

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD MEETING OF SEPTEMBER 12, 2008

A meeting of the New York State Racing and Wagering Board was held on Friday, September 12, 2008 at 11:15 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 11:43 a.m.

In Attendance Were:

John D. Sabini, Chairman
Daniel D. Hogan, Member
John B. Simoni, Member
John Cansdale, Executive Director
Robert Feuerstein, General Counsel
Joseph Lynch, Director of Racing Operations
Thomas Casaregola, Audits & Investigations
Gail Pronti, Secretary to the Board

Also in Attendance Were:

Joseph Mahoney, NYSR&WB
Kristen Buckley, NYSR&WB
Vivian Davis, NYSR&WB
Peter Drao, NYS Assembly
Steve Bochnak, NYS Assembly

OPEN COMMENT PERIOD: No comments were made.

A. There were no minutes presented for approval.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIR

None

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

None

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

3. THE NEW YORK RACING ASSOCIATION, INC. – 2008 RACE DATES

The New York State Racing and Wagering Board approved the September 12, 2008 request of The New York Racing Association, Inc. to conduct pari-mutuel thoroughbred racing at Belmont Park and Aqueduct Racetrack during the period from September 12 through December 31, 2008 on the specific dates set forth in the application. These dates are contained in the proposed schedule submitted to the Board by the New York Racing Association Inc. on or about October 25, 2007, which was attached to the current application dated September 12, 2008.

4. THE NEW YORK RACING ASSOCIATION, INC. – RACING OFFICIALS FOR 2008

Pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 220.1 and Board Rule 4005.1, the New York State Racing and Wagering Board approved the appointment by The New York Racing Association, Inc. of the specific racing officials set forth in the attachment to the September 12, 2008 application to the Board. This approval is limited to the functions of the officials only in the capacities and in the specific categories set forth.

5. THE NEW YORK RACING ASSOCIATION, INC. – THE JOCKEY CLUB RACING STEWARD FOR 2008

Pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 220.1 and Board Rule 4023.1, the New York State Racing and Wagering Board approved the appointment of Dr. Theodore Hill as the Jockey Club Steward at Belmont Park and Aqueduct Racetrack for the remainder of 2008.

6. THE NEW YORK RACING ASSOCIATION, INC. – SIMULCAST LICENSE FOR 2008

The New York State Racing and Wagering Board considered the request of The New York Racing Association, Inc. for a 2008 simulcast license. Pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 1003, the Board granted a temporary simulcast license for 2008. The temporary license is effective immediately.

The temporary simulcast license is 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. 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 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. Any agreement which you are part to is subject to the requirements of the host and guest states with any provision mandated by either jurisdiction 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.

c. An SAS 70 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, 2008.

d. No receiving or secondary sites may rebate on the New York Racing Association, Inc. races unless disclosed within the terms of the agreement as submitted to the Board for approval and The New York Racing Association, Inc. shall not rebate on simulcasts received without the written consent of the host site.

THE NEW YORK RACING ASSOCIATION, INC. – VARIOUS ITEMS RELATING TO THE CONDUCT OF PARI-MUTUEL RACING AND SIMULCASTING.

7. THE NEW YORK RACING ASSOCIATION, INC. – 2008 SIMULCAST CONTRACTS

The New York State Racing and Wagering Board approved the September 12, 2008 request of The New York Racing Association, Inc. to authorize the conduct of export and import simulcasts at Belmont Park and Aqueduct Racetrack during the period from September 12 through December 31, 2008 consistent with previous authorization based on existing agreements referenced in letters of the Board issued during 2008, including the letter dated August 28, 2008.

The conduct of racing is subject to compliance with current conditions for simulcast exports and imports as set forth below and all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and directives.

Exports:

a. Retransmission of the New York Racing Association, Inc. simulcast signal by authorized recipients to secondary or associated recipients is prohibited unless these secondary or associated sites are listed in the agreement as submitted to the Board for approval. Simulcasts to additional secondary or associated sites are prohibited without further application and approval by the Board.

b. Books and records must be maintained for two (2) years from the date of each simulcast. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of simulcast transactions, if not included within individual contracts, must be supplied to the Board.

c. No receiving or secondary or associated sites may rebate on the simulcast races unless disclosed within the terms of the agreement as submitted to the Board for approval.

- d. The completion and filing with the Board on a timely basis of a simulcast questionnaire by all out-of-state guest and secondary or associated sites.
- e. "Manual merge" is prohibited without the express approval of the Board.
- f. Video streaming is permitted only if no accounts are maintained with New York residents.
- g. A current SAS70 Type II Audit, independent risk assessment of the site's wagering system and/or other independent analysis that is approved by the Board is required for those sites that offer computerized robotic wagering, computerized assisted wagering or other unconventional methods of wagering as determined by the Board.
- h. The primary guest site (or signatory on behalf of the guest site) is required to provide a copy of the approval letter promptly to all secondary sites.
- i. This agreement is not assignable without the prior written approval of the Board.
- j. The New York Racing Association, Inc. is required to provide a copy of this letter to the guest track and the totalizator company used by the New York Racing Association, Inc.

Imports:

Approval is conditioned upon compliance with the terms of the simulcast agreement, and relevant statutes and rules of the host and guest jurisdictions, including but not limited to the terms and conditions of approval of the simulcast license of The New York Racing Association, Inc. The New York Racing Association, Inc. is prohibited from rebating as a guest on simulcasts unless the host site acknowledges in writing that The New York Racing Association, Inc. may or will provide rebates on wagers for races at that site.

Video streaming and account wagering are prohibited without specific prior written approval of the Board. The New York Racing Association, Inc. is required to provide a copy of this letter to the host track and the totalizator company used by The New York Racing Association, Inc.

8. THE NEW YORK RACING ASSOCIATION, INC. – REQUEST TO CONTINUE INTERNET AND ACCOUNT WAGERING OPERATIONS

The New York State Racing and Wagering Board approved the September 12, 2008 request of The New York Racing Association, Inc. ("New NYRA") to conduct internet and account wagering operations pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 1012 and 9 NYCRR Section 5300 et seq. in accordance with and based on New NYRA's adoption of the Internet and Account Wagering Plan of Operation, as approved by the Board upon application of The New York Racing Association Inc. ("Old NYRA"). That Plan consisted of the April 26, 2007 plan as approved by the Board and eight subsequent amendments.

This approval is subject to New NYRA's compliance with the conditions established in relation to the approvals issued to the Old NYRA.

9. THE NEW YORK RACING ASSOCIATION, INC. – TAKEOUT RATES

Pursuant to Section 238.1(a) of the Racing, Pari-Mutual Wagering and Breeding Law, the New York State Racing and Wagering Board approved the following takeout rates established by

The New York Racing Association, Inc. on races conducted by The New York Racing Association, Inc.

- 16% for regular bets;
- 18.5% for multiple bets;
- 26% for exotic bets;
- 16% for super exotic bets; and
- 26% for super exotic bets carried forward.

The Board required that NYRA submit a letter from the totalizator company along with the relevant computer printout confirming the above rates. This letter must be filed no later than five (5) business days following this approval.

10. THE NEW YORK RACING ASSOCIATION, INC. – WAGERING MENU

The New York State Racing and Wagering Board approved the New York Racing Association, Inc. request to conduct the pari-mutuel wagering formats specified in the September 12, 2008 application to the Board, except as noted below. This approval is effective immediately through only the end of the Belmont Park Fall Race Meeting.

Advance wagering and future pool wagering will require separate Board approval on an individual request basis. 60 Minute Six and any other multi-track and/or multi-jurisdictional pool in which NYRA races are included will require separate Board approval on an individual request basis. Superfecta wagering shall be conducted with a minimum of eight (8) betting interests unless otherwise specifically approved by the Board.

The Board also authorized use of a system of net pool pricing in the same manner and subject to the same conditions as that implemented and used by the New York Racing Association Inc. ("Old NYRA").

This approval is conditioned on compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law as well as Board rules and directives.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

None

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

None.

The meeting adjourned at 12 :02 p.m.