

**MINUTES
SPECIAL BOARD MEETING OF MAY 5, 1998
NEW YORK STATE RACING AND WAGERING BOARD**

A special meeting of the New York State Racing and Wagering Board was held on May 5, 1998, in the Executive Office, located at 1 Empire State Plaza, Suite 1201, Albany, New York 12223.

The meeting was called to order at 3:30 p.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman
Bennett Liebman, Member
Edward Martin, Executive Director
Stephanie L. Donato, Secretary to the Board
John Signor, Director of Audits and Investigations

Via Teleconference:

Joseph Neglia, Member
Robert Feuerstein, General Counsel
James Gallagher, Chief of Racing Operations

Also in Attendance Were:

David Fellows, Governor's Office of State Operations
Bill Heller, Thoroughbred Times
Carol Philippi, Devortez
David Barbagelata, NYS Senate Finance
William Crowell, Hinman Straub
Kyle Hughes, Gannett News

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

1. CONSIDERATION OF THE MID-STATE RACEWAY (VERNON DOWNS) 1998 TRACK LICENSE

The Board considered a continuation of the 1998 track license application of Mid-State Raceway to operate a pari-mutuel meet of 125 days from April 3, 1998 until November 29, 1998. The Board took no formal action to limit the track's licenses at this time, but authorized the Office of Counsel to initiate an Order to Show Cause on May 18, 1998, if Mid-State Raceway has failed to fulfill any of the following conditions by May 18th:

1. Close on \$1 million mortgage loan commitment from Wesley Wendt, Sr.
2. Have a Racing and Wagering Board approved compliance monitor in place.
3. Complete submission with regard to capital improvement items in satisfaction of memorandum dated April 3, 1998.

In addition the Board requires as a condition of continued licensing, that Mid-State Raceway submit a written statement from its independent auditor with an opinion as to the Corporation's financial viability as of May 18, 1998. This submission is required no later than June 1, 1998.

The meeting adjourned at 4:00 p.m.