill Regional Off-Track Betting Corporation to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred racetracks known as Sunland Park in New Mexico, Beulah Park in Ohio and from the harness racetracks of Northville Downs in Michigan and Freehold Raceway in New Jersey. This approval is effective immediately and can continue throughout 2004 while in compliance with the Racing Law.

The approval for Beulah Park extends only through the end of the 2003-04 Beulah Park Winter-Spring race meeting on March 31st to coincide with the federally required permission letters issued by the representative horsemen's association and the Ohio Racing Commission. To continue with Beulah Park after March 31st, new letters of permission must be filed with the Board.

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

1. FINGER LAKES REQUEST FOR VLT RELATED CONSTRUCTION/DEMOLITION

For entry into the minutes, on January 6, 2004, the Board approved the request by Finger Lakes for installation of Video Lottery Terminals pursuant, to Section 239 of the Racing, Pari-Mutuel Wagering and Breeding Law.

The construction approved is limited to the installation of Video Lottery Terminals as described in the request letter and the New York State Office of General Services construction permit, dated December 29, 2003.

2. BUFFALO RACEWAY REQUEST FOR VLT RELATED CONSTRUCTION/DEMOLITION

For entry into the minutes, on January 8, 2004, the Board approved the request by Buffalo Raceway for HVAC, plumbing, electrical and all remaining construction work for the Video Lottery Terminal project pursuant to Section 322 of the Racing, Pari-Mutuel Wagering and Breeding Law.

The construction approved is described in the construction permits dated November 13th and December 30, 2003, issued by the New York State Office of General Services.

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

1. IN THE MATTER OF MICHAEL CARUSELLE

The Board approved Hearing Officer Baller's recommendation that the determination of the judges at Yonkers Raceway to impose one-hundred eighty (180) day license suspension based upon a September 2, 2003 incident on the grounds of Yonkers Raceway during which hypodermic injection equipment and various bottles and vials were discovered in violation of Board Rules 4120.6(a)(1) and (d), be upheld.

2. BUFFALO RACEWAY TRACK LICENSE APPLICATION FOR 2004

The Board approved the Buffalo Raceway track and simulcast license applications for 2004. The Board assigned the 88 programs requested on the specified dates.

The Board also approved the request to waive the 72-hour purse distribution requirement set forth in Rule 4118.1(b).

The 2004 track and simulcast licenses are conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the track and simulcast license applications.

3. BUFFALO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number 2 above.

4. FINGER LAKES TRACK LICENSE APPLICATION FOR 2004

The Board approved the Finger Lakes Racing Association track and simulcast license applications for 2004, subject to receipt of a satisfactory fire inspection from the New York State Lottery/New York State Office of General Services. The Board assigned the 160 programs requested on the specified dates.

The 2004 track and simulcast licenses are conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the track and simulcast license applications.

5. FINGER LAKES SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number four above.

6. MONTICELLO RACEWAY TRACK LICENSE APPLICATION FOR 2004

The Board approved the Monticello Raceway track and simulcast license applications for 2004. The Board assigned the 224 programs requested on the specified dates. The Board also approved 12 races each day as a maximum with additional races to be approved by the Board on a case-by-case basis.

The 2004 track and simulcast licenses are conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the track and simulcast license applications.

7. MONTICELLO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number six above.

8. MONTICELLO RACEWAY REQUEST TO WITHDRAW FROM CIF - \$79,100.02

The Board approved the request by Monticello Raceway to withdraw a total of \$79,100.02 from its Capital Improvement Fund for reimbursement of capital improvement expenditures.

Backstretch (48%)

Repairs to Barns, fences and lasix barn \$ 5,468.51

Repairs to Grooms □ Building shower wall 439.17

Backstretch paving 5,100.00

Supplies for plumbing & repairs for Barns A-Z 110.79

Pipe for Barn roads drainage project 1,371.40

Clearing and cleaning ditches 5,350.00

Asphalt for Barn roads 239.22

Electrical work in Groom □s bathrooms 1,693.29

Barn ditching project 1,635.72

Materials for Barn ditching project 3,710.48

Electrical work on barns, paddock & grandstand 5,402.63

Supplies to repair walls & roof barns K&D 266.42

Rental of equipment, Barn ditching project 5,665.28

Truck hours for ditching project 600.00

Stone fill for Barn ditching project 616.67

Repairs for Barn X 610.64

TOTAL BACKSTRETCH \$38,280.22

Other (52%)

Purchase of weed whacker, lawn mower	898.70
Dell computer for accounting office	676.64
2 modulators re: simulcasting	838.46
Supplies for Tote Download	1,870.00
Supplies for Eye Wash stations	389.75
Dell Computer, printer & screen for accounting	1,306.99
Electrical Work on barns, paddock & grandstand	28,314.52
Fire Hydrant	3,193.00
Repairs to white grandstand roof	2,375.00
New computer for new CFO's office	<u>956.74</u>
TOTAL OTHER	\$40,819.80
Total Approved	<u>\$79,100.02</u>

9. SARATOGA HARNESS TRACK LICENSE APPLICATION FOR 2004

The Board deferred action on the Saratoga Harness track and simulcast license applications for 2004, pending receipt of a valid contract with the Saratoga Harness Horsepersons Association, Inc. The Board assigned the racing programs requested for the month of February 2004 only.

The Board will consider further action at the February Board meeting.

10. SARATOGA HARNESS SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number nine above.

11. 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 requested for the month of February 2004.

The Board will consider further action at the February Board meeting.

12. YONKERS RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number eleven above.

13. YONKERS RACEWAY REQUEST TO WITHDRAW FROM CIF - \$350,000

The Board removed the item from the agenda pending further information.

14. CATSKILL OTB SIMULCAST LICENSE APPLICATION FOR 2004

The Board approved the 2004 simulcast license application of Catskill Regional OTB. This license includes twenty-three (23) simulcast branches, one (1) remote facility and one (1) teletheater as set forth in the application.

The 2004 simulcast license is conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the simulcast license application.

15. NASSAU OTB REQUEST TO AMEND PLAN OF OPERATION - TELETHEATER

Pursuant to the Racing, Pari-Mutuel Wagering and Breeding Law Section 1009, the New York State Racing and Wagering Board approved a license for The Race Palace (a teletheater) simulcast facility located at 1600 Round Swamp Road in Plainview. Upon opening this facility, a certificate of occupancy, as issued by the local government, must be filed with the Board.

Also approved is the closing of the simulcast facility located at 70 Jericho Turnpike in Jericho on or before February 29, 2004.

16. TAX & FINANCE CERTIFICATION OF YEAR 2003 RACING DATES

The Board certified pursuant to Section 228 (3)(b)(ii) and Section 318 (5)(b)(ii) of the Racing, Pari-Mutuel Wagering and Breeding Law that during the year 2003, Batavia Downs, Buffalo Raceway, Finger Lakes Racetrack, Monticello Raceway, and Yonkers Raceway did conduct at least 90% of program/races so conducted in 1985 or 1986 (whichever year had the fewer).

Regarding Saratoga Harness and Vernon Downs, the Board has found that it would have been 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.

The Syracuse Mile did not conduct a pari-mutuel race meeting in 2003.

This certification was made for the purpose of confirming the pari-mutuel tax rate, which was established for 2003 for each racetrack.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE BINGO REGISTRATION NUMBERS DECEMBER 01/04-06-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between November 19, 2003 January 2, 2004.

2. GAMES OF CHANCE BELL JAR TICKETS DECEMBER 01/04-07-E

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

November 19, 2003 January 2, 2004.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - DECEMBER - 01/04-08-E

List of manufacturers/suppliers licensed by the Charitable Gaming Unit, between November 19, 2003 January 2, 2004.

4. LICENSING CURRENT RACING LICENSING COUNT AS OF JANUARY 2004 - 01/04-05-E

The current racing licensing counts as of January 5, 2004 are as follows: total receipts 232 and total licenses 31.

5. NYRA ANNUAL DESK REVIEW FOR 2002 07/03-37-E

Staff has completed the annual desk review of the New York Racing Association's financial statements for 2002 audited by Deloitte and Touche, LLP.

6. WESTERN OTB BOARD OF DIRECTORS VACANCIES 01/04-01-E

Two of Western OTB Board of Directors passed away in December leaving vacancies in both Cayuga and Niagara Counties.

The meeting was adjourned at 12:11 p.m.