

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF MARCH 28, 2006

A meeting of the New York State Racing and Wagering Board was held on Tuesday, March 28, 2006 at 2:00 p.m. at the Racing & Wagering Board's Schenectady Office located at 1 Broadway Center, Suite 600, Schenectady, New York.

The meeting was called to order at 2:32 p.m.

In Attendance Were:

Cheryl Buley, Chairwoman

Michael J. Hoblock, Jr., Member

John Cansdale, Executive Director

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Gail Pronti, Secretary to the Board

Joseph Lynch, Chief of Racing Operations

James Kellogg, Audits & Investigations

William Sekellick, Assistant Counsel

Brian Barry, Director of Racing Officials

Also in Attendance Were:

Vivian Davis, NYSR&WB

Daniel Toomey, NYSR&WB

Kristen Buckley, NYSR&WB

Paul D'Onofrio, Monticello Raceway

Bill Heller, Thoroughbred Times

Kevin Malloy, Suffolk OTB

Ira Block, NYC OTB

Dan Wray, NYC OTB

Robert Hemsworth, Capital OTB

Nancy Madrian, Capital OTB

Dick Powell, RGS

Phil Janeck, Schenectady Gazette

Patrick Kehoe, NYRA

OPEN COMMENT PERIOD:

Mr. D’Onofrio representing Monticello Raceway asked that Suffolk OTB be ordered to pay the proper amount of their handle under section 1016 of the Racing Law and noted that the other OTBs have been paying the required amount. Kevin Malloy of Suffolk OTB stated that payments are being made according to Suffolk’s calculations and the remainder is in escrow. He noted that this matter is part of pending litigation.

Ira Block of NYC OTB expressed reservations about the NYRA Rewards program. He stated the Board does not have the legal authority to address rebates and there needs to be a funding source for NYCOTB to engage in a program that appears to be a rebate proposal. Mr. Block asked that the Board consider certain refinements such as: money should be re-wagered with the entity, rewards given in some type of script, no one has unfair advantage, limited betting to racing that takes place in NY, and an experimental basis with reporting. Patrick Kehoe of NYRA stated that the NYRA Rewards program is viewed as a promotional program and believes this will be a self-funding program.

A. The Board approved the minutes of the Board meeting held on February 23, 2006.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. BUFFALO RACEWAY – REQUEST TO OFFER PROMOTIONS

For entry into the minutes, on February 23, 2006, the New York State Racing and Wagering Board approved the Buffalo Raceway request to amend its plan of operation by offering a promotional distribution of betting vouchers by random drawing on Friday, March 17, 2006. The amount of the betting vouchers and the random distribution are to be accomplished as described in the request application dated February 21, 2006.

2. BUFFALO RACEWAY – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Fairgrounds Gaming and Raceway’s (Buffalo Raceway)

request to amend its simulcast plan of operation enabling the import of harness races and thoroughbred simulcasts from the New Jersey Sports and Exhibition Authority racetracks of The Meadowlands in East Rutherford and Monmouth Park in Oceanport, New Jersey and from the Woodbine Entertainment Group's racetracks of Mohawk Raceway and Woodbine Race Course in Ontario, Canada.

These approvals are effective immediately. These simulcasts may be utilized whenever in accordance with the Racing Law.

3. For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Fairgrounds Gaming and Raceway's (Buffalo Raceway) request to amend its simulcast plan of operation enabling the import of harness races from Freehold Raceway in New Jersey, Northfield Park in Ohio and thoroughbred races from Gulfstream Park in Florida, the Maryland Jockey Club racetracks of Pimlico Racetrack and Laurel Racecourse in Maryland through April 16, 2006 ONLY, Mountaineer Park in West Virginia, Oaklawn Park in Arkansas and the Los Angeles Turf Club for Santa Anita Park in California.

These approvals are effective immediately. These simulcasts may be utilized whenever in accordance with the Racing Law.

4. For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Fairgrounds Gaming and Raceway's (Buffalo Raceway) request to amend its simulcast plan of operation enabling the import of thoroughbred simulcasts from Turfway Park in Henderson, Kentucky through April 6, 2006, the date that coincides with the federally required letter of permission from the Kentucky thoroughbred Owners and Breeders Association. To continue on with Turfway Park simulcasts past April 6, 2006, new letters of permission must be filed with the Board.

This approval is effective immediately. This simulcast may be utilized whenever in accordance with the Racing Law.

5. For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Fairgrounds Gaming and Raceway's (Buffalo Raceway) request to amend its simulcast plan of operation enabling the import of thoroughbred simulcasts from

Tampa Bay Downs in Oldsmar, Florida through the end of its scheduled 2006 race meeting on May 7th.

This approval is effective immediately. This simulcast may be utilized whenever in accordance with the Racing Law.

6. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO OFFER PROMOTION

For entry into the minutes, on February 8, 2006, the New York State Racing and Wagering Board approved an application by the Capital District Regional Off-Track Betting Corporation to conduct a promotion providing for a handicapping “Knockout Challenge” contest in conjunction with the live appearance of the Beulah Twins at the Albany Teletheater on Saturday, February 25, 2006 per the parameters as outlined in the January 23, 2006 application.

Also approved is the Phone-A-Bet promotion over the two days of February 27 and 28 based on the pari-mutuel handle generated by Capital OTB Phone-A-Bet customers wagering on Beulah Park by which there will be a random drawing of five winners from among the 20 qualified entries.

Further approved is the annual Harness Handicapping Contest to be conducted at the Albany Teletheater on March 3 and 4 per the submitted rules on the January 23, 2006 application letter.

7. FINGER LAKES RACE TRACK – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Finger Lakes request to amend its simulcast plan of operation by addendum enabling the continued import of harness races and thoroughbred simulcasts from the New Jersey Sports and Exhibition Authority racetracks of The Meadowlands in East Rutherford and Monmouth Park in Oceanport, New Jersey.

These approvals are effective immediately. These simulcasts may be utilized whenever in accordance with the Racing Law.

- 8.** For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Finger Lakes simulcast plan of operation amendment enabling Finger Lakes to import the simulcast signals and conduct wagering from the Hawthorne Park (Illinois) race meeting. This approval is for the initial Hawthorne Race

Course meeting ONLY that is scheduled to end on May 4, 2006. This ending date coincides with the federally required letter of permission issued by the representative horsemen's organization, the Illinois Thoroughbred Horsemen's Association that specifies May 4, 2006 in its current letter.

The simulcasts of the above named racing program will be utilized as imported simulcasts only as permitted under the Racing Law.

9. MONTICELLO RACEWAY – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation enabling Monticello Raceway to import the simulcast signals and conduct wagering from the Hawthorne Park (Illinois) race meeting. This approval is for the initial Hawthorne Race Course meeting ONLY that is scheduled to end on May 4, 2006. This ending date coincides with the federally required letter of permission issued by the representative horsemen's organization, the Illinois Thoroughbred Horsemen's Association that specifies May 4, 2006, in its current letter.

The simulcasts of the above named racing program will be utilized as imported simulcasts only as permitted under the Racing Law.

10. For entry into the minutes, on February 23, 2006, the New York State Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation enabling Monticello Raceway to import the simulcast signals and conduct wagering from the Illinois harness tracks known as Maywood Park and Balmoral Park throughout their 2006 harness meetings.

Also approved is the addendum to the most recent agreement with Evangeline Downs in Louisiana enabling Monticello Raceway to continue to accept and conduct wagering upon the Evangeline Downs simulcasts throughout the remainder of 2006.

The simulcasts of the above named racing program will be utilized as imported simulcasts only as permitted under the Racing Law.

11. For entry into the minutes, on February 23, 2006, the New York State Racing and Wagering Board approved the requested change in Monticello Raceway's plan of operation enabling the import of the year 2006 harness simulcasts from Rosecroft Raceway in Maryland through December 17, 2006. This simulcast may be utilized whenever in compliance with the Racing Law.

12. For entry into the minutes, on February 23, 2006, the New York State Racing and Wagering Board approved Monticello Raceway's request to amend its simulcast plan of operation enabling the import of the simulcast signals from The Meadows in Pennsylvania and from Northville Downs in Michigan throughout their 2006 race meetings. These simulcasts may be utilized whenever in compliance with the Racing Law.

13. For entry into the minutes, on March 8, 2006, the NYS Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the import of the simulcast signals from the racetracks owned by Penn National, Inc. that include in Pennsylvania, Penn National; in West Virginia, The Charles Town Races; in Maine, Bangor Raceway; and in Ohio, Raceway Park.

Also approved is the agreement for 2006 with Delaware Park and the addendums to the currently approved agreements with River Downs and Magna International.

All approvals are valid through December 31, 2006, and all simulcasts may be utilized whenever in accordance with current Racing Law.

14. For entry into the minutes, on March 9, 2006, the NYS Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation enabling

Monticello Raceway to import the simulcast signals and conduct wagering from the Illinois harness track known as Fairmont Park throughout their 2006 harness meetings.

The simulcast of the above named racing program will be utilized as an imported simulcast only as permitted under the Racing Law.

15. NASSAU REGIONAL OTB – REQUEST TO OFFER PROMOTION

For entry into the minutes, on February 8, 2006, the New York State Racing and Wagering Board approved a Nassau Downs OTB promotion involving daily random drawings to be conducted at the Race Palace Teletheater during the week of February 20 through February 26. This contest is to be conducted per the submitted parameters whereby there is no entry fee and there is a daily winner of a Nassau Downs Telephone Account valued at two hundred (\$200.00). This approval is effective immediately.

- 16.** For entry into the minutes, on February 23, 2006, the New York State Racing and Wagering Board approved a Nassau Downs OTB promotion, the Nassau OTB Spring Fling Contest to be conducted on various dates during March and April 2006 at all Nassau OTB branches and its teletheater. This contest, which is to be conducted at no charge whatsoever to the customer, is to be conducted in a manner consistent with the rules as submitted with the original application dated February 22, 2006. This approval is effective immediately.

17. NEW YORK CITY – REQUEST TO OFFER PROMOTIONS

For entry into the minutes, on March 9, 2006, the NYS Racing and Wagering Board approved an amendment to the New York City Off-Track Betting Corporation's plan of operation to provide for a branch promotion awarding a two-dollar voucher to a customer seeking education on the use of the new AmTote V3000 terminal. Also approved is the promotion to increase the establishment of more telephone accounts per the submitted guidelines of the application dated March 3, 2006. This approval is effective immediately.

18. NYRA – REQUEST TO OFFER PROMOTION MYSTERY CASH CARD VOUCHERS

For entry into the minutes, on March 9, 2006, the NYS Racing and Wagering Board approved a promotion relative to the NYRA request dated February 4, 2006, to issue the number of mystery Cash Card (vouchers) in the denominations as submitted and per the agreed NYS Racing and Wagering Board-NYRA guidelines for a promotion valid on Saturday, April 8, 2006 only. This promotion will utilize the United Tote "Cash Cards" rather than the formerly used ticket-like vouchers.

These mystery Cash Card vouchers would be redeemable only on the date as printed on the face of the cash card and only at Aqueduct Race Track on Saturday, April 8, 2006. It is understood that a patron with a mystery voucher may be escorted to and from designated windows to redeem that voucher, without paying admission or parking fees.

As with all previous voucher distributions, the Board reserves the right to audit results of this specific April 8, 2006 voucher promotion using the United Tote Cash Cards.

19. NYRA – COMMON POOL WAGERING WITH CANADA AND ADDING ONE HUB SITE – PICOV DOWNS (CANADA)

For entry into the minutes, on February 8, 2006, the New York State Racing and Wagering Board approved a change in the New York Racing Association's plan of operation allowing for net pool pricing with Canada per all submitted documents. All wagering is to be converted to United States dollars at the exchange rate in effect on the morning of the day of the race at the Bank of Canada. No New York residents may wager into any out-of-state account wagering program (including Canada).

This additional Board approved site has been added to the original approval for a total of twenty-four (24) approved Canadian contracts providing for net pool pricing with the NYRA racetracks.

For any other foreign sites (including Canada) commingling with the on-track NYRA pari-mutuel pools, all wagering must be in United States dollars with a conversion rate at the specified foreign bank in effect during the same date of the races upon which there is wagering per Section 907(2)(b) of the Racing, Pari-Mutuel Wagering and Breeding Law.

Additionally, NYRA must clearly continue to inform the wagering public that net pool pricing is now in effect for the calculation of the pari-mutuel payouts upon the influx of wagering dollars from foreign entities.

Specific Board approval will be required for any other simulcast sites that implement net pool pricing with takeout rates differing from that in effect at the Host track. This approval is effective immediately.

20. SARATOGA HARNESS – REQUEST TO AMEND PLAN OF OPERATIONS

For entry into the minutes, on March 10, 2006, the NYS Racing and Wagering Board approved an amendment to the Saratoga Gaming and Raceway plan of operation adding as an approved race date Monday, April 10, 2006, with a special first post time of 6:15 p.m., and canceling as an approved race date, Wednesday, April 19, 2006.

Also approved is a new initial race post time of 7:20 p.m. for all other nighttime racing programs.

21. SARATOGA HARNESS – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on February 7, 2006, the New York State Racing and Wagering Board approved the Saratoga Gaming and Raceway request received January 30, 2006, to amend its simulcast plan of operation enabling the import of the simulcasts from Golden

Gate Fields in California. This agreement is approved through May 7, 2006, a date that coincides with the date of expiration for the federally required permission letters issued by the California commission and horsemen and required for this simulcast. To continue on this Golden Gate Fields contract past May 7, 2006, new federally required simulcast letters of permission from the appropriate representative California horsemen's group and the California Horse Racing Board must be filed with the New York Racing and Wagering Board.

The Board also acknowledges the receipt of export agreements to send the Saratoga Gaming and Raceway simulcasts to Sunland Park in New Mexico, Hoosier Park in Indiana, and Maywood Park in Illinois including its associated OTB branches, Balmoral Park and Hawthorne Racecourse.

All simulcasts may be utilized whenever in accordance with the Racing Law.

22. For entry into the minutes, on March 8, 2006, the NYS Racing and Wagering Board approved the Saratoga Gaming and Raceway request to amend its simulcast plan of operation enabling the import of the simulcast signals from the racetracks owned by Penn National, Inc. that include in Pennsylvania, Penn National; in West Virginia, The Charles Town Races; in Maine, Bangor Raceway; and in Ohio, Raceway Park.

Also approved are the agreements for 2006 with Delaware Park, Scarborough Downs and Cal-Expo. The approval for Hawthorne Race Course is for their one harness race meeting scheduled for 2006 and their initial 2006 thoroughbred race meet that is scheduled to end on May 4, 2006. To continue past this May 4, 2006 date with Hawthorne Race Course thoroughbred simulcasts, a new federally required letter of permission from the Illinois Thoroughbred Horsemen's Association must be filed with the Board.

All other approvals (other than the Hawthorne Race Course thoroughbred approval) are valid through December 31, 2006, and all simulcasts may be utilized whenever in accordance with current Racing Law.

23. SUFFOLK REGIONAL OTB – REQUEST TO OFFER PROMOTION

For entry into the minutes, on February 9, 2006, the New York State Racing and Wagering Board approved the Suffolk Regional Off-Track Betting Corporation's promotional request to conduct a promotion on St. Patrick's Day on March 17, 2006, at the four Quik Bet locations of Cavanaugh's, Napper Tandy's, Salty Dog and Finley's. This promotion consists of offering patrons of these locations on this one holiday and from 3 p.m. until 8 p.m., a single two-dollar betting voucher for use on this one Friday. Approved is a give away of a total of 500 two-dollar vouchers.

24. SUFFOLK REGIONAL OTB – REQUEST TO OFFER PROMOTION

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the Suffolk Regional Off-Track Betting Corporation's promotional request to award betting vouchers in the number and denominations listed on the application letter dated February 7, 2006. This approval is for the promotion to be conducted at The Racing Forum on Tuesday, March 7, 2006.

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

1. NEW YORK CITY – REQUEST TO AMEND PLAN OF OPERATIONS – ATMs

For entry into the minutes, on March 9, 2006, the NYS Racing and Wagering Board approved an amendment to the New York City Off-Track Betting Corporation's plan of operation enabling the placement of automated teller machines under a new agreement with ATM Management Incorporated. This approval is effective immediately.

2. SUFFOLK REGIONAL OTB – REQUEST TO ADD NEW MEMBER TO BOARD OF DIRECTORS - BYRNE

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board conditionally approved the appointment of Mr. Patrick E. Byrne, Jr. as a new member of the Board of Directors of the Suffolk County Regional Off-Track Betting Corporation. The one condition is that the federal print report for Patrick E. Byrne, Jr. contain no disqualifying information. This conditional approval is effective immediately.

3. SUFFOLK REGIONAL OTB – REQUEST TO AMEND PLAN OF OPERATIONS – APPOINTMENT OF NEW PRESIDENT/CEO AND VICE-PRESIDENT

For entry into the minutes, on February 21, 2006, the New York State Racing and Wagering Board approved the appointment of Mr. Jeffrey A. Casale as the new President of the Suffolk County Regional Off-Track Betting Corporation. The Board further acknowledges the new Vice-President of the Suffolk Regional Off-Track Betting Corporation as being Anthony Apollaro.

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

1. IN THE MATTER OF DICK MORALES

The New York State Racing and Wagering Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the license of thoroughbred groom Dick Morales be revoked based upon pending criminal charges.

2. IN THE MATTER OF SALVADOR VASQUEZ

The New York State Racing and Wagering Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the license of thoroughbred groom Salvador Vasquez be revoked based upon an incident at Belmont Park on November 6, 2005 which involved inappropriate conduct.

3. FINGER LAKES RACETRACK – REQUEST FOR APPROVAL OF RACING OFFICIALS FOR 2006

The New York State Racing and Wagering Board approved 14 of the 16 racing officials as submitted for the year 2006 Finger Lakes live racing season. This approval is provided pursuant to Board Rule 4005.1.

The remaining applicant Mary Hooten was conditionally approved through April 30, 2006.

4. FINGER LAKES RACING ASSOCIATION – REQUEST TO \$25,220.81 FROM CIF

The New York State Racing and Wagering Board approved Finger Lakes Race Track's request to withdraw a total of \$23,726.02 from its Capital Improvement Fund for reimbursement of Capital Improvement Expenditures. The Board denied \$1,494.79 for three laser jet printers because these items were not included in the Capital Expenditure Budget for 2005.

5. CAPITAL OTB SIMULCAST LICENSE APPLICATION FOR 2006

The New York State Racing and Wagering Board approved the Capital District Regional Off-Track Betting Corporation's simulcast license for 2006.

The 2006 simulcast license is conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board, including the submission of documents on the seven remaining fire inspections.

An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at Capital OTB. The report is to be filed with the Board no later than October 31, 2006.

6. NEW YORK CITY OTB SIMULCAST LICENSE APPLICATION FOR 2006

The New York State Racing and Wagering Board deferred action on New York City Off-Track Betting Corporation's 2006 simulcast license application pending resolution of the following:

- Receipt of the site specific SAS-70 Type II Report for the period July 1, 2005 through March 31, 2006 no later than April 28, 2006.
- Matters concerning NYC OTB's financial position.

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

NYC OTB will remain operational on the continuing rights of the 2005 simulcast license. Such rights are conditioned upon the following:

- Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board, including:
 - a. Receipt of fire inspection reports on an ongoing basis.
 - b. Locate a number of Bet Mates that are unaccounted for.

7. WESTERN OTB/BATAVIA DOWNS TRACK AND SIMULCASTS LICENSES FOR 2006

The New York State Racing and Wagering Board approved the Batavia Downs' track and simulcast license applications for 2006. The Board assigned the 60 programs requested on the specified dates.

The 2006 track and simulcast licenses are conditioned upon the following:

- Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:
 - a. All contracts for sites (other than New York sites) to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.

- b. Retransmission of your simulcast signal by authorized recipients to secondary recipients is not allowable without disclosure within the contract of the names and locations of all secondary recipients.
- c. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
- d. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.
- e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at Batavia Downs. The report is to be filed with the Board no later than October 31, 2006.

8. NEW YORK RACING ASSOCIATION, INC. SIMULCAST LICENSE APPLICATION FOR 2006

The New York State Racing and Wagering Board deferred action on the New York Racing Association, Inc.'s simulcast license application for 2006 pending receipt and review of staff's report concerning NYRA's submission of information in response to application questions 1, 2, 5a, 5b, and 15 (noted below):

- Question 1- needs to be completed.
- Question 2- Clarification as to when the Belmont backstretch was last inspected and when it will be inspected and when the Aqueduct facility will be inspected.
- Question 5a- The Tote and ITSP software versions.
- Question 5b - Clarification of the simulcast list; whether this is a complete list including primary or secondary guests, etc..
- Question 15 - Provide a copy of the contract with Stevenson and Associates, Inc.
- Financial projections for the period requested for licensure (2006) that demonstrates how NYRA plans to meet its financial obligations during the license period.
- Aged accounts payable listing (i.e., listing of accounts payable that indicate how many days each liability has been outstanding. Typically aged payables list liabilities that are under 30 days; under 60 days; under 90 days and over 90).

- Draft balance sheet, income statement and statement of cash flows.

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

NYRA will remain operational on the basis of continuing rights. Such rights are conditioned upon the following:

- Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:
 - a. All contracts for sites (other than New York sites) to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.
 - b. Retransmission of your simulcast signal by authorized recipients to secondary recipients is not allowable without disclosure within the contract of the names and locations of all secondary recipients.
 - c. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
 - d. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.
 - e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2006.

9. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO ADD NEW DIRECTOR - GLADNEY

The New York State Racing and Wagering Board approved the appointment of

Mr. John Gladney to the Board of Directors of the Capital District Regional Off-Track Betting Corporation as a member representing Madison County.

10. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO ADD NEW DIRECTOR – O’DONNELL

The NYS Racing and Wagering Board approved the appointment of

Mr. Thomas F. O'Donnell to the Board of Directors of the Capital District Regional Off-Track Betting Corporation as a member representing Cortland County.

11. NEW YORK CITY OTB – REQUEST TO ADD NEW SENIOR VICE PRESIDENT/CHIEF INFORMATION OFFICER – DHANOA

The New York State Racing and Wagering Board approved the plan of operation amendment to reflect the appointment of Mr. Sitar Singh Dhanoa as Senior Vice President/Informational Services for the New York City Off-Track Betting Corporation. This approval is effective immediately.

12. FINGER LAKES RACE TRACK – REQUEST FOR APPROVAL SYSTEM OF NET POOL PRICING

The New York State Racing and Wagering Board approved a change in the Finger Lakes Racing Association's plan of operation allowing for net pool pricing with Canada per the submitted application. All wagering is to be converted to United States dollars at the exchange rate in effect on the morning of the day of the race at the Bank of Canada. No New York residents may wager into any out-of-state account-wagering program (including any in Canada).

For any other foreign sites (including Canada) commingling with the on-track Finger Lakes pari-mutuel pools, all wagering must be in United States dollars with a conversation rate at the specified foreign bank in effect during the same date of the races upon which there is wagering per Section 907(2)(b) of the Racing, Pari-Mutuel Wagering and Breeding Law.

Additionally, Finger Lakes management must clearly inform the wagering public that net pool pricing is now in effect for the calculation of pari-mutuel payouts upon the influx of wagering dollars from foreign entities.

Specific Board approval will be required for any simulcast sites that implement net pool pricing with takeout rates differing from that in effect at the Host track. This approval is effective immediately.

13. FINGER LAKES RACE TRACK – WOODBINE ENTERTAINMENT - NET POOL PRICING

The New York State Racing and Wagering Board approved a change in the Finger Lakes Gaming and Raceway plan of operation to enable Finger Lakes Gaming and Raceway to

export its simulcast to the Woodbine Entertainment Group (WEG) in Ontario, Canada and conduct net pool pricing for said wagers. This agreement is for the calendar year 2006.

14. NYRA – REQUEST FOR PERMANENT APPROVAL OF CASHCARDS

The New York State Racing and Wagering Board granted conditional approval through April 30, 2006, for NYRA's continued use of the CashCards system. This approval is conditioned on the continued dialogue to address final resolution of the following matters:

- The independent audit of NYRA's AML policies.
- The opinion requested from the State Comptroller regarding the issue of escheatment of CashCard funds and other specified accounts.
- The operational capability of the independent monitoring system (System) as specified to the Board on June 6, 2006 in the document entitled "*Integrity* Independent Monitoring System Product Specification Release 2.1". The system must provide real time monitoring and auditing as described in Section 5 (*Integrity* Core Functionality) of the document. The System must immediately produce "alerts", as specified in Section 9, Appendix B of the document (*List of Integrity Alerts*). NYRA management shall be responsible for immediately reviewing, investigating and rectifying matters relating to such alerts. NYRA management shall report to the Board, on a daily basis, actions taken in such matters.
- Electronic access to the System at the Board's office in Schenectady, NY for the Board's own purposes.

This conditional approval will expire at midnight on April 30, 2006. A further application must be submitted on a timely basis if NYRA intends on continuing with the use of CashCards at their facilities after April 30, 2006.

15. NYRA – REQUEST TO OFFER PROMOTION – PLAYER REWARDS PROGRAM RETENTION RATE INCREASE

The New York State Racing and Wagering Board approved the New York Racing Association, Inc. ("NYRA") request for approval of a promotional players awards program to be known as "NYRA Rewards". Approval is granted for a trial period of one year from

the date of implementation of the program. NYRA is to inform the Board, in writing, of the date of implementation no later than three business days following said event.

This approval is conditioned upon:

- The conduct of the program in the manner requested by and outlined in correspondence of Patrick L. Kehoe dated March 2, 2006
- The submission by NYRA of written reports to the Board concerning the NYRA Rewards program. These reports shall include, but need not be limited to, the number of participants in the program, [details of the rewards by category level](#) and participation, the cumulative rewards earned, the amount of rewards “rewagered” and cumulatively for program participants, the amounts wagered by bet type by in-state races and out-of state races. Each report shall also contain analysis regarding the effect of the program on handle of NYRA, net effect on income from wagering and the costs incurred as a result of program operation. These reports must be filed within two weeks of the end of the first calendar quarter following implementation and on an identical schedule for two quarters thereafter. A final report covering the first eleven months following implementation should be filed two weeks prior to the sunset of Board approval. Each filed report shall include past quarter and cumulative information.
- Board access to NYRA rewards program information, including the names of program participants, and the right to audit.

The Board also approved the March 2, 2006 request of the NYRA to increase the retention rates applicable to win, place and show wagers to fifteen (15) percent effective April 1, 2006. The Board explicitly required that the win, place and show retention rate shall be at a rate no less than fifteen (15) percent through the trial period of the NYRA Rewards promotional players awards program.

16. NYRA REQUEST FOR APPROVAL OF RACING OFFICIALS FOR THE YEAR 2006

The New York State Racing and Wagering Board approved for the remainder of the year 2006 three of the remaining five racing officials who had been conditionally approved through March 31, 2006. These approvals are in compliance with Board Rule 4005.1.

Two other racing officials (Trinity Nemeti and William Nemeti) were conditionally approved one final time through April 30, 2006.

17. **SUFFOLK AND NASSAU OFF-TRACK BETTING CORPORATIONS' REQUESTS FOR RECONSIDERATION OF BOARD DETERMINATION CONCERNING RACING, PARI-MUTUEL WAGERING AND BREEDING LAW SECTION 1017-a.2(b) IN RELATION TO YEAR 2004 PAYMENTS TO REGIONAL HARNESS TRACKS**

Nassau OTB

On November 22, 2005 , the New York State Racing and Wagering Board directed Nassau Regional Off-Track Betting Corporation ("Nassau OTB") to pay a total amount of \$92,118 to its regional harness tracks for the year 2004, in accordance with Racing, Pari-Mutuel Wagering and Breeding Law Section 1017-a.2(b) [Additional payments].

By letter dated December 22, 2005, Nassau OTB disagreed with the calculation of the amount due to the regional off-track betting corporations.

On March 28, 2006, the Board reconsidered the November 22, 2005 determination and, upon reconsideration, adhered to the prior determination. Nassau OTB is directed to pay to its regional harness tracks [to be divided according to the formula for apportionment set forth in Racing, Pari-Mutuel Wagering and Breeding Law Section 1017-a.2(b)] an amount equal to the \$92,118, or if paid previously in a lesser amount, the difference between that amount and the amount originally directed in accordance with the Board's November 22, 2005 determination. The payments must be made by Nassau OTB to its regional harness tracks no later than April 28, 2006

Suffolk OTB

On November 22, 2005 , the New York State Racing and Wagering Board directed Suffolk Regional Off-Track Betting Corporation ("Suffolk OTB") to pay a total amount of \$47,478 to its regional harness tracks for the year 2004, in accordance with Racing, Pari-Mutuel Wagering and Breeding Law Section 1017-a.2(b) [Additional payments].

By letter dated December 16, 2005, Suffolk OTB disagreed with the calculation of the amount due to the regional off-track betting corporations. By letter dated December 30, 2005, Suffolk OTB requested that the Board reconsider the methodology used to calculate the amount due.

On March 28, 2006, the Board granted the request for reconsideration and, upon reconsideration, adhered to the prior determination. Suffolk OTB is directed to pay to its regional harness tracks [to be divided according to the formula for apportionment set forth in Racing, Pari-Mutuel Wagering and Breeding Law Section 1017-a.2(b)] an amount equal to the \$47, 478, or if paid previously in a lesser amount, the difference between that amount and the amount originally directed in accordance with the Board's November 22, 2005 determination. The payments must be made by Suffolk OTB to its regional harness tracks no later than April 28, 2006.

18. CAPITAL DISTRICT OTB – REQUEST FOR APPROVAL OF CASHCARDS

The New York State Racing and Wagering Board approved the Capital District Regional Off-Track Betting Corporation's continued use of Capital CashCards at the OTB's Teletheater facility through June 30, 2006. This approval is conditioned on the following:

1. CDROTB forward a copy to the Board of the anticipated FinCEN opinion within ten business days of receipt by CDROTB.
2. If FinCEN finds CDROTB to be an MSB or otherwise subject to FinCEN regulations, CDROTB immediately comply with all necessary regulations, including the adoption of an AML program (if applicable) and provide proof of compliance with these requirements to the Board within 30 days of such notification.
3. CDROTB seek an opinion from the Comptroller requesting whether inactive CashCards escheat to the State or agree to abide by the opinion NYRA has requested when it issued.

19. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO OFFER PROMOTION - PLAYER REWARDS PROGRAM

The New York State Racing and Wagering Board approved the Capital District Regional Off-Track Betting Corporation's request for approval of a promotional players awards program to be known as "Capital OTB Player Rewards." Approval is granted for a trial period of one year from the date of implementation of the program. Capital OTB is to inform the Board, in writing, of the date of implementation no later than three business days following said event.

This approval is conditioned upon:

- The conduct of the program in the manner requested by and outlined in correspondence of Robert G. Hemsworth dated March 14, 2006
- The submission by Capital OTB of written reports to the Board concerning the Player Rewards program. These reports shall include, but need not be limited to, the number of participants in the program, [details of the rewards by category level](#) and participation, the cumulative rewards earned, the amount of rewards "rewagered" and cumulatively for program participants, the amounts wagered by bet type by in-state

races and out-of state races. Each report shall also contain analysis regarding the effect of the program on handle of Capital OTB, net effect on income from wagering and the costs incurred as a result of program operation. These reports must be filed within two weeks of the end of the first calendar quarter following implementation and on an identical schedule for two quarters thereafter. A final report covering the first eleven months following implementation should be filed two weeks prior to the sunset of Board approval. Each filed report shall include past quarter and cumulative information.

- Board access to Capital OTB Player Rewards program information, including the names of program participants, and the right to audit.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. INDIAN GAMING - LICENSING STATISTICS

Licensing statistics for February 1, 2006 through February 28, 2006. Also included were the certifications for Mohawk, Seneca Allegany, Seneca Niagara and Oneida.

2. 2006 LICENSED SUPPLIERS

List of 2006 licensed suppliers and manufacturers for the period of February 1, 2006 through February 28, 2006.

3. GAMES OF CHANCE/BELL JAR TICKETS

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between February 3, 2006 – March 9, 2006.

4. GAMES OF CHANCE/BINGO REGISTRATION NUMBERS

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between February 4, 2006 – March 9, 2006.

5. LICENSING – CURRENT RACING LICENSING COUNT

The current racing licensing counts as of February 28, 2006 since January 1, 2006 were: total receipts 1,694 and total licenses 1,041 for the year 2006.

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

None.

The meeting was adjourned at 4:12 p.m.