

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF OCTOBER 27, 2006

A meeting of the New York State Racing and Wagering Board was held on Friday, October 27, 2006 at 10:00 a.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 10:11 a.m.

In Attendance Were:

Daniel D. Hogan, Chairman

Michael J. Hoblock, Jr., Member (Absent)

John B. Simoni, Member

John Cansdale, Executive Director

Robert Feuerstein, General Counsel

Joseph Lynch, Director of Racing Operations

Thomas Casaregola, Director of Audits & Investigations

Gail Pronti, Secretary to the Board

Also in Attendance Were:

Daniel Toomey, NYSR&WB

Vivian Davis, NYSR&WB

Paul Onyon, Assistant Director of Racing Operations

Dan Wray, NYC OTB

Tim Rooney, Jr., Yonkers Raceway

Jim Crane, Crane, Greene and Parente

OPEN COMMENT PERIOD: No comments were made.

A. APPROVED THE MINUTES OF THE BOARD MEETING HELD SEPTEMBER 22, 2006.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIR.

1. BUFFALO RACEWAY – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Buffalo Trotting Association simulcast plan of operation authorizing the simulcast for wagering purposes of races from Oak Tree Racing Association in California.

2. BUFFALO RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2006

For entry into the minutes, on October 10, 2006, the New York State Racing and Wagering Board approved an amendment to the Buffalo Trotting Association simulcast plan of operation authorizing the simulcast for wagering purposes of the races from Keeneland Association Inc. in Kentucky.

3. CAPITAL DISTRICT REGIONAL OTB-CLOSURE OF E-Z BET LOCATION - BOARDERVIEW GROCERY

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved a change in the plan of operation for the Capital District Regional Off-Track Betting Corporation with the closing of the Clinton County off-track betting and E-Z Bet facility located in Champlain, New York at the Borderview Grocery.

4. CATSKILL REGIONAL OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the Catskill Regional Off-Track Betting Corporation request to amend its simulcast plan of operation enabling the import of simulcast signals from the Delaware County Fair in Ohio.

5. FINGER LAKES RACETRACK – REQUEST TO AMEND PLAN OF OPERATION TO ADD/CANCEL LIVE PROGRAMS

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved the Finger Lakes Racetrack request to amend its simulcast plan of operation by canceling the live race card of Sunday, September 17. Thursday, September 28, 2006 will replace the cancelled card of Sunday, September 17, 2006.

6. FINGER LAKES RACETRACK – REQUEST TO AMEND PLAN OF OPERATION TO ADD/CANCEL LIVE PROGRAMS

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the Finger Lakes Racetrack request to amend its plan of operation by canceling the live race card of Sunday, September 24, 2006. Additionally, there will be live racing on Sunday, September 17, 2006.

The Thursday card of racing on September 28, 2006, will replace the cancelled card of racing on Sunday, September 24, 2006.

7. FINGER LAKES RACETRACK – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved the simulcast for wagering purposes from Finger Lakes Racetrack to Harrah's Chester Casino and Racetrack in Pennsylvania.

This approval is conditioned upon the terms of the Finger Lakes Racetrack Simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
 - b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
 - 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.
8. For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the Finger Lakes Racetrack request to amend its simulcast plan of operation enabling the import of simulcast signals from Kentucky Downs LLC in Kentucky.
 9. For entry into the minutes, on September 14, 2006, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racetrack simulcast plan of operation authorizing the simulcast for wagering purposes of races from Pacific Racing Association (Golden Gate Fields) in California.
 10. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racetrack simulcast plan of operation authorizing the simulcast for wagering purposes of races from Oak Tree Racing Association in California.

11. FINGER LAKES RACETRACK – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2006

For entry into the minutes, on September 29, 2006, the New York State Racing and Wagering Board approved the Finger Lakes Racing Association request to amend its

simulcast plan of operation enabling the import of simulcast signals from TP Racing L.L.P. (Turf Paradise) in Arizona.

12. MONTICELLO RACEWAY – REQUEST TO AMEND PLAN OF OPERATION – ADDITION OF THREE RACE DATES

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved the requested change in the Monticello Raceway plan of operation to add three dates in December 2006 as live racing dates. The addition of Friday, December 22, Saturday, December 23 and Sunday, December 24 as live racing days adds three dates to the 2006 Monticello Raceway schedule. The first post time for each day will be 12:40 p.m.

13. MONTICELLO RACEWAY – REQUEST TO AMEND PLAN OF OPERATION – ADDITION OF FRIDAY RACE DATES IN OCTOBER AND NOVEMBER OF 2006

For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its plan of operation to add of racing dates during October and November of 2006. These additional dates will all occur on Fridays, October 6, 13, 20 and 27, and November 3, 10, 17 and 24, 2006.

14. MONTICELLO RACEWAY – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation authorizing the acceptance of wagers on and the simulcast of races from Keeneland in Kentucky.

15. For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the simulcast for wagering purposes from Monticello Raceway to Harrah's Chester Casino and Racetrack in Pennsylvania.

This approval is conditioned upon the terms of the Monticello Raceway simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
- b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
- 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.

16. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from Oak Tree Racing Association in California.

17. For entry into the minutes, on September 27, 2006, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the import of simulcast signals from Northville Racing Corporation in Michigan.

18. MONTICELLO RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2006

For entry into the minutes, on September 29, 2006, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of

operation enabling the import of simulcast signals from Western Fair Association in Ontario, Canada.

19. NASSAU DOWNS REGIONAL OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved amendments to the Nassau and Suffolk Off-Track Betting Corporations' plans of operation authorizing the acceptance of wagers on and the simulcast of races from Delaware County Fair in Ohio.

20. NEVADA GOLD – TIOGA DOWNS, INC. – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved an amendment to the Nevada Gold–Tioga Downs, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Kentucky Downs LLC in Kentucky, Remington Park in Oklahoma, Turfway Park LLC in Kentucky and Windsor Raceway in Ontario, Canada.

21. For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the Nevada Gold–Tioga Downs, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Hoosier Park in Indiana, Keeneland Association Inc. in Kentucky and The Woodlands in Kansas.

22. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from the Maryland Jockey Club (Laurel Park and Pimlico) in Maryland.

23. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation enabling the export of the simulcast signal from Tioga Downs to Stevenson and Associates, Inc. solely for use in wagering by Racing Gaming Services LTD.

All contracts are conditioned upon the terms of Tioga Downs' simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
- b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
- 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.

24. For entry into the minutes, on September 27, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Oak Tree Racing Association in California.

25. NEVADA GOLD – VERNON DOWNS, INC. – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the Nevada Gold–Vernon Downs, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Keeneland Association Inc. in Kentucky, Remington Park in Oklahoma, Turfway Park in Kentucky and The Woodlands in Kansas.

26. For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the Nevada Gold–Vernon Downs, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Hoosier Park in Indiana and Calder Racecourse in Florida.

- 27.** For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the simulcast for wagering purposes of the Vernon Downs' races to PPI, Inc. (Pompano) in Florida, Raceway Park in Ohio, The Woodlands in Kansas and New York City Off-Track Betting Corporation in New York.

This approval is conditioned upon the terms of the Nevada Gold-Vernon Downs, Inc. Simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
 - b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
 - 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. All pari-mutuel activity, payments and settlements must be made with Nevada Gold-Vernon Downs, Inc.
- 28.** For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the Nevada Gold-Vernon Downs, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Kentucky Downs LLC in Kentucky and PPI, Inc. (Pompano Park) in Florida.
- 29.** For entry into the minutes, on September 19, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from the Maryland Jockey Club (Laurel Park and Pimlico) in Maryland.

- 30.** For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation enabling the export of the simulcast signal from Vernon Downs to Stevenson and Associates, Inc. solely for use in wagering by Racing Gaming Services LTD.

All contracts are conditioned upon the terms of Vernon Downs' simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
- b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
- 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.

- 31.** For entry into the minutes, on September 27, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcasts for wagering purposes of races from Thistle Down Inc. in Ohio and Oak Tree Racing Association in California.

32. NEVADA GOLD – VERNON DOWNS, INC. – REQUEST TO EXPORT TO VARIOUS LOCATIONS IN 2006

For entry into the minutes, on October 4, 2006, the New York State Racing and Wagering Board approved the simulcast for wagering purposes of the races from Vernon Downs to Lebanon Raceway in Ohio.

All contracts are conditioned upon the terms of the Nevada Gold – Vernon Downs, Inc. simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
- b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
- 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. All pari-mutuel activity, payments and settlements must be made with Nevada Gold – Vernon Downs, Inc.

33. NEW YORK CITY OTB – REQUEST TO CLOSE OTB BRANCH #1023

For entry into the minutes, on September 29, 2006, the New York State Racing and Wagering Board approved the closing and a promotion related to the closing of branch #1023 (202 West 72nd Street). This promotion is available to the first 100 new telephone betting account customers that sign up in one of the following Bronx branches:

801 East 241st Street; 4325 Boston Post Road; 1428 Williambridge Road; 2145 White Plains Road; 1935 Westchester Avenue or 170 West 233rd Street. Also eligible are customers from 202 West 72nd Street in Manhattan.

These customers will be provided with fifty dollars (\$50.00) in their new accounts with which to wager.

34. NEW YORK CITY OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved the import of simulcast signals from Colonial Downs in Virginia for all six OTBs in New York State. This approval extends to Capital District Regional, Catskill Regional, Nassau Downs, Suffolk Regional and Western Regional OTBs in addition to New York City OTB. No rebates may be issued in relation to wagers on these races pursuant to the terms of the approval of the representative horsemen's organization at Colonial Downs.

35. For entry into the minutes, on September 11, 2006, the New York State Racing and Wagering Board approved an amendment to the plan of operation of the New York City Off-Track Betting Corporation authorizing the simulcast of races from the Delaware County Fair in Ohio for the 2006 season.

36. For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved an amendment to the New York City OTB simulcast plan of operation in the form of an addendum to a currently approved agreement enabling import of simulcasts from the thoroughbred-quarter horse and standardbred racetrack known as prairie Meadows Racetrack and Casino located in Altoona, Iowa. This addendum adjusted downward the rate of payment made to Prairie Meadows Racetrack and Casino on all race days. This approval also incorporates the regional OTB corporations of Nassau and Suffolk.

This approval is valid through December 31, 2006 to coincide with the federally required letters of simulcast permission issued by the Iowa Division of the Horsemen's Benevolent and Protective Association (Iowa Division). To continue after December 31, 2006 on this agreement, the applicable letter of permission covering all or a portion of 2007 must be filed with the Board.

37. For entry into the minutes, on September 18, 2006, the New York State Racing and Wagering Board approved the New York City Off-Track Betting Corporation request to amend its simulcast plan of operation to authorize simulcasts from Zia Partners, LLC (Zia Park) in New Mexico.

38. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the New York City Off-Track Betting

Corporation simulcast plan of operation enabling the import of thoroughbred simulcasts and the conduct of wagering upon the October 1, 2006 Prix de l'Arc de Triomphe race card emanating from Longchamps Racecourse in France.

39. For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the New York City Off-Track Betting Corporation simulcast plan of operation enabling the import of simulcast signals from the Racing Association of Kansas East.

40. For entry into the minutes, on September 27, 2006, the New York State Racing and Wagering Board approved an amendment to the New York City Off-Track Betting Corporation simulcast plan of operation to incorporate an Addendum Letter, which sets forth NYC OTB's representation that it will exercise reasonable business efforts to assure that it does not accept account wagers from residents of Kansas for races conducted at tracks located within Kansas. This approval supplements the September 22, 2006 approval for this simulcast.

This approval is effective immediately and can continue whenever in compliance with the Racing Law through the end of the 2006 Woodlands race meeting. To continue on this contract past December 31, 2006, new federally required approvals from the Kansas Racing Commission and from the Kansas Division of the Horsemen's Benevolent and Protective Association, Inc. (H.B.P.A.) must be filed with the Board.

41. For entry into the minutes, on September 29, 2006, the New York State Racing and Wagering Board approved the New York City Off-Track Betting Corporation request to amend the relevant simulcast plans of operation authorizing all New York State Regional OTB Corporations to simulcast the races for wagering purposes from the Racing Association of Kansas East in Kansas, Oak Tree Racing Association in California and Zia Park in New Mexico. This approval is effective immediately and this signal may be utilized whenever in compliance with the Racing Law.

42. NEW YORK CITY OTB – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2006

For entry into the minutes, on October 4, 2006, the New York State Racing and Wagering Board approved the New York City Off-Track Betting Corporation request to amend its

simulcast plan of operation, as well as those of all other New York State off-track betting corporations except Western Regional Off-Track Betting Corporation, to simulcast races for wagering purposes from Nordic Gaming Corporation (Fort Erie Racetrack).

43. NYRA – REQUEST FOR APPROVAL OF NEW TRUSTEE - OSTRAGER

For entry into the minutes, on October 10, 2006, the New York State Racing and Wagering Board approved the election of Barry Ostrager to the NYRA Board of Trustees to complete the remaining term of the position previously held by Michael Jarvis

44. NYRA – REQUEST TO OFFER MYSTERY PARI-MUTUEL PROMOTION

For entry into the minutes, on October 4, 2006, the NYS Racing and Wagering Board approved a promotion relative to the NYRA request dated September 10, 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 to be valid on Saturday, October 21, 2006 only. This promotion will utilize the United Tote “Cash Cards” rather than the formerly used ticket-like vouchers.

These mystery Cash Card vouchers will be redeemable only on the date as printed on the face of the cash card and only at Belmont Park Race Track on Saturday, October 21, 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.

The terms of this approval requires NYRA to analyze all voucher distributions, and the Board reserves the right to audit results of this specific October 21, 2006 voucher promotion using the United Tote Cash Cards.

45. SARATOGA HARNESS – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2006

For entry into the minutes, on September 29, 2006, the New York State Racing and Wagering Board approved an amendment to the Saratoga Gaming and Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from MI Racing Inc. (Great Lakes Downs) in Michigan.

46. SARATOGA HARNESS – REQUEST TO EXPORT TO VARIOUS LOCATIONS IN 2006

For entry into the minutes, on October 3, 2006, the New York State Racing and Wagering Board approved the simulcast for wagering purposes of races from Saratoga Harness Racing, Inc. to Sacramento Harness Association in California.

This approval is conditioned upon the terms of the Saratoga Harness Racing, Inc. simulcast license, and all contracts are deemed amended and approval is conditioned on the following:

- a. 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.
- b. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.
- 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.

47. SUFFOLK REGIONAL OTB – REQUEST TO OFFER NYS LOTTERY PROMOTION

For entry into the minutes, on September 22, 2006, the New York State Racing and Wagering Board approved an amendment to the Suffolk Regional Off-Track Betting Corporation to conduct the promotions specified in the September 12, 2006 application in accordance with the terms set forth. These include participation in a promotion with New York State Lottery and the award of free lottery tickets and vouchers in relation to a ValPak mailing. The Board reserves the right to audit the conduct of the promotion.

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

1. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO MODIFY CASH REWARDS PROGRAM

For entry into the minutes, on September 19, 2006, the New York State Racing and Wagering Board approved Capital District Regional Off-Track Betting Corporation's (CDROTB) request to temporarily modify the Capital Cash Rewards Program during the Belmont meet (retroactively from September 5, 2006 through October 30, 2006) as outlined in the correspondence of Robert G. Hemsworth dated September 14, 2006.

This approval is subject to the same conditions of the Board's March 28, 2006 approval of the Capital OTB Player Rewards Program.

2. MONTICELLO RACEWAY – REQUEST TO AMEND PLAN OF OPERATION – PLAYER'S REWARD PROGRAM

For entry into the minutes, on September 13, 2006, the New York State Racing and Wagering Board approved the Monticello Raceway Players' Club non-cash awards program as submitted on February 22, 2006, except that the use of points for drawing tickets is NOT approved. All aspects of this program are to be conducted pursuant to the rules submitted with the application of February 22, 2006. The Board further conditioned its approval on the requirement that Monticello Raceway management submit any new catalogs displaying additional rewards possible for point conversion upon availability.

3. MONTICELLO RACEWAY – REQUEST TO SIMULCAST/ NET POOL PRICING

For entry into the minutes, pursuant to Section 907(2)(b) of the Racing, Pari-Mutuel Wagering and Breeding Law, on September 25, 2006, the New York State Racing and Wagering Board approved a change in the Monticello Raceway plan of operation authorizing net pool pricing with Canada pursuant to 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 approval is conditioned upon receipt of the relevant letter of approval from the Canadian Pari-Mutuel Agency.

The Board approved the simulcast for wagering purposes of races from Monticello Raceway to Western Fair Raceway in accordance with the net pool pricing system referenced above.

Monticello Raceway must clearly 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 Canada.

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.

4. SARATOGA HARNESS – REQUEST FOR APPROVAL TO BEGIN EXPANSION PROJECT

For entry into the minutes, on October 3, 2006, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 322, the New York State Racing and Wagering Board approved the request by Saratoga Harness Racing, Inc. (Saratoga Gaming and Raceway) for approval of site preparation and clearing work in relation to the expansion project described in the September 28, 2006 letter of George W. Carlson.

The work approved is described in the September 18, 2006 Construction Permit issued by the New York State Office of General Services for Project No. S1860.

A letter requesting approval for any other construction work must be submitted to the Board (with an appropriate Construction Permit). Prior approval of the Board is required prior to the commencement of any additional related construction.

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

1. 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 staff's further review of the matters concerning NYC OTB's financial position.

The Board required that the following be submitted by NYC OTB:

- A copy of NYC OTB's proposed legislative plan to address its financial position.
- A copy of NYC OTB's proposed plan to improve its financial position should part or all of the proposed legislative plan not succeed. (i.e. expense reduction plan, increased revenues etc.)
- Financial projections for each of the plans listed above that demonstrate how NYC OTB will meet its financial and statutory obligations for 2007.

The above information is to be submitted to the Board no later than December 15, 2006.

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:
 - Submission to the Board of fire inspection reports on an ongoing basis.

2. YONKERS RACEWAY – TRACK LICENSE APPLICATION FOR 2006

The New York State Racing and Wagering Board deferred action on Yonkers Raceway's track and simulcast license applications for 2006 pending receipt of information and further staff evaluation of the following matters:

- Certificate of Occupancy for the new facility.
- Fire inspection reports for the entire facility.
- Final inspection by RWB staff.
- Security Guard/Peace Officer approvals/registration.
- The licensing of Yonker's employees, vendors, horsemen, etc. who are to be on-site for live racing.

The Board will consider further action at an upcoming Board meeting.

Yonkers Raceway retains continuing rights based upon the 2005 track and simulcast license.

3. YONKERS RACEWAY – SIMULCAST LICENSE APPLICATION FOR 2006

(See number 2 above.)

4. SAS 70 TYPE II AUDITS – REQUEST FOR EXTENSION FOR CATSKILL OTB, SARATOGA HARENSS, MONTICELLO RACEWAY & YONKERS RACEWAY

The New York State Racing and Wagering Board approved an extension of time to file the required SAS 70 Type II audit reports of the totalizator systems in operation at Catskill Regional Off-Track Betting Corporation, Saratoga Gaming and Raceway, Monticello Raceway and Yonkers Raceway until the next regularly scheduled Board meeting to be held in November 2006.

5. IN THE MATTER OF THE PLACING OF “JC AND ME” IN THE 8TH RACE AT FINGER LAKES RACETRACK ON JULY 9, 2006

The New York State Racing and Wagering Board upheld Hearing Officer Creighton Brittell’s recommendation that the summary judgment motion be granted and that the appeal be dismissed on the ground that such placement decisions are not reviewable. This matter was an appeal by the owner of “JC AND ME” of the decision of the stewards at Finger Lakes Racetrack disqualifying “JC AND ME” and placing the horse from first to third based on interference with “RENES SOLDIER” and “SIR ELITE.”

6. IN THE MATTER OF LARRY FUTTER

On October 27, 2006, the New York State Racing and Wagering Board found that on June 17, 2006, licensed harness owner-trainer-groom Larry Futter both orally and by injection administered drugs or medications to the horse Civil Warrior, that was scheduled to compete at Tioga Downs on that day in an attempt to gain an improper advantage, in violation of Board Rules 4120.2 subdivisions (c), (d), (e) and/or (f) and 4120.4. The Board ordered that the Mr. Futter’s owner-trainer-groom license of Larry Futter be suspended for a period of eighteen (18) months beginning on June 20, 2006 (when the Board had summarily suspended his license) and further ordered that Mr. Futter pay a fine of five-hundred dollars (\$500). The Board determined that the final six months of the eighteen month suspension period be stayed, and vacated at the end of the eighteen months, provided that Mr. Futter not incur any further violations of Part 4120 of 9NYCRR within that 18 month period.

7. IN THE MATTERS OF JOHN R. CROSS, BRIAN K. MATTISON, BARRY A. SEGAL AND BRIAN WALKER

The New York State Racing and Wagering Board upheld Hearing Officer Michael J. Hoblock, Jr.’s recommendation to overrule the Starter and dismiss all of the charges for

an incident in which harness drivers John R. Cross, Brian K. Mattison, Barry A. Segal and Brian Walker were issued individual fines by the starter at Saratoga Raceway based upon charges that each had violated Board Rule 4115.2(g) on July 3, 2006 by failing to come up into position behind the starting gate in the 7th race.

8. SUFFOLK OTB – REQUEST FOR NEW QWIK BET - SMITHTOWN

The New York State Racing and Wagering Board approved an amendment to the Suffolk Regional Off-Track Betting simulcast plan of operation to authorize the display of simulcasts and wagering for the Sit N Sip, Inc. d/b/a the Sit N Sip Inn, located at 296 Maple Avenue, Smithtown, New York, in accordance with the proposed plan of operation

It is expected that Suffolk Regional OTB, using its own personnel, will occasionally inspect the Sit N Sip Inn remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

The Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Suffolk Regional OTB remote wagering facility or of any change in ownership. The simulcast license fee of five hundred dollars is immediately due.

9. FINGER LAKES RACETRACK – REQUEST TO WITHDRAW \$78,682.43 FROM CIF

The New York State Racing and Wagering Board approved Finger Lakes Race Track’s request to withdraw a total of \$78,682.43.06 from its Capital Improvement Fund for reimbursement of the following Capital Improvement Expenditures:

Other (92%)

Paint Grandstand Canopy	\$ 48,150.00
TV Monitors – Terrace Dining Room	6,112.91
Light Poles West Parking Lot	9,987.35

Air Conditioning Unit for Jockey Room	717.59	
Transfer Switch for Generator		5,250.00
2 way radio systems for both ambulances		<u>2,106.83</u>
Total Other		\$ 72,324.68
 <u>Backstretch (8%)</u>		
Recondition Mack Water Truck		\$ 5,590.75
Time Lapse VCR –Swim Facility		<u>767.00</u>
Total Backstretch		\$ <u>6,357.75</u>
<u>Total Approved</u>		\$ <u>78,682.43</u>

Although the Board approved all of the individual items, there was discussion concerning the fact that several of the items were not part of the 2006 capital expenditures budget. As a result, the Board directed staff to advise Finger Lakes Racing Association that the 2007 Capital Expenditures Budget should be more carefully prepared in order to reduce instances for request for reimbursement of items not included in your budget.

10. NOTICE OF PROPOSED RULEMAKING - LEAVING THE COURSE (NYCRR 4035.6)

The New York State Racing and Wagering Board approved the proposal of an amendment to thoroughbred Rule 4035.6-Leaving the Course. This amendment will adapt the existing language for thoroughbred racing only by providing for disqualification in the event that a horse leaves the course without reference to language for steeplechase racing contained in the existing rule.

11. NOTICE OF PROPOSED RULEMAKING - LEAVING THE COURSE (NYCRR 4066.7)

The New York State Racing and Wagering Board approved the proposal of a new steeplechase Rule 4066.7 to govern the situation where a horse leaves the course. New Rule 4066.7 is a relocation of the text of existing Rule 4035.6 to the rules of the course for steeplechase racing.

12. FIVE YEAR REVIEW OF RULES

In 2001, the Board amended Section 4025.10 of Title 9 N.Y.C.R.R. to allow for uncoupling for pari-mutuel wagering of thoroughbred horses with common ownership or training in races with a gross purse of \$1 million or more. Specifically, the amendment created new subsection (g) under Section 4025.10 to state:

“Notwithstanding the provisions of subdivisions (b) and (d) of this rule, no entry shall be coupled by reason of common ownership or training in any race in which the gross purse is one million dollars or more, provided however that the provisions of subdivision (e) of this rule shall continue to be applicable in any such races. In any race subject to the provisions of this subdivision, the racing secretary shall have the authority to establish a mutuel field and coupled entries in any race with more than 14 starters.”

Pursuant to Section 207 of the State Administrative Procedure Act, the Five Year Rule Review notice for this rule was published in the State Register on July 19, 2006. No public comment was received.

The New York State Racing and Wagering Board approved the continuation of Rule 4025.10 as adopted in 2001.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE/BINGO REGISTRATION NUMBERS

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between September 1, 2006 – October 10, 2006.

2. GAMES OF CHANCE/BELL JAR TICKETS

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between
September 1, 2006 – September 30, 2006.

3. LICENSING – CURRENT LICENSE COUNT

The current racing licensing counts as of September 30, 2006 since January 1, 2006 are as follows: total receipts 13,017 and total licenses 9,480 for the year 2006.

4. 2006 LICENSED SUPPLIERS

List of 2006 licensed suppliers and manufacturers for the period of September 1, 2006 through September 30, 2006.

5. INDIAN GAMING - LICENSING STATISTICS

Licensing statistics for September 1, 2006 through September 30, 2006. Also included are the certifications for Mohawk, Seneca Allegany, Seneca Niagara and Oneida.

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

1. CAPITAL REGIONAL OTB – REQUEST TO AMEND PLAN OF OPERATION – ADD NEW BRANCH (GREENE COUNTY)

On June 28, 2006, the Board approved Capital OTB's request to add the West Coxsackie off-track betting simulcast branch facility located at 12165 Rt. 9W, Unit #5 in Greene County on the condition that the Board receive a copy of their Certificate of Occupancy. A copy of this document was received in our office on September 25, 2006, fulfilling this condition. A check for \$500 was received on October 4, 2006.

2. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO ADD NEW E-Z BET - VALATIE

On September 22, 2006, the Board approved Capital OTB's request to add a remote simulcast wagering facility located in Valatie, New York at Kappy's Lounge and Grill, on

the condition that the Board receive a copy of their Certificate of Occupancy. To date this document has not been received.

The meeting was adjourned at 10:58 a.m.