

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF THE

COMMISSION MEETING

April 19, 2006

STATE CORPORATION COMMISSION
TYLER BUILDING, COURTROOM B
1300 EAST MAIN STREET
RICHMOND, VIRGINIA

In Attendance

Commission Members

Mark T. Brown, Chairman:
Anne D. W. Poulson, Vice Chairman
Peter C. Burnett
David C. Reynolds

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
Dr. C. Richard Harden, Commission Veterinarian
David S. Lermond, Jr., Director of Pari-mutuels
Joseph M. Roney, Director of Operations and Enforcement
Marvin A. Sniegon, Director of Finance & Planning
Dennis E. West, Operations Manager

Attorney General's Office:

Teresa Griggs

At 9:39 a.m., Chairman Brown called the meeting to order.

The minutes of the March 22, 2006 meeting were approved.

Chairman Brown congratulated Commissioner Burnett for being elected Chair-elect for RCI and Stan Bowker for receiving the Len Foote Award and for being elected Chairman of the Racing Officials Accreditation Program.

Commissioner Burnett said he was looking forward to working with RCI and that Virginia would be hosting the summer meeting in 2007.

Acting on the recommendation of Mr. Bowker, the Commission approved Colonial Downs' May simulcasting schedule.

Mr. Bowker gave a recap of the the RCI Spring meeting and said a number of initiatives including wagering security and independent monitory of wagering pools, model rules and drug testing are in the forefront and the Commission would be asked over the next several months to determine its approach to each.

After considerable discussion, the Commission approved the 2006 contracts for administration of the Breeders Funds with the Virginia Thoroughbred Association (thoroughbred) for \$160,000 and Virginia Harness Horse Association (Standardbred) for \$50,000.

Frank Petramalo, Executive Director of the Virginia Horsemen's & Protective Association, offered a revised request for use funds from the Benevolence Fund. The request was unanimously approved by the Commission.

Jeanna Bouzek, Vice President for OTB Operations for Colonial Downs, provided an overview of remodeling changes that have taken place at the Richmond Broad Street satellite facility. The facility has been closed for five weeks and Colonial plans to reopen later this week. A Grand Re-opening is planned next week.

James Weinberg, counsel for Colonial Downs reviewed the new three-year Standardbred Horsemen's Agreement with the Virginia Harness Horse Association. After considerable discussion, the Agreement was approved by the Commission.

Mr. Weinberg also reported the contract documents involving the account wagering agreement with AmericaTab are being exchanged between attorneys for both parties. A meeting with YouBet will be held in Los Angeles later this week in an effort to resolve outstanding issue involving the source market fee agreement.

Mr. Weinberg gave a presentation on the Jacobs Entertainment Refinancing for a new credit facility to refinance the company's debt. Mr. Weinberg said he hopes to have documents ready for the Commission to start its review in the next 10 days.

Gregg Scoggins, National Director of Regulatory Affairs for XpressBet submitted a request to amend the Advance Deposit Account Wagering Agreement between Colonial Downs and XpressBet. The amendment seeks to clarify the section involving a "most favored nations" clause. After considerable discussion, the request was unanimously approved by the Commission.

Commissioner Reynolds, Chairman of the Racing Industry Partnership Task Force, reviewed the group's Strategic Marketing Plan. At the request of Commissioner Burnett, the plan was amended to make each applicant responsible for developing a plan to measure the results of each project. The plan was unanimously approved as amended.

During public participation, Commissioner Poulson announced that she would be resigning from the Commission effective immediately. She said she will continue to support and promote the horse racing industry in Virginia and thanked the various stakeholders for their support during the four years she was on the Commission.

There being no further business before the Commission, the meeting adjourned at 12:03 p.m.