

MINUTES
SPECIAL BOARD MEETING OF SEPTEMBER 28, 1998
NEW YORK STATE RACING AND WAGERING BOARD

A special meeting of the New York State Racing and Wagering Board was held on September 28, 1998, in the Executive Office, located at 1 Watervliet Avenue Extension, Suite 2, Albany, New York 12206.

The meeting was called to order at 3:40 p.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman
Bennett Liebman, Member
Stephanie Donato, Secretary to the Board
John Signor, Director of Audits and Investigations
Russell Baller, Assistant Counsel

Via Teleconference:

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

Also in attendance were:

Nicole Robilotto, NYSRWB
Judy Crane, NYSRWB

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

**1. WESTERN REGIONAL OFF-TRACK BETTING CORPORATION
ASSET PURCHASE OF BATAVIA DOWNS**

The Board approved pursuant to Section 508 (1) of the Racing, Pari-Mutuel Wagering and Breeding Law, the issuance of Bond Anticipation Notes in the amount of \$5 million at an interest rate of 4.50% to mature on September 29, 1999, to provide funds sufficient to enable the Corporation to carry out its corporate purposes.

The Board also took the following action with regard to outstanding issues affecting the proposed asset purchase of Batavia Downs by Western Regional Off-Track Betting Corporation:

Capital Improvement Fund

The Board approved the sum of \$23,597.76 as an off-set to monies owed to the Capital Improvement Fund by Genesee Monroe Racing Association, thus reducing the required deficiency funding to \$57,428,11.

The Board approved the transfer of the fully funded capital improvement fund balance in the amount of \$368,617.09 to Harris, Beach and Wilcox as the escrow agent, provided the proposed escrow agreement is revised to contain provisions requiring that the escrow fund will be held indefinitely pending further Board order or legislative action pursuant to Racing, Pari-Mutuel Wagering, and Breeding Law Section 319 (3) and that no withdrawals may occur without prior approval of the Board.

Horsemen's Purse Account

The Board approved the transfer of the fully-funded horsemen's purse account in the amount of \$338,779.96 to Phillips, Lytle, Hitchcock, Blaine & Huber, LLP., as escrow agent pursuant to the horsemen's purse fund escrow agreement, submitted to the Board.

Outstanding Pari-Mutuel Tickets

The Board approved the July 13, 1998, Genesee-Monroe Racing Association-Buffalo Trotting Association agreement with the provision that uncashed tickets be subject to Section 328 of the Racing, Pari-Mutuel Wagering and Breeding Law.

Payment of Outstanding Purses Earned

The Board approved the establishment of an escrow account in the amount of \$17,000 by Harris, Beach and Wilcox for the purpose of payment of unclaimed or unpaid purses earned from live racing. The escrow agent is required to make diligent effort to effect payment. Ultimate distribution of any unpaid funds is subject to the prior approval of the Board.

Obligations to the Breeding Funds

The above approvals as well as the separately expressed approval of the Bond Anticipation Notes are conditioned upon fulfillment of obligations to the Breeding Funds.

The amount outstanding to the New York State Breeding and Development Fund is \$7,858.

The amount outstanding to the Agriculture and New York State Horse Breeding and Development Fund is \$37,113.

The meeting adjourned at 4:50 p.m.