

Western Regional Off-Track Betting Corporation

8315 Park Road, Batavia, NY 14020

PUBLIC NOTICE

FEBRUARY 2022 MEETINGS

Committee Meetings for **Western Regional Off-Track Betting Corporation**

Committee meetings for Western Regional Off-Track Betting Corp. will be held on **Wednesday, February 23 and Thursday, February 24, 2022** at Western Regional Off-Track Betting Corporation offices located at 8315 Park Road, Batavia, NY 14020 as follows:

Wednesday, February 23, 2022

- 1:00 p.m. Batavia Downs Operations
- 2:00 p.m. Personnel
- 2:30 p.m. Finance
- 3:00 p.m. Advertising
- 3:30 p.m. Legislative
- 3:45 p.m. Insurance
- 4:00 p.m. Audit

Thursday, February 24, 2022

- 9:30 a.m. Branch

Regular Meeting of the Western Regional Off-Track **Betting Corporation Board of Directors**

The Regular Monthly Meeting of the Board of Directors of Western Regional Off-Track Betting Corp. will be held on **Thursday, February 24, 2022 at 10:00 a.m.** at Western Regional Off-Track Betting Corporation offices located at 8315 Park Road, Batavia, NY 14020.

Dated: February 7, 2022

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

BATAVIA DOWNS OPERATIONS COMMITTEE

Wednesday –February 23, 2022
1:00 P.M.

Edward Morgan, Chairman
Richard Siebert, Vice-Chairman
Richard Bianchi, Ex-Officio

Ken Lauderdale, Member
Richard Haberer, Member
Elliott Winter, Member
Thomas Wamp, Member

AGENDA

1. Gaming Floor Update
S. Schiano
2. Hotel Update
H. Wojtaszek
3. Warehouse Update
H. Wojtaszek
4. Resolution #07-2022
B&G Food Service Equipment
Warehouse Cooler/Freezer
M. Glor
5. Resolution #08-2022
WB Mason
Paper & Plastic F&B
M. Glor
6. Resolution #15-2022
Trane
M. Glor
7. Resolution #17-2022
Toast
H. Wojtaszek

RESOLUTION - #07-2022

WHEREAS, it is the corporate responsibility of the Western Regional Off-Track Betting Corporation ("Western") to operate its Batavia Downs location in the most efficient manner possible, while providing a comfortable experience to our patrons; and

WHEREAS, Western requires that a new walk-in cooler and walk-in freezer be purchased and installed in the new warehouse facility at the Batavia Downs location; and

WHEREAS, Western has sent out an RFP requesting pricing for a new walk-in cooler and walk-in freezer as per specifications provided and B&G Food Service Equipment ("B&G") was the lowest responsible bidder to purchase those items as set forth in the attached schedule to this resolution for the total amount of \$49,175.00; and

WHEREAS, Staff recommends that the Board approves the purchase of the walk-in cooler and walk-in freezer from B&G as set forth herein; now therefore

BE IT RESOLVED, that the Western's Board of Directors hereby approves the purchase of a walk-in cooler and walk-in freezer from B&G in an amount not to exceed \$49,175.00; and

BE IT FURTHER RESOLVED, that an officer of Western is hereby authorized to execute an agreement that reflects the Board's actions.

Respectfully submitted,

Edward Morgan, Chairman
Batavia Downs Operations Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #08-2022

WHEREAS, Western Regional Off-Track Betting Corporation ("Western") purchases various products as needed to service the Food and Beverage Department at the Batavia Downs Gaming facility on an as-needed basis; and

WHEREAS, Western invited bids for various items as set forth on the attached schedule; and

WHEREAS, the Staff has compared pricing from various available vendors and is recommending such items be purchased from W.B. Mason Co. Inc. ("Mason") for the period of April 1, 2022 to March 31, 2024; and,

RESOLVED, that the Board of Directors of Western approve the purchase of various items as set forth on the attached schedule to this resolution in the total amount not to exceed \$150,000.00 from Mason for the period of April 1, 2022 to March 31, 2024; and further

BE IT RESOLVED, that an Officer of Western is authorized to execute any agreement in furtherance of the Boards approval of this resolution.

Respectfully submitted,

Edward Morgan, Chairman
Batavia Downs Operations Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #15-2022

WHEREAS, it is the corporate responsibility of the Western Regional Off-Track Betting Corporation ("Western") to operate its Batavia Downs location in the most efficient manner possible, while providing a comfortable experience to our patrons; and

WHEREAS, staff requested that the Board replace the fan on the cooling tower on the HVAC unit at its Batavia Downs location: and

WHEREAS, as part of the Federal Bid on the Omnia contract, Trane U.S. Inc. ("Trane") has provided Western with a proposal for the replacement of the fan on the cooling tower on the HVAC unit, as more particularly described in the attached proposal, for the total amount of \$22,280.00; and

WHEREAS, the Board wishes to enter into an agreement with Trane for such replacement as set forth above; now, therefore

BE IT RESOLVED, that the Western's Board of Directors hereby approves the proposal from Trane for the replacement of the fan on the cooling tower on the HVAC unit in the amount of \$22,280.00; and

BE IT FURTHER RESOLVED, that an officer of Western is hereby authorized to execute an agreement that reflects the Board's actions.

Respectfully submitted,

Edward Morgan, Chairman
Batavia Downs Operations Committee

Dated: February 24, 2022
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

PERSONNEL COMMITTEE MEETING

**Wednesday, February 23, 2022
2:00 p.m.**

Elliott Winter, Chairperson
Richard D. Bianchi, Ex-Officio
Edward F. Morgan, Ex-Officio

Richard E. Haberer, Member
Susan May, Member
Richard L. Ricci, Member
Thomas P. Wamp, Member

AGENDA

1. Personnel Classifications
-W. White
2. Increase Position from 1 to 2 (Promotions Manager)
-W. White
3. Resolution #09-2022
 - Connors LLP
-H. Wojtaszek
4. Resolution #11-2022
 - Hodgson Russ
-H. Wojtaszek
5. Resolution #14-2022
 - Vehicle Use Policy
-M. Gabriele
6. Executive Session
 - 6a. Executive session for the discussion of the medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

RESOLUTION #09-2022

WHEREAS, the Western Regional Off-Track Betting Corporation ("Western") has been the subject of media attention based upon unfounded allegations and an alleged investigation of Western; and

WHEREAS, Western has previously engaged the Connors LLP Law Firm to represent Western in its efforts to deal with any such allegations, including to interact with any authority regarding such matters; and

WHEREAS, the Board of Western wishes to continue to use the Connors LLP Law Firm to handle such matters in an additional amount not to exceed \$75,000.00; and, therefore be it

RESOLVED, that the Board of Directors of Western hereby approve the continued utilization of the Connors LLP Law Firm to represent Western in an additional amount not to exceed \$75,000.00.

Respectfully Submitted,

Elliott Winter, Chairman
Personnel Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #11-2022

WHEREAS, the Western Regional Off-Track Betting Corporation ("Western") has previously engaged the law firm of Hodgson Russ to represent Western in regards to an ongoing personnel matter, as well as other related areas; and

WHEREAS, Western wishes to continue to engage Hodgson Russ to represent Western in its efforts to deal with any such personnel matters, including defending Western against any and all claims or actions brought against it, and to provide a legal defense to any such claim; and

WHEREAS, Western wishes to continue to engage Hodgson Russ to provide legal services to Western in the additional amount of \$75,000.00; and now be it

RESOLVED, the Board of Directors of Western wishes to continue to engage the law firm of Hodgson Russ to provide such continued legal services in an additional amount of \$75,000.00.

Respectfully Submitted,

Elliott Winter, Chairman
Personnel Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #14-2022

WHEREAS, the Western Regional Off-Track Betting Corporation ("Western") continues to review, establish and update its corporate policies; and

WHEREAS, the officers and staff recommend that the attached Vehicle Use Policy, as amended, be adopted as a policy of Western.

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Western hereby adopt the above referenced policy in the form attached to this resolution; and

BE IT FURTHER RESOLVED, that the Officers and Staff of the Corporation are hereby authorized and directed to take all steps necessary to implement this Policy.

Respectfully submitted,

Elliott Winter, Chairman
Personnel Committee

Dated: February 24, 2022
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

MOTOR VEHICLE USE POLICY

1). Use

Western Regional Off-Track Betting Corporation ("Western") provides pool vehicles for business purposes to specific authorized employees as approved by the Board of Western.

Rules applying to Use of Western Vehicles:

- Only for use by authorized employee for business purposes.
- Western's vehicle is not to be driven while under the influence of alcohol or any controlled substance.
- Possession, transportation or consumption of alcohol or illegal drugs by anyone in the vehicle is not allowed.
- Driver and all passengers must wear available personal restraints.
- Report any accident immediately to police and your supervisor.

Any exceptions to these rules require advance, written approval by approved supervisor or officer. Violation of these rules will result in disciplinary action from removal of driving privileges to termination of employment.

2). Maintenance

Western will be responsible for all preventive maintenance such as regular oil changes, lubrication, tire pressure, tire replacement, brake pad & rotor replacement and fluid checks. If an issue with the vehicle is discovered while being used by an authorized employee, such issue should immediately be brought to the attention of the authorized employees supervisor.

3). Employee Use of Personal Vehicle for Business Use

Western does not assume any liability for bodily injuries or property damage the employee may become personally obligated to pay arising out of an incident occurring in connection with the operation of personal vehicles. The reimbursement to the employee for the operation of personal vehicles for business use will be at the applicable IRS rate. You are required to have minimum liability limits of \$250,000/\$500,000/\$100,000,00 plus EXCESS LIABILITY OF \$1,000,000. Western does not specify and assumes no responsibility for any other coverage employees carry on the vehicles used since this is a matter of individual status and preference. The employee is responsible for providing proof of coverage to Western on an annual basis.

4). Traffic Violations

Fines for parking or moving violations, towing, storage or impoundment are the personal responsibility of the vehicle operator. Western will not condone nor excuse ignorance of any motor vehicle violations that result in court summons being directed to itself as owner of the vehicle.

Each driver is required to report all moving violations to a supervisor within 24 hours. This requirement applies to violations involving the use of any vehicle (Western, personal or other) while on Western business. Failure to report violations will result in appropriate disciplinary action, including revoking of driver privileges and possible termination of employment.

Please be aware that motor vehicle violations incurred during non-business (personal use) hours will also affect your driving status as well and are subject to review.

5). Cellular Phones / Distractions

Cellular phones should not be used while operating a vehicle unless the vehicle has hands free capability. Using a cell phone while driving leads to an increased risk of having an accident through a lack of attention to driving. Inattention is the #1 cause of vehicle accidents in America. Inattention can also involve adjusting the radio, eating, smoking, daydreaming, talking to passengers, things outside the vehicle, and other distractions.

6). Accidents While Conducting Western Business

In the event of an accident involving a Western, personal or other vehicle while on Western business:

- Call the police on all accidents and obtain a copy of the police report
- Do not admit negligence or liability.
- Do not attempt settlement, regardless of how minor.
- Get name, address and phone number of injured person and witnesses if possible.
- Exchange vehicle identification, insurance company name and policy numbers with the other driver.
- Take a photograph of the scene of accident if possible.
- Complete the accident report in your vehicle.
- Notify your supervisor immediately.

7). Thefts

In the event of the theft of a Western vehicle, notify local police and a supervisor immediately.

8). **Driver Responsibilities**

Each authorized employee operating a Western vehicle has certain responsibilities that include, but are not limited to, the following:

- Operation of the vehicle in a manner consistent with reasonable practices that avoid abuse, theft, neglect or disrespect of the equipment.
- Obey all traffic laws.
- The use of seat belts and shoulder harness is mandatory for driver and passengers.
- Attention to and practice of safe driving techniques and adherence to current safety requirements.
- Restricting the use of vehicles to authorized driver.
- Reporting the occurrence of moving violations
- Accurate, comprehensive and timely reporting of all accident by an authorized driver and thefts of a Western vehicle to a supervisor.

Failure to comply with any of these responsibilities will result in disciplinary action, up to and including termination of employment.

9). **Preventable Accidents**

A preventable accident is defined as any accident involving a Western, personal or other vehicle while being used on Western business that results in property damage and/or personal injury, and in which the driver in question failed to exercise every reasonable precaution to prevent the accident.

1. **Safety Guidelines to Prevent Accidents**

- Do Not Follow too close
- Do Not Drive too fast for conditions
- Do Not Fail to observe clearances
- Do Not Fail to obey signs
- Do Not Make improper turns
- Do Not Fail to observe signals from other drivers
- Do Not Fail to reduce speed
- Do Not Park improperly
- Do Not Pass improperly
- Do Not Fail to yield
- Do Not Back Up improperly
- Do Not Fail to obey traffic signals or directions
- Do Not Exceed the posted speed limit
- Do Not Drive While Intoxicated (DWI) or Drive Under the Influence (DUI), or similar charges

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

MOTOR VEHICLE USE POLICY

Employee Acknowledgement

As a driver of a Western vehicle or my own vehicle on Western's behalf, I understand that it is my responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. Drivers must have a valid driver's license for the type of vehicle to be operated and keep the license(s) with them at all times while driving. All drivers must comply with all applicable regulations.

I also understand that Western will periodically review my Motor Vehicle Record to determine continued eligibility to drive a company vehicle or operate my own vehicle on Western's behalf. In accordance with the Fair Credit Reporting Act, I have been informed that a Motor Vehicle Record will be periodically obtained on me for continued employment purposes.

I acknowledge the receipt of the above disclosure and authorize Western or its designated agent to obtain a Motor Vehicle Record Report. This authorization is valid as long as I am an employee or employee candidate and may only be rescinded in writing.

Employee Name (Print) _____

(Driver's License Number) _____

Employee Signature _____

Date _____

Reviewer's Signature _____

(Sign and retain the original copy in the employee's file)

Date _____



tel. 585-343-1423
 fax. 585-343-6873
 WesternOTB.com



tel. 585-343-3750
 fax. 585-343-7773
 BataviaDownsGaming.com

8315 Park Road
 Batavia, New York 14020

*Generating Revenues for
 Racing, State and
 Local Governments*

Current Member of:

Mass Tracks of America

*United States Trotting
 Association*

American Horse Council

*New York Thoroughbred
 Breeders' Inc*

*Local Chambers of
 Commerce*

**WESTERN REGIONAL OFF-TRACK
 BETTING CORPORATION**

February 18, 2022

Mr. Ken Lauderdale, Chairman
 Members, Finance Committee
 Western Regional Off-Track
 Betting Corporation
 8315 Park Road
 Batavia, New York 14020

Dear Members:

Enclosed for your review is the upcoming Finance Committee Agenda and attachments for the Finance meeting. The finance Committee meeting is scheduled for Wednesday, February 23, 2022.

Sincerely,

Jacquelyne A. Leach
 Chief Financial Officer

JAL/pag
 cc: Officers

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

Finance Committee Meeting
February 23, 2022
Batavia, New York

Ken Lauderdale, Chairman
Paul Lattimore, Vice Chairman
Richard Bianchi, Ex-Officio

Thomas Wamp, Member
Mark Bombardo, Member
Michael Horton, Member
Edward Morgan, Member/Ex-Officio
Elliott Winter, Member

AGENDA

1. Chief Financial Officer Report & BDG Financials
 - December 2021 & January 2022
2. NYGA Weekly Numbers
(will be provided Wednesday, February 23rd)

- J. Leach

- J. Leach
- H. Wojtaszek

WESTERN REGIONAL OFF-TRACK BETTING - SUMMARY OF CFO'S REPORT - ACTUAL RESULTS:

<u>Operational Results - December 2021</u>	December 2021	December 2019	December Plan
Total Handle	\$4,196,217	\$4,464,299	\$3,914,360
\$ Variance		(268,082)	281,857
% Variance		-6%	7%
VGM Net Win	\$5,743,743	\$4,582,388	\$4,145,500
\$ Variance		1,161,355	1,598,243
% Variance		25%	39%
Revenue net of Statutories	\$ 3,395,375	\$ 3,351,937	\$ 2,761,327
Operating Expenses	3,381,962	2,578,018	3,092,250
Earnings and Surcharge	13,413	773,919	(330,923)
Surcharge	52,625	65,849	49,924
Operational Earnings (Losses)	\$ (39,212)	\$ 708,070	\$ (380,847)
\$ Variance		(747,282)	341,635
% Variance		-106%	90%
<u>Year End Non-Cash Items:</u>			
GASB 75 Post Employment Health Ins.	(332,390)	(531,091)	(1,875,000)
GASB 68 Retirement	508,807	(255,866)	(360,000)
Operational Earnings (Losses) after Year End Items	\$ 137,199	\$ (78,887)	\$ (2,615,847)

Earnings are computed and distributed on a quarterly basis

<u>Segment Performance:</u>	December 2021	December 2019	December Plan
BRANCH Earnings (Losses) from Operations	\$ 82,649	\$ (6,522)	\$ 27,305
Less: G&A Allocation	480,750	162,581	232,648
Earnings (Losses) net of G&A Allocation	\$ (398,101)	\$ (169,103)	\$ (205,343)
\$ Variance		(228,998)	(192,758)
% Variance		-135%	-94%
BATAVIA DOWNS Earnings from Operations	\$ 1,050,700	\$ 1,039,754	\$ 159,282
Less: G&A Allocation	691,811	162,581	334,786
Earnings net of G&A Allocation	\$ 358,889	\$ 877,173	\$ (175,504)
\$ Variance		(518,284)	534,393
% Variance		-59%	304%
GENERAL AND ADMINISTRATIVE expense	\$ 1,172,561	\$ 325,161	\$ 567,434
\$ Variance		847,400	605,127
% Variance		261%	107%
<u>Net Cash Distributions to Municipalities:</u>			
SURCHARGE	\$ 52,625	\$ 65,849	\$ 49,924
\$ Variance		(13,224)	2,701
% Variance		-20%	5%
<u>Year to Date Surcharge and Net Revenue</u>			
SURCHARGE	\$ 886,904	\$ 1,009,316	\$ 812,705
\$ Variance		(122,412)	74,199
% Variance		-12%	9%
NET EARNINGS AVAILABLE FOR DISTRIBUTION	\$ 5,566,079	\$ 2,763,826	\$ 2,506,990
\$ Variance		2,802,253	3,059,089
% Variance		101%	122%
TOTAL	\$ 6,452,983	\$ 3,773,142	\$ 3,319,695

SUMMARY - WESTERN REGIONAL OTB CORPORATION - ALL LOCATIONS/DEPARTMENTS- ROUNDED

	2021 December	2019 December	2021 December Plan	2021 Year To Date	2019 Year To Date	2021 Operating Plan YTD
HANDLE (Includes Live)						
\$ Variance	\$4,196,000	\$4,464,000	\$3,914,000	\$68,366,000	\$69,489,000	\$62,200,000
% Variance		(268,000) -6%	282,000 7%		(1,123,000) -2%	6,166,000 10%
VGM Net Win						
\$ Variance	\$5,744,000	\$4,582,000	\$4,146,000	\$66,400,000	\$61,995,000	\$58,740,000
% Variance		1,162,000 25%	1,588,000 35%		4,405,000 7%	9,660,000 17%
Revenue and Expense:						
Operating Revenue	6,787,000	6,195,000	5,297,000	83,627,000	78,796,000	72,507,000
\$ Variance		591,000	1,490,000		4,831,000	11,120,000
% Variance		10%	28%		6%	15%
Less: Statutory Expenses	3,392,000	2,844,000	2,536,000	41,027,000	39,848,000	35,499,000
\$ Variance		548,000	858,000		1,178,000	5,528,000
% Variance		19%	34%		3%	16%
Revenue before Operating Expenses	3,395,000	3,352,000	2,761,000	42,600,000	38,948,000	37,008,000
\$ Variance		43,000	634,000		3,652,000	5,592,000
% Variance		1%	23%		9%	15%
Less: Operating Expenses	3,382,000	2,578,000	3,092,000	36,324,000	34,881,000	34,641,000
\$ Variance		804,000	290,000		1,443,000	1,683,000
% Variance		31%	9%		4%	5%
Retained Surcharge/Net earnings	13,000	774,000	(331,000)	6,276,000	4,067,000	2,367,000
\$ Variance		(761,000)	344,000		2,209,000	3,909,000
% Variance		-98%	104%		54%	165%
Retained Surcharge	53,000	66,000	50,000	887,000	1,008,000	813,000
\$ Variance		(13,000)	3,000		(122,000)	74,000
% Variance		-20%	6%		-12%	9%
Net Earnings(Losses) from Operations	(39,000)	708,000	(381,000)	5,389,000	3,058,000	1,554,000
\$ Variance		(747,000)	342,000		2,331,000	3,835,000
% Variance		-106%	90%		76%	247%
Year End Non- Cash Items:						
GASB 75 Post Employment Health Ins	(332,000)	(531,000)	(1,875,000)	(332,000)	(531,000)	(1,875,000)
GASB 68 Retirement	509,000	(256,000)	(360,000)	509,000	(256,000)	(360,000)
PPP Forgiveness	0	0	0	3,152,000	0	0
Earnings (Losses) Net of G&A Alloc.	138,000	(79,000)	(2,616,000)	8,718,000	2,271,000	(681,000)
\$ Variance		217,000	2,754,000		6,447,000	9,399,000
% Variance		275%	105%		284%	1380%
			Earnings allocated to CAF	Distributable Earnings		
1st Qtr. Operational Earnings*	\$333,770	\$158,818	\$174,852	\$0	\$0	
\$ Variance				333,770	333,770	
% Variance				100%	100%	
2nd Qtr. Operational Earnings*	\$1,249,764	\$198,158	\$1,051,606	\$1,703,851	\$1,733,452	
\$ Variance				(454,087)	(483,688)	
% Variance				-27%	-28%	
3rd Qtr. Operational Earnings*	\$2,694,483	\$175,096	\$2,518,567	\$719,719	\$773,538	
\$ Variance				\$1,974,764	1,920,945	
% Variance				274%	249%	
4th Qtr. Operational Earnings*	\$1,288,062	\$126,927	\$1,161,135	\$195,364	\$0	
\$ Variance				\$1,082,698	1,288,062	
% Variance				85%	100%	
PPP Forgiveness**	\$3,151,700	\$0	\$0	\$0	\$0	
Total YTD	\$8,717,779	\$659,799	\$4,906,280	\$2,818,934	\$2,506,990	
\$ Variance				\$2,287,348	2,399,280	
% Variance				87%	88%	

* Available for Distribution

**The Corporations PPP loan was fully forgiven by the SBA on 6/28/2021.

Resolution 42-2021 removes these forgiven funds from member distributions as funds were used during the COVID-19 pandemic for their intended purpose.

OTB BRANCHES:	Month:			Year to Date:		2021 Operating Plan YTD
	2021 December	2019 December	2021 December Plan	2021 Year To Date	2019 Year To Date	
HANDLE	\$4,027,000	\$4,298,000	\$3,762,000	\$65,980,000	\$65,972,000	\$59,050,000
\$ Variance		(271,000)	285,000		8,000	8,930,000
% Variance		-6%	7%		0%	12%
Revenue and Expense:						
Operating Revenue (pg. 4)	1,184,000	1,287,000	1,140,000	19,236,000	18,228,000	16,866,000
Less: Statutory Expenses (pg. 4)	549,000	593,000	478,000	8,154,000	8,202,000	7,278,000
Revenue before Operating Expenses:	635,000	694,000	662,000	11,082,000	10,026,000	9,588,000
Less: Operating Expenses (pg.5, 5A)	499,000	635,000	585,000	7,312,000	8,635,000	7,152,000
Net Earnings (Loss):	136,000	59,000	77,000	3,770,000	1,391,000	2,436,000
Retained Surcharge:	53,000	66,000	50,000	887,000	1,009,000	813,000
Net Earnings (Loss) From Operations	83,000	(7,000)	27,000	2,883,000	382,000	1,623,000
Less: General and Admin. Allocation	481,000	163,000	233,000	2,927,000	3,140,000	2,672,000
Earnings (Losses) Net of G&A Alloc.	(398,000)	(169,000)	(205,000)	(43,000)	(2,758,000)	(1,049,000)
\$ Variance		(229,000)	(193,000)		2,715,000	1,008,000
% Variance		-138%	-94%		98%	98%

BATAVIA DOWNS GAMING:

	2021 December	2019 December	2021 December Plan	2021 Year To Date	2019 Year To Date	2021 Operating Plan YTD
HANDLE- ITW	\$133,000	\$122,000	\$121,000	\$1,441,000	\$2,355,000	\$2,350,000
\$ Variance		11,000	12,000		(914,000)	(908,000)
% Variance		9%	10%		-39%	-39%
HANDLE- LIVE	\$37,000	\$45,000	\$31,000	\$945,000	\$1,162,000	\$800,000
\$ Variance		(8,000)	6,000		(217,000)	145,000
% Variance		-18%	19%		-19%	18%
VGM Net Win	\$5,744,000	\$4,582,000	\$4,146,000	\$66,400,000	\$61,995,000	\$56,740,000
\$ Variance		1,162,000	1,598,000		4,405,000	9,680,000
% Variance		25%	39%		7%	17%

Revenue and Expense:

Operating Revenue (pg. 6)	5,605,000	4,909,000	4,157,000	64,391,000	60,568,000	55,641,000
Less: Statutory Expenses (pg. 6)	2,843,000	2,251,000	2,058,000	32,873,000	31,646,000	28,221,000
Revenue before Operating Expenses	2,762,000	2,658,000	2,099,000	31,518,000	28,922,000	27,420,000
Less: Operating Expenses (pg. 7,7A-7D)	1,711,000	1,618,000	1,940,000	21,874,000	19,966,000	20,971,000
Net Earnings (Loss) From Operations	1,051,000	1,040,000	159,000	9,644,000	8,956,000	6,449,000
Less: General and Admin. Allocation	692,000	163,000	335,000	4,212,000	3,140,000	3,846,000
Earnings (Losses) Net of G&A Alloc.	359,000	877,000	(176,000)	5,432,000	5,816,000	2,603,000
\$ Variance		(518,000)	535,000		(384,000)	2,829,000
% Variance		-59%	304%		-7%	109%

GENERAL & ADMINISTRATIVE:

	2021 December	2019 December	2021 December Plan	2021 Year To Date	2019 Year To Date	2021 Operating Plan YTD
Operating Expenses * (pg. 8,8A)	1,173,000	325,000	567,000	7,138,000	6,280,000	6,518,000
\$ Variance		848,000	606,000		858,000	820,000
% Variance		261%	107%		14%	10%

* General and Administrative expenses are allocated 41% to Branches, and 59% to Batavia Downs Gaming as of December 2021

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Branch Operating Revenue
For the Twelve Months Ended December

	<u>YTD</u> <u>2021</u>	<u>YTD</u> <u>2019</u>	<u>YTD 2021</u> <u>Plan</u>
Commissions earned -	\$ 13,825,000	\$ 13,955,000	\$ 12,536,000
Lottery	104,000	174,000	127,000
Vending	9,000	15,000	10,000
Surcharge	1,127,000	1,292,000	1,038,000
Revenue Derived from Surcharge	647,000	727,000	587,000
CAF revenues	252,000	352,000	245,000
Uncashed pari-mutuel tickets	480,000	480,000	480,000
Breakage	221,000	216,000	195,000
Program sales (net of cost)	121,000	104,000	90,000
Concessions	39,000	31,000	43,000
ATM transaction fees	59,000	67,000	52,000
ADW Revenue	1,665,000	810,000	1,400,000
Gain on sale of Branch assets	620,000	(98,000)	-
Interest	-	9,000	2,000
Miscellaneous	66,000	94,000	61,000
TOTAL	\$ 19,236,000	\$ 18,228,000	\$16,866,000
\$ Variance		1,008,000	2,370,000
% Variance		6%	14%

Branch Statutory Expenses
For the Twelve Months Ended December

	<u>YTD</u> <u>2021</u>	<u>YTD</u> <u>2019</u>	<u>YTD 2021</u> <u>Plan</u>
Track Compensation	\$ 5,995,000	\$ 5,984,000	\$ 5,279,000
Breeding and Development Funds	485,000	488,000	431,000
Allocation to NYS - Tax	551,000	563,000	502,000
Allocation to NYS - Breakage	7,000	8,000	6,000
Surcharge Allocations to Counties with Tracks	240,000	283,000	226,000
Uncashed Pari-mutuel tickets	480,000	480,000	480,000
Racing Board Regulatory Fee	396,000	396,000	354,000
TOTAL	\$8,154,000	\$8,202,000	\$7,278,000
\$ Variance		(48,000)	876,000
% Variance		-1%	12%

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Branch Expenses
For the Twelve Months Ended December

	<u>2021</u> <u>YTD</u>	<u>2019</u> <u>YTD</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	<u>2021</u> <u>Plan</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	
Salaries	\$ 2,011,000	\$ 2,950,000	(\$939,000)	-32%	\$ 1,969,000	\$42,000	2%	1
Payroll taxes & employee benefits	1,002,000	1,253,000	(251,000)	-20%	1,077,000	(75,000)	-7%	2
Rent/Property Taxes	70,000	144,000	(74,000)	-51%	69,000	1,000	1%	
Utilities	251,000	335,000	(84,000)	-25%	245,000	6,000	2%	
Maintenance and cleaning	509,000	749,000	(240,000)	-32%	532,000	(23,000)	-4%	
Computer & Telephone Data Line charges	824,000	845,000	(21,000)	-2%	826,000	(2,000)	0%	
Telephone	38,000	34,000	4,000	12%	30,000	8,000	27%	
Calibrator charges	78,000	82,000	(4,000)	-5%	78,000	0	0%	
Branch supplies and equipment	42,000	59,000	(17,000)	-29%	38,000	4,000	11%	
Branch security services	22,000	26,000	(4,000)	-15%	17,000	5,000	29%	
Travel and reimbursement	2,000	2,000	0	0%	1,000	1,000	100%	
Printing forms and petty cash	272,000	373,000	(101,000)	-27%	271,000	1,000	0%	
Noncancellable tickets	2,000	3,000	(1,000)	-33%	2,000	0	0%	
Insurance	177,000	137,000	40,000	29%	146,000	31,000	21%	3
Depreciation and amortization	321,000	453,000	(132,000)	-29%	326,000	(5,000)	-2%	
Broadcast equipment/Uplink charges	303,000	382,000	(79,000)	-21%	382,000	(79,000)	-21%	4
Broadcast commissions	104,000	115,000	(11,000)	-10%	104,000	0	0%	
Miscellaneous	14,000	(3,000)	17,000	-567%	9,000	5,000	56%	
TV via Bets & Enh. Branch Advertising/Promo.	647,000	245,000	402,000	164%	495,000	152,000	31%	5
Internet Fee	473,000	321,000	152,000	47%	413,000	60,000	15%	6
Host Operator Commissions	150,000	130,000	20,000	15%	122,000	28,000	23%	7
TOTAL	\$7,312,000	\$8,635,000	(\$1,323,000)	-15%	\$7,152,000	\$160,000	2%	

OTB Branch & EZ Bet Varlance Analysis Detail

Salaries \$42k over plan YTD:

DAB manager/supervisor salaries higher to plan due to ITW employees filling in DAB until the ITW reopened on May 31st.

A number of branch employees have been out on extended leave at multiple locations, leading to numerous shifts where 2 people are being paid instead of 1.

Payroll taxes & employee benefits \$75k under plan YTD:

- a) NYS unemployment system credited Corporation back 100% of 2020 and 2021 unemployment expense
- b) Actual retirement expense lower than 2021 projection by NYS retirement system

Insurance \$31k over plan YTD:

- a) General liability insurance renewal covering period June 2021 - May 2022 higher than planned
- b) Corporation obtained Cybersecurity insurance that was not planned for in 2021

Multicast equipment/Uplink Charges \$79k under plan YTD:

Management renegotiated contract with Roberts Communication Network which has resulted in savings to plan

Batavia Bets & Enh. Branch Advertising/Promo. \$152k over plan YTD:

Plan based on a percentage of handle, Batavia Bets handle is 15% higher than planned.

Internet Fee \$60k over plan YTD:

Internet fee is based off a percentage of Batavia Bets handle. Batavia Bets handle is 15% over plan.

Ez-Bet Operator Commissions \$28k over plan YTD:

Ez-Bet handle has exceeded plan YTD, leading to an increase in Ezbet operator commissions

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Operating Revenue
For the Twelve Months Ended December

	YTD <u>2021</u>	YTD <u>2019</u>	YTD 2021 <u>Plan</u>
Commissions earned - Racetracks	\$ 483,000	\$ 732,000	\$ 647,000
VGM Revenue (net of adv. allowance and Cap Fund)	57,104,000	53,315,000	48,796,000
WROTB Revenue	440,000	453,000	375,000
Export Signal Revenue	128,000	139,000	133,000
Hotel at Batavia Downs Room Revenue	1,308,000	-	962,000
Stall Rental	15,000	7,000	15,000
Lottery	65,000	74,000	68,000
Uncashed pari-mutuel tickets	60,000	60,000	60,000
Breakage	10,000	13,000	12,000
ATM transaction fees	713,000	658,000	589,000
Program sales	20,000	31,000	23,000
Conference Center Rental fees	2,000	28,000	5,000
Fanduel Revenue	-	525,000	-
Lucky Treasures Gift Shop Revenue	23,000	3,000	9,000
Concert Series Sponsorship	49,000	42,000	65,000
Concert Series Ticket Sales	346,000	232,000	174,000
Food and Beverage sales net	3,337,000	3,943,000	3,207,000
ADW Revenue	170,000	182,000	400,000
Advertising/Promotion Revenue	24,000	52,000	30,000
Miscellaneous	94,000	79,000	71,000
TOTAL	\$ 64,391,000	\$60,568,000	\$55,641,000
\$ Variance		3,823,000	8,750,000
% Variance		6%	16%

Batavia Downs Statutory Expenses
For the Twelve Months Ended December

	YTD <u>2021</u>	YTD <u>2019</u>	YTD 2021 <u>Plan</u>
Track Compensation	\$ 24,000	\$ 33,000	\$ 34,000
Breeding and Development Funds	53,000	64,000	138,000
Allocation to NYS - Tax	21,000	37,000	35,000
Allocation to NYS - Breakage	4,000	6,000	5,000
Allocation to NYS - Lottery	32,536,000	31,315,000	27,803,000
Uncashed Pari-mutuel tickets	60,000	60,000	60,000
Racing Board Regulatory Fee	14,000	21,000	19,000
Genesee County	7,000	12,000	12,000
Horse Drug Testing Fee	72,000	47,000	47,000
Batavia School Tax	82,000	51,000	68,000
TOTAL	\$ 32,873,000	\$31,646,000	\$28,221,000
\$ Variance		1,227,000	4,652,000
% Variance		4%	16%

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Gaming Expenses - Excluding Marketing
For the Twelve Months Ended December

	2021 YTD	2019 YTD	\$ Variance	% Variance	2021 Plan	\$ Variance	% Variance	
Salaries	\$ 6,875,000	\$ 6,134,000	\$ 741,000	12%	\$ 6,907,000	\$ (32,000)	0%	1
Payroll taxes & employee benefits	2,684,000	2,305,000	379,000	16%	2,847,000	(163,000)	-6%	2
Real Estate Taxes and Rent	77,000	9,000	68,000	756%	43,000	34,000	79%	3
Telephone	38,000	25,000	13,000	52%	36,000	2,000	6%	
Telephone data lines	10,000	13,000	(3,000)	-23%	11,000	(1,000)	-9%	
Utilities	656,000	676,000	(20,000)	-3%	677,000	(21,000)	-3%	
Insurance - General	611,000	577,000	34,000	6%	605,000	6,000	1%	
Tool Equipment/Equipment Rental	48,000	49,000	(1,000)	-2%	70,000	(22,000)	-31%	4
Uniform expense	15,000	23,000	(8,000)	-35%	28,000	(13,000)	-46%	5
Computer Charges	95,000	69,000	26,000	38%	99,000	(4,000)	-4%	
Facsimile charges	2,000	4,000	(2,000)	-50%	4,000	(2,000)	-50%	
Contractual track commissions	69,000	112,000	(43,000)	-38%	135,000	(66,000)	-49%	6
Broadcast equipment/uplink charges	69,000	87,000	(18,000)	-21%	78,000	(9,000)	-12%	
Used Pools/Minus Pools	19,000	3,000	16,000	533%	3,000	16,000	533%	7
Printing forms and petty cash	17,000	24,000	(7,000)	-29%	25,000	(8,000)	-32%	
Printing Related Expenses	231,000	290,000	(59,000)	-20%	231,000		0%	
State Expense, WNYHHA and Breeders	7,133,000	6,772,000	361,000	5%	6,194,000	939,000	15%	8
State Fund	51,000	48,000	3,000	6%	44,000	7,000	16%	
Printing and Lottery Dues/Licenses	44,000	61,000	(17,000)	-28%	67,000	(23,000)	-34%	9
Security/Alarm Services	119,000	119,000	0	0%	120,000	(1,000)	-1%	
Advertising/Promotional	502,000	372,000	130,000	35%	313,000	189,000	60%	10
Marketing Requested Reimbursement				0%		0	0%	
Travel & Reimbursements	3,000	9,000	(6,000)	-67%	9,000	(6,000)	-67%	
Supplies & Related	21,000	23,000	(2,000)	-9%	36,000	(15,000)	-42%	11
Restaurant Supply Expenses	36,000	34,000	2,000	6%	38,000	(2,000)	-5%	
Depreciation & Amortization*	1,011,000	1,157,000	(146,000)	-13%	990,000	21,000	2%	
Finance	568,000	299,000	269,000	90%	543,000	25,000	5%	
Professional Services	426,000	399,000	27,000	7%	315,000	111,000	35%	12
Post Expense	60,000	-	60,000	100%	-	60,000	100%	13
Printing	-	-	-	0%	-	0	0%	
Travel and Fees	10,000	12,000	(2,000)	-17%	13,000	(3,000)	-23%	
Travel Fees and Charges	106,000	155,000	(49,000)	-32%	163,000	(57,000)	-35%	14
Travel Card Fees	103,000	62,000	41,000	66%	86,000	17,000	20%	15
Travel Expense	175,000	150,000	25,000	17%	174,000	1,000	1%	
Non-MARR Expenses	21,884,000	20,072,000	1,812,000	9%	20,904,000	980,000	5%	
Capital Awards Fund Expenses (Pg. 7C)	\$41,000	(\$106,000)	\$147,000	-139%	\$67,000	(\$26,000)	-39%	
Marketing Expenses Reimbursed by Marketing	(\$51,000)	\$0	(\$51,000)		\$0	(\$51,000)		
TOTAL	21,874,000	19,966,000	1,908,000	10%	20,971,000	903,000	4%	

Depreciation and Amortization:

100% Capital Awards Fund provides for purchases of assets at Batavia Downs Gaming. The depreciation on these assets, as well as the printing revenues of \$170,000 for the month and \$1,803,000 year to date have been removed from this report, as there is no effect on the bottom line.

Interest Expense

100% Capital Awards Fund also provides for payment of interest on loans used to finance construction at Batavia Downs Gaming. This interest expense, as well as the \$84,000 off-setting revenues of \$1,368,000 year to date have been removed from this report, as there is no effect on the bottom line.

December 2021 YTD Variance explanations for Gaming/Live Racing:Salaries \$32K over plan YTD:

2021 bonus and retro pay as per approved union vote.

Payroll Tax & Benefits \$163K under plan YTD:

- a) Per the CARES Act, the Corporation qualifies for a credit against FICA expense for employees under COVID quarantine status. This credit ended on Sept. 30th and left expense lower than planned.
- b) Operating plan anticipated higher workers comp expense related to self-insured worker's comp program. Corporation has implemented safety procedures to help keep worker's comp costs down.
- c) Actual retirement expense lower than 2021 projection by NYS retirement system.
- d) NYS unemployment system credited Corporation back 100% of 2020 and 2021 unemployment expense.

Real Estate Taxes and Rent \$34K over plan YTD:

Rental of K-mart parking lot not planned for.

Small Equipment/Equipment Rental \$22K under plan YTD:

- a) Concert series planned for rental of golf cart which was not used this year.
- b) Hotel copy machine rental less than planned.
- c) F&B planned for water softener in Fortune's. This is no longer being used as it was deemed unnecessary.

Uniform Expense \$13K under plan YTD:

- a) Employees have continued to use current uniforms. New uniforms will be purchased within the next few months.
- b) Fewer hired employees has lead to less uniforms being purchased.

Contractual Track Commissions \$66K under plan YTD:

Track commissions based on ITW being fully opened. Per NYS regulations, ITW was closed until May 31, with the only on-site wagering occurring on SVT's located inside 34 Rush.

Lossed/Minus pool expense \$16K over plan YTD:

Minus pool caused by bridge jumper at ITW.

Net Win Expense, WNYHHA and Breeders \$939K over plan YTD:

Expense related to net win. Net win is \$9.6M over plan.

Fingerprinting and Lottery Dues/Licenses \$23K under plan YTD:

- a) Corporation collects money for fingerprinting from new employees when hired, then reimburses them after six months. Due to higher turnover, fewer employees were eligible for reimbursement than planned.
- b) United States Trotting Association fees related to live racing have been lower than planned.

Advertising/Promotional \$189K over plan YTD:

Concert series has seen more advertising than planned.

Supplies & Related \$15K under plan YTD:

Hotel has used less supplies than planned.

Professional Service \$111K over plan YTD:

Plan based on eight concerts for the year. Concert series completed thirteen concerts.

Interest Expense \$60K over plan YTD:

Interest expense related to purchase of Hotel at Batavia Downs. This interest expense completed on Aug 31st with the Corporation finalizing its refinancing. This expense was not planned.

December 2021 YTD Variance explanations for Gaming/Live Racing (cont.):

Bank Fee Charge \$57K under plan YTD:

Plan for check cashing service based on 2019 check volume. YTD check volume has been less than 2019.

Credit Card \$17K over plan YTD:

Package deals and promos for hotel have led to higher credit card sales, resulting in higher fees than planned.

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Marketing Expenses
For the Twelve Months Ended December

	2021 <u>YTD</u>	2019 <u>YTD</u>	\$ <u>Variance</u>	% <u>Variance</u>	2021 <u>Plan</u>	\$ <u>Variance</u>	% <u>Variance</u>	
aries	\$ 1,045,000	\$ 926,000	\$119,000	13%	\$ 1,061,000	(16,000)	-2%	1
roll taxes & employee benefits	367,000	339,000	28,000	8%	394,000	(27,000)	-7%	2
ophone	4,000	3,000	1,000	33%	3,000	1,000	33%	
ntenance - General	16,000	6,000	10,000	167%	6,000	10,000	167%	3
ill Equipment/Equipment Rental	165,000	295,000	(130,000)	-44%	290,000	(125,000)	-43%	4
omputer Charges	46,000	44,000	2,000	5%	55,000	(9,000)	-16%	
vertising/Promotional	3,317,000	3,948,000	(631,000)	-16%	3,725,000	(408,000)	-11%	5
Marketing Requested Reimbursement	(5,032,000)	(5,712,000)	680,000	-12%	(5,674,000)	642,000	-11%	6
rel & Reimbursements	6,000	5,000	1,000	20%	12,000	(6,000)	-50%	
olicies & Related	11,000	13,000	(2,000)	-15%	17,000	(6,000)	-35%	
essional Services	93,000	12,000	81,000	675%	148,000	(55,000)	-37%	7
age	-	8,000	(8,000)	-100%	7,000	(7,000)	-100%	
s and Fees	-	3,000	(3,000)	-100%	4,000	(4,000)	-100%	
r Expense	3,000	4,000	(1,000)	-25%	19,000	(16,000)	-84%	8
TOTAL	\$ 41,000	(\$106,000)	\$147,000	-139%	\$67,000	(\$26,000)	-39%	

December 2021 YTD Variance explanations for Marketing:**Salaries \$16K under plan YTD:**

Planned 12 months for three positions. To date one position has been filled for 4 months.

Payroll Taxes and Benefits \$27K under plan YTD:

- a) Actual retirement expense lower than 2021 projection by NYS retirement system.
- b) NYS unemployment system credited Corporation back 100% of 2020 and 2021 unemployment expense.

Maintenance \$10K over plan YTD:

William Ryan Group had price increase in 2020. Plan numbers based on actual expense in 2019.

Small Equipment/Equipment Rental \$125K under plan YTD:

- a) Corporation has received a credit from IGT for the COVID shutdown.
- b) IGT contract has been renegotiated at lower rate than planned.

Advertising/Promotional Expense \$408K under plan YTD:

Due to COVID restrictions, marketing had less expense than planned earlier in the year.

Marketing Reimbursement \$642K less than plan YTD:

Due to COVID restrictions, marketing had less expense than planned earlier in the year.

Professional Services \$55K under plan YTD:

Planned for professional service to manage sponsorships. The corporation has decided not to use this service.

Other Expenses \$16K under plan YTD:

Marketing planned for miscellaneous expenses. Actual expense has been less than planned.

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
General and Administrative Expenses
For the Twelve Months Ended December

	2021 YTD	2019 YTD	\$ Variance	% Variance	2021 Plan	\$ Variance	% Variance	
Salaries	\$ 2,296,000	\$ 2,490,000	(\$194,000)	-8%	\$ 2,558,000	(\$262,000)	-10%	1
Payroll taxes & employee benefits	2,121,000	2,193,000	(72,000)	-3%	2,291,000	(170,000)	-7%	2
Telephone	26,000	24,000	2,000	8%	22,000	4,000	18%	
Postals	4,000	4,000	0	0%	4,000	0	0%	
Advertising/Promotional	162,000	240,000	(78,000)	-33%	306,000	(144,000)	-47%	3
Travel & Reimbursements	40,000	61,000	(21,000)	-34%	77,000	(37,000)	-48%	4
Professional/ Consulting/ Audit fees	1,530,000	416,000	1,114,000	268%	408,000	1,122,000	275%	5
Office supplies	39,000	57,000	(18,000)	-32%	48,000	(9,000)	-19%	
Equipment rental/Small equipment/Computer S	76,000	56,000	20,000	36%	71,000	5,000	7%	
Maintenance	65,000	74,000	(9,000)	-12%	84,000	(19,000)	-23%	6
Photocopy/microfilm expense	14,000	17,000	(3,000)	-18%	17,000	(3,000)	-18%	
Insurance	202,000	141,000	61,000	43%	198,000	4,000	2%	
Depreciation	207,000	236,000	(29,000)	-12%	176,000	31,000	18%	7
Lease expense	29,000	30,000	(1,000)	-3%	31,000	(2,000)	-6%	
Legal expense	6,000	6,000	0	0%	6,000	0	0%	
Professional Fees	86,000	132,000	(46,000)	-35%	115,000	(29,000)	-25%	8
Union Representation	15,000	18,000	(3,000)	-17%	20,000	(5,000)	-25%	
Food Branch Expense	23,000	6,000	17,000	283%	15,000	8,000	53%	
Printing	16,000	13,000	3,000	23%	12,000	4,000	33%	
Travel and Fees	20,000	34,000	(14,000)	-41%	29,000	(9,000)	-31%	
Travel expense	146,000	18,000	128,000	711%	20,000	126,000	630%	9
Food pools/minus pools	15,000	14,000	1,000	7%	10,000	5,000	50%	
TOTAL	\$7,138,000	\$6,280,000	\$858,000	14%	\$6,518,000	\$620,000	10%	

Salaries \$262k under plan YTD:

Executive VP-COO

Planned 12 months for this position. Position was not filled.

Rochester District Office

The 2021 Plan includes salaries for a full time Floating Ticket Machine Operator for RDO for the entire year. Their salaries are currently being charged to the specific branch they work at during each pay period. Therefore, any variance to the plan would balance out with those specific branch locations in Monroe County.

IT Department

Error in 2021 plan leading to wages being under plan YTD.

Telecommunications

Early retirement incentive offered by WROTB has left department under plan YTD.

Payroll Taxes and Employee Benefits \$170k under plan YTD:

- a) NYS unemployment system credited Corporation back 100% of 2020 and 2021 unemployment expense
- b) Actual retirement expense lower than 2021 projection by NYS retirement system

Advertising/Promotional \$144k under plan YTD:

Corporation expensed less on Triple Crown & Breeders Cup advertising/promotions than planned

Travel & Reimbursements \$37k under plan YTD:

Due to COVID restrictions Corporation has authorized less travel than planned YTD

Professional/Consulting/Audit fees \$1.1M over plan YTD:

The Corporation has seen legal expense higher than planned

Maintenance \$19k under plan YTD:

The Corporation has seen lower vehicle usage leaving auto maintenance and fuel expense under plan YTD.

Depreciation \$31k over plan YTD:

Miscellaneous Capital Purchases within the IT Department not planned for.

Bank Fees \$29k under plan YTD:

Corporation has realized savings related to services provided by KeyBank

Health Insurance Expense \$126k over plan YTD:

Health insurance money lost in cybersecurity phishing attack

WZOTB

Pg. 9

Suffolk Regional OTB Corp.

NET HANDLE COMPARISON

BY REGION

December 2021

Month to Date

	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL
2021	\$ 9,315,921	\$ 4,461,428	\$ 587,406	\$ 4,026,542	\$ 8,688,780	\$ 27,080,077
2020	8,949,421	4,357,309	505,288	4,412,078	8,519,609	26,743,705
2019	10,642,294	5,111,464	3,426,728	4,297,996	8,568,079	32,046,559
2018	11,082,717	6,341,533	4,414,509	4,944,391	9,932,360	36,715,509
2017	11,951,158	6,493,044	4,730,517	5,095,864	9,830,481	38,101,064
2021 vs 2020	366,500	104,119	82,117	(385,536)	169,172	336,372
2020 vs 2019	(1,692,873)	(754,155)	(2,921,439)	114,083	(48,470)	(5,302,854)
2019 vs 2018	(440,423)	(1,230,069)	(987,781)	(646,395)	(1,364,282)	(4,668,950)
2018 vs 2017	(868,442)	(151,511)	(316,008)	(151,473)	101,879	(1,385,554)
2017 vs 2016	123,555	338,503	170,269	(408,818)	44,609	268,118
2021 vs 2020	4.1%	2.4%	16.3%	-8.7%	2.0%	1.3%
2020 vs 2019	-15.9%	-14.8%	-85.3%	2.7%	-0.6%	-16.5%
2019 vs 2018	-4.0%	-19.4%	-22.4%	-13.1%	-13.7%	-12.7%
2018 vs 2017	-7.3%	-2.3%	-6.7%	-3.0%	1.0%	-3.6%
2017 vs 2016	1.0%	5.5%	3.7%	-7.4%	0.5%	0.7%

TD

	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL
2021	\$ 136,739,246	\$ 66,289,248	\$ 7,083,157	\$ 65,979,915	\$ 134,969,601	411,061,167
2020	88,018,729	49,991,254	15,652,906	56,047,508	127,763,429	337,473,825
2019	141,303,549	78,947,330	52,591,567	65,972,051	138,874,049	477,688,546
2018	150,442,003	84,282,647	59,289,485	68,855,429	144,117,997	506,987,560
2017	158,503,009	87,452,396	66,643,302	72,020,328	145,628,531	530,247,566
2021 vs 2020	48,720,517	16,297,994	(8,569,748)	9,932,407	7,206,172	73,587,342
2020 vs 2019	(53,284,820)	(28,956,076)	(36,938,662)	(9,924,543)	(11,110,620)	(140,214,721)
2019 vs 2018	(9,138,454)	(5,335,317)	(6,697,918)	(2,883,378)	(5,243,948)	(29,299,014)
2018 vs 2017	(8,061,006)	(3,169,749)	(7,353,818)	(3,164,899)	(1,510,534)	(23,260,005)
2017 vs 2016	(11,492,852)	(652,051)	(713,338)	(8,202,055)	(6,952,350)	(28,012,645)
2021 vs 2020	55.4%	32.6%	-54.7%	17.7%	5.6%	21.8%
2020 vs 2019	-37.7%	-36.7%	-70.2%	-15.0%	-8.0%	-29.4%
2019 vs 2018	-6.1%	-6.3%	-11.3%	-4.2%	-3.6%	-5.8%
2018 vs 2017	-5.1%	-3.6%	-11.0%	-4.4%	-1.0%	-4.4%
2017 vs 2016	-6.8%	-0.7%	-1.1%	-10.2%	-4.6%	-5.0%

W2OTB
+

2021	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL OTB	TOTAL YTD
Jan	33,742		16,059	17,713	206,479	273,992	273,992
Feb	271,285		19,982	23,840	80,917	396,023	396,023
Mar	415,039		24,959	49,548	364,907	854,452	854,452
Apr	498,543		28,675	23,480	418,389	969,087	969,087
May	585,188		27,526	17,207	959,659	1,589,580	1,589,580
Jun	458,099		32,196	31,021	514,284	1,035,600	1,035,600
Jul	537,006	1,934	37,293	18,534	710,847	1,305,614	1,305,614
Aug	574,446		34,107	262,838	1,126,667	1,998,058	1,998,058
Sep	406,554		24,302	201,282	580,665	1,212,803	1,212,803
Oct	401,607		30,205	206,593	416,711	1,055,117	1,055,117
Nov	453,274	118,543	40,951	259,794	845,671	1,718,233	1,718,233
Dec	288,607		25,381	136,686	93,037	543,712	543,712

2020	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL OTB	TOTAL YTD
Jan	710,511	93,592.60	77,483	42	70,897	952,526	952,526
Feb	636,279	109,224	89,134	-	40,104	874,741	874,741
Mar	483,705	59,482	33,612	466	34,825	612,089	612,089
Apr	3,595	6,187	-	7,240	-	17,022	17,022
May	16,877	-	-	4,431	160,992	182,300	182,300
Jun	16	59	-	21,247	110,384	131,706	131,706
Jul	367	12	39,132	10,324	665,956	715,790	715,790
Aug	23,968	-	53,979	280,922	1,505,366	1,864,235	1,864,235
Sep	1,300	-	38,433	200,324	608,745	848,802	848,802
Oct	355	-	37,013	219,122	346,532	603,021	603,021
Nov	-	-	18,400	141,644	222,248	382,292	382,292
Dec	198,714	-	14,759	157,247	86,405	457,124	457,124

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION
 DISTRIBUTION OF SURCHARGE & EARNINGS TO PARTICIPATING MUNICIPALITIES
 FOR THE YEAR 2021 AS COMPARED TO 2019

Pg. 11

Distribution of Surcharge and Earnings from Operations:

<u>COUNTY</u>	<u>2021</u> <u>Surcharge</u> <u>and Earnings</u> <u>Distributions</u>	<u>2019</u> <u>Surcharge</u> <u>and Earnings</u> <u>Distributions</u>	<u>variance</u>	<u>%</u>
CATTARAUGUS	\$ 156,178	\$ 114,116	\$ 42,062	36.86%
CAYUGA	168,980	107,047	61,933	57.86%
CHAUTAUQUA	271,197	187,170	84,027	44.89%
ERIE:				
CITY OF BUFFALO	548,956	341,896	207,060	60.56%
ERIE COUNTY	1,381,949	860,687	521,262	60.56%
GENESEE	123,409	83,483	39,926	47.82%
LIVINGSTON	133,084	89,637	43,448	48.47%
MONROE:				
CITY OF ROCHESTER	455,900	269,704	186,196	69.04%
MONROE COUNTY	1,155,626	683,647	471,979	69.04%
NIAGARA	469,982	278,003	191,979	69.06%
ORLEANS	85,236	60,923	24,313	39.91%
OSWEGO	269,669	155,898	113,771	72.98%
SCHUYLER	35,702	26,509	9,193	34.68%
SENECA	72,581	47,635	24,946	52.37%
STEBEN	195,897	136,002	59,895	44.04%
WAYNE	184,219	128,282	55,937	43.60%
WYOMING	84,619	57,612	27,007	46.88%
TOTALS	\$ 5,793,184	\$ 3,628,250	\$ 2,164,934	

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION
 DISTRICT OF SURCHARGE & EARNINGS TO PARTICIPATING MUNICIPALITIES
 FOR THE YEAR 2021

COUNTY	1ST QUARTER			2ND QUARTER			3RD QUARTER			4TH QUARTER			YEAR TO DATE		
	Surcharge	Earnings from Operations	Total	Surcharge	Earnings from Operations	Total	Surcharge	Earnings from Operations	Total	Surcharge	Earnings from Operations	Total	Surcharge	Earnings from Operations	Total
CATTARAUGUS	\$ 3,378	\$ 5,190	\$ 8,568	\$ 4,255	\$ 30,292	\$ 34,547	\$ 3,159	\$ 68,102	\$ 71,261	\$ 2,853	\$ 36,999	\$ 39,852	\$ 13,555	\$ 142,523	\$ 156,078
CAYUGA	5,245	5,120	10,365	8,480	30,655	39,135	6,457	73,865	80,342	5,877	33,660	39,537	25,659	143,323	169,000
CHAUTAUQUA	7,445	8,660	16,105	10,198	61,170	71,368	7,572	115,408	122,981	7,206	60,434	67,642	32,524	230,673	271,197
ERIE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF BUFFALO	20,040	16,610	36,650	24,978	89,650	114,628	20,418	238,185	258,603	17,045	111,330	128,375	82,181	466,775	548,956
ERIE COUNTY	50,460	41,813	92,273	62,681	280,899	343,580	50,645	602,130	652,775	42,909	280,262	323,171	206,885	1,175,064	1,391,949
GENESEE	4,295	3,825	8,120	5,227	22,843	28,070	3,751	53,393	57,154	3,230	26,735	30,065	16,613	106,798	123,409
LIVINGSTON	4,254	4,175	8,429	5,356	24,823	30,179	3,885	67,730	71,625	3,493	28,389	31,882	16,978	116,106	133,084
MONROE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF ROCHESTER	19,737	13,285	33,022	24,793	80,825	105,618	19,217	188,233	217,450	17,537	82,272	99,809	91,284	374,616	455,900
MONROE COUNTY	60,030	33,679	93,709	62,847	204,477	267,324	46,712	502,484	551,196	44,464	208,543	252,997	205,043	849,533	1,155,625
NIAGARA	20,892	13,642	34,534	28,926	83,247	112,173	19,294	202,942	222,236	17,573	86,468	103,039	84,885	385,937	469,862
ORLEANS	2,116	2,765	4,881	2,614	16,243	18,857	2,105	37,144	39,249	1,821	20,228	22,049	8,856	79,330	88,186
OSWEGO	13,403	7,643	21,046	16,522	47,058	63,580	11,321	115,196	126,517	9,448	45,068	54,516	50,684	218,975	269,669
SCHUYLER	723	1,183	1,906	920	6,845	7,765	706	15,591	16,297	522	5,002	5,524	2,871	32,731	35,702
SENeca	2,257	2,253	4,510	3,185	13,425	16,610	2,337	31,585	33,922	2,383	15,446	17,829	9,872	62,709	72,581
STUBEN	4,353	6,859	11,212	6,355	37,567	43,922	4,813	85,410	90,231	4,315	46,317	50,632	20,438	175,481	195,957
WAYNE	4,155	6,037	10,192	5,517	35,334	40,851	4,574	80,381	84,957	3,487	45,022	48,518	17,445	166,774	184,215
WYOMING	2,450	2,701	5,151	3,224	15,982	19,206	2,254	36,771	39,025	2,195	19,042	21,237	10,123	74,496	84,619
TOTAL	\$ 213,834	\$ 174,952	\$ 388,786	\$ 274,478	\$ 1,051,606	\$ 1,326,084	\$ 210,632	\$ 2,510,567	\$ 2,725,219	\$ 185,950	\$ 1,161,135	\$ 1,347,085	\$ 885,904	\$ 4,908,200	\$ 5,795,184

* Erie County does not include S/CW/T of \$4,838 paid to Buffalo Raceway YTD
 ** Genesee County does not include S/CW/T of \$5,602 paid to Genesee County YTD

Fig. 12

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION
CHECK AMOUNT TO PARTICIPATING MUNICIPALITIES
4th QUARTER 2021 EARNINGS AND DECEMBER 2021 SURCHARGE

COUNTY	December Surcharge	4th Quarter Earnings	Total
CATTARAUGUS	\$ 822	\$ 38,939	\$ 39,761
CAYUGA	1,623	33,660	35,283
CHAUTAUQUA	2,174	60,434	62,608
ERIE:			
CITY OF BUFFALO	4,797	111,330	116,127
ERIE COUNTY	12,075	280,262	292,337
GENESEE	996	26,735	27,731
LIVINGSTON	967	29,369	30,336
MONROE:			
CITY OF ROCHESTER	4,848	82,272	87,120
MONROE COUNTY	12,289	208,543	220,832
NIAGARA	5,246	85,466	90,712
ORLEANS	515	20,228	20,743
OSWEGO	2,648	49,068	51,716
SCHUYLER	176	9,002	9,178
SENECA	550	15,446	15,996
STEBEN	1,234	46,317	47,551
WAYNE	997	45,022	46,019
WYOMING	668	19,042	19,710
TOTAL	\$ 52,625	\$ 1,161,135	\$ 1,213,760

**Batavia Downs Gaming
Comparison of Daily Statistics
For the Month Ended December**

	December 2021	December 2019	December 2018
Credits Played	80,003,000	64,332,000	64,957,000
Net Win	5,744,000	4,582,000	4,731,000
Net Hold %	7.18%	7.12%	7.28%
Win Per Terminal	211.13	170.64	182.77
Education Contribution/ Gaming Comm. Admin fee	2,814,000	2,245,000	2,413,000
Purse/WNYHHA/Breeders	574,000	458,000	473,000
Track Share (Vendor Fee)	2,125,000	1,695,000	1,656,000
Marketing Allowance	574,000	458,000	473,000
4% Capital Awards	230,000	183,000	189,000
Attendance	62,000	60,000	63,000
Win/Cap	92.09	76.43	75.17
% of Carded Play	50.32%	50.76%	50.75%

**Batavia Downs
Operating Statement of Revenue and Expenses
For the Month Ended December**

	December 2021	December 2019	December 2021 Plan
VLT Drop Win/Unit/Day	5,744,000 211.13	4,582,000 170.64	4,146,000 152.13
Live Handle ITW Handle	37,000 133,000	45,000 122,000	31,000 121,000
Total Handle	<u>170,000</u>	<u>167,000</u>	<u>152,000</u>
Revenue	<u>2,762,000</u>	<u>2,658,000</u>	<u>2,099,000</u>
Purse/WNYHHA/Breeders	616,000	506,000	457,000
Payroll & Related	817,000	766,000	1,067,000
Other Operating Expenses	198,000	234,000	313,000
G&A Allocated	<u>692,000</u>	<u>163,000</u>	<u>335,000</u>
Total Operating Expenses	<u>2,323,000</u>	<u>1,669,000</u>	<u>2,172,000</u>
Total Net Revenue	439,000	989,000	(73,000)
Depreciation	80,000	112,000	103,000
Total Non-Operating Expenses	<u>80,000</u>	<u>112,000</u>	<u>103,000</u>
Net Operating Profit/(loss)	<u>359,000</u>	<u>877,000</u>	<u>(176,000)</u>

Food and Beverage Operations-All Units
For the Twelve Months Ended December

	December Actual	December Plan	December YTD Actual	December YTD Plan
Food Sales	275,828	267,883	2,792,360	2,790,177
Beer/Liquor/Wine Sales	189,677	157,237	1,531,191	1,297,987
Discounts	(4,809)	(4,875)	(57,157)	(45,516)
Beverage Sales*	1,462	9,136	151,538	133,461
Comps- Beverage*	32,218	27,312	172,883	245,800
Service CHG/Revenue PR	4,170	6,351	41,451	27,500
Cigarette Sales	4,181	2,991	31,586	35,200
Total Sales	512,727	466,235	4,663,853	4,484,619
*Combined Drink total Sales	43,680	36,448	324,421	379,261
Cost of Sales				
Food Costs	112,005	99,035	1,083,173	1,055,847
Beer/ Liquor Costs	49,432	37,814	361,928	319,690
Beverage Costs**	13,581	13,714	99,655	126,353
Cigarette Costs	3,742	2,271	26,843	28,160
Total Cos. of Sales	172,760	146,834	1,571,600	1,530,050
Food Waste	320	767	8,924	9,270
Net Sales	333,547	318,634	3,083,329	2,945,299
Net Sales	339,347	318,634	3,083,329	2,945,299
Payroll	151,555	206,013	1,751,956	1,974,046
Payroll Taxes & Employee Benefits	16,362	76,213	751,574	836,314
Total Payroll/Related	167,917	282,226	2,503,529	2,810,360
Equipment/Supplies	4,804	7,910	68,798	90,980
Uniforms & Linens	4,207	3,593	35,179	39,631
Trash Removal	648	2,161	8,238	22,145
Telephone	367	120	1,608	1,475
Credit Card Fees	7,342	5,814	69,795	60,925
Licenses	537	794	4,301	9,528
Miscellaneous/Other	2,963	980	14,410	10,230
Promotional Expense				
Events Live Entertainment				
Insurance Expense				
Total Other Operating Expense	20,868	21,372	202,329	234,914
Total Expenses	188,785	303,598	2,705,858	3,045,274
Operating Profit/(Loss)	150,862	15,036	377,471	(99,975)
*Combined total Sales	512,727			
**Combined Total COS	172,750			
Waste	320			
Net F&B Sales	339,647			

54% 37% (1%) 2% 6% 1% 0.8% 100%

57% 34% (1%) 2% 6% 1% 100%

60% 33% (1%) 3% 4% 1% 0.7% 100%

35% 24% 63% 65% 34%

0.2% 0.2%

66% 100%

65% 24% 89%

2% 1% 1% 0% 2% 0% 0%

7% 95% 5%

6% 50% 44%

100.00% 33.69% 0.05% 66.24%

FOOTNOTES TO FINANCIAL STATEMENTS
Event and Beverage Operations
For the Twelve Months Ended December

	Fortune's Actual		34 Rush Actual		Hourstretch Actual		Continental Breakfast		Events Actual		Clubhouse		December 2021		December 2021 Plan	
Food Sales	102,944	86%	103,009	38%	19,906	93%	46,076	59%	3,893	61%	275,828	54%	275,828	54%	267,883	57%
Beer / Liquor Sales	14,367	12%	146,730	31%	732	3%	25,450	33%	2,398	38%	189,677	37%	189,677	37%	157,237	34%
Beverage Sales	2,515	2%	4,922	2%	1,528	7%	2,275	3%	221	3%	11,461	2%	11,461	2%	9,136	2%
Sales Discounts	(752)	(1%)	(2,949)	(1%)	(829)	(4%)	(120)	(0%)	(159)	(3%)	(4,809)	(1%)	(4,809)	(1%)	(4,675)	(1%)
Cigarette Sales			4,181	1%			4,170	5%			4,181	1%	4,181	1%	2,991	1%
Service CHG Revenue/PR			32,218	11%			4,170	5%			4,170	1%	4,170	1%	6,351	1%
Comp-Beverages			268,111	100%	21,338	100%	77,851	100%	6,353	100%	32,218	8%	32,218	8%	27,312	8%
Total Sales	119,074	100%	268,111	100%	21,338	100%	77,851	100%	6,353	100%	512,728	100%	512,727	100%	466,235	100%
Cost of Sales																
Food Costs	41,759	41%	41,902	41%	8,075	41%	18,690	41%	1,579	41%	112,005	41%	112,005	41%	93,035	35%
Beer / Liquor Costs	3,471	24%	33,478	23%	172	23%	5,758	23%	552	23%	43,431	23%	43,431	23%	37,814	24%
Beverage Costs	811	32%	11,522	31%	474	31%	706	31%	69	31%	13,582	31%	13,582	31%	13,714	38%
Cigarette Costs			3,742	30%							3,742	30%	3,742	30%	2,271	28%
Total Cost of Sales	46,041	35%	90,644	31%	8,721	41%	25,154	32%	2,200	35%	172,760	35%	172,760	35%	146,834	31%
Food Waste																
Net Sales	73,033	61%	197,467	69%	12,617	59%	52,697	68%	4,153	65%	339,967	66%	339,967	66%	318,634	68%
Net Sales	73,033	100%	197,467	100%	12,617	100%	52,697	100%	4,153	100%	339,967	100%	339,967	100%	318,634	100%
Operating Expenses																
Wages	50,801	70%	54,105	27%	14,063	111%	10,306	20%	1,611	38%	135,779	40%	151,555	45%	206,013	65%
Payroll taxes and benefits	24,752	34%	42,550	22%	7,413	59%	12,957	25%	(92)	(2%)	89,996	27%	16,363	5%	76,213	24%
Total Payroll/Related	75,553	103%	96,655	48%	21,476	170%	23,262	44%	1,519	37%	225,776	49%	167,920	49%	282,226	89%
Other Operating Expenses																
Equipment/Supplies																
Uniforms and Linen																
Trash Removal																
Telephone																
Credit Card fees																
Licenses																
Miscellaneous/other			116	0%							116					
Professional Services			96,772	49%	21,476	170%	7,308	14%	1,519	37%	225,892	67%	188,785	56%	303,598	95%
Total Operating Expenses	75,553	103%	96,772	49%	21,476	170%	7,308	14%	1,519	37%	225,892	67%	188,785	56%	303,598	95%
Operating Profit/(Loss)	(2,520)	(3%)	100,695	51%	(8,859)	(70%)	29,435	56%	2,635	63%	114,075	44%	150,862	44%	15,036	5%

**Batavia Downs Gaming
Hotel Operations
For the Eight Months Ended December**

	December Actual	December Plan	December YTD Actual	December YTD Plan
Room Revenue	131,000	60,000	1,308,000	962,000
Misc Revenue			3,000	3,000
Total Revenue	131,000	60,000	1,311,000	965,000
	100%	100%	100%	100%
Total Revenue	131,000	60,000	1,311,000	965,000
	100%	100%	100%	100%
Payroll	62,000	33,000	517,000	335,000
Payroll Taxes & Employee Benefits	10,000	8,000	73,000	77,000
	47%	55%	39%	35%
Total Payroll/Related	72,000	41,000	590,000	412,000
	55%	68%	45%	43%
Real Estate Taxes and Rent	4,000	4,000	33,000	34,000
Telephone	1,000	2,000	12,000	13,000
Utilities	11,000	5,000	76,000	58,000
Maintenance - General	2,000	2,000	30,000	14,000
Small Equipment/Equipment Rental	-	1,000	4,000	8,000
Uniform expense	-	-	-	1,000
Computer Charges	5,000	4,000	43,000	37,000
Advertising/Promotional	3,000	2,000	51,000	29,000
Marketing Requested Reimbursement	(3,000)	-	(51,000)	-
Travel & Reimbursements	-	1,000	2,000	3,000
Supplies & Related	7,000	3,000	43,000	43,000
Food Cost	9,000	-	56,000	-
Insurance	4,000	3,000	23,000	21,000
Professional Services	8,000	7,000	63,000	56,000
Interest Expense	-	-	60,000	-
Postage	-	-	-	-
Dues and Fees	-	-	-	1,000
Bank Fees and Charges	-	-	-	1,000
Credit Card Fees	5,000	2,000	33,000	25,000
Other Expense	-	3,000	-	51,000
	4%	3%	3%	3%
Other Operating Expense	56,000	37,000	478,000	395,000
	43%	62%	36%	41%
Total Operating Expense	127,000	77,000	1,068,000	806,000
	97%	128%	81%	84%
Operating Profit/Loss	4,000	(18,000)	243,000	158,000
	3%	-30%	19%	16%

<u>Operational Results - January 2022</u>	January 2022	January 2021	January Plan
Total Handle	\$4,022,314	\$5,188,899	\$4,920,000
\$ Variance		(1,166,585)	(897,686)
% Variance		-22%	-18%
VGM Net Win	\$5,319,843	\$3,801,497	\$4,920,330
\$ Variance		1,518,346	399,513
% Variance		40%	8%
Revenue net of Statutories	\$ 3,148,897	\$ 2,416,015	\$ 3,096,121
Operating Expenses	2,751,369	2,357,779	2,731,422
Earnings and Surcharge	397,528	58,236	364,699
Surcharge	49,418	69,342	65,108
Operational Earnings (Losses)	\$ 348,110	\$ (11,106)	\$ 299,591
\$ Variance		359,216	48,519
% Variance		3234%	16%
Gain on sale of Hornell	0	92,797	0
Operational Earnings after branch sale	\$ 348,110	\$ 81,691	\$ 299,591

Earnings are computed and distributed on a quarterly basis

<u>Segment Performance:</u>	January 2022	January 2021	January Plan
BRANCH Earnings from Operations	\$ 26,963	\$ 142,350	\$ 148,096
Less: G&A Allocation	199,383	194,313	204,726
Earnings (Losses) net of G&A Allocation	\$ (172,420)	\$ (51,963)	\$ (56,630)
\$ Variance		(120,457)	(115,790)
% Variance		-232%	-204%
BATAVIA DOWNS Earnings from Operations	\$ 807,447	\$ 320,478	\$ 650,827
Less: G&A Allocation	286,917	279,621	294,606
Earnings net of G&A Allocation	\$ 520,530	\$ 40,857	\$ 356,221
\$ Variance		479,673	164,309
% Variance		1174%	46%
GENERAL AND ADMINISTRATIVE expense	\$ 486,300	\$ 473,934	\$ 499,332
\$ Variance		12,366	(13,032)
% Variance		3%	-3%

<u>Net Cash Distributions to Municipalities:</u>	January 2022	January 2021	January Plan
SURCHARGE	\$ 49,418	\$ 69,342	\$ 65,108
\$ Variance		(19,924)	(15,690)
% Variance		-29%	-24%
<u>Year to Date Surcharge and Net Revenue</u>	January 2022	January 2021	January Plan
SURCHARGE	\$ 49,418	\$ 69,342	\$ 65,108
\$ Variance		(19,924)	(15,690)
% Variance		-29%	-24%
NET EARNINGS AVAILABLE FOR DISTRIBUTION	\$ -	\$ -	\$ -
\$ Variance		0	0
% Variance		0	0
TOTAL	\$ 49,418	\$ 69,342	\$ 65,108

SUMMARY - WESTERN REGIONAL OTB CORPORATION - ALL LOCATIONS/DEPARTMENTS: ROUNDED

	2022 January	2021 January	2022 January Plan
HANDLE (includes Live)	\$4,022,000	\$5,189,000	\$4,920,000
\$ Variance		(1,167,000)	(898,000)
% Variance		-22%	-18%
VGM Net Win	\$5,320,000	\$3,801,000	\$4,920,000
\$ Variance		1,519,000	400,000
% Variance		40%	8%
Revenue and Expense:			
Operating Revenue	6,290,000	4,954,000	6,124,000
\$ Variance		1,336,000	166,000
% Variance		27%	3%
Less: Statutory Expenses	3,141,000	2,538,000	3,028,000
\$ Variance		603,000	113,000
% Variance		24%	4%
Revenue before Operating Expenses	3,149,000	2,416,000	3,096,000
\$ Variance		733,000	53,000
% Variance		30%	2%
Less: Operating Expenses	2,751,000	2,358,000	2,731,000
\$ Variance		393,000	20,000
% Variance		17%	1%
Retained Surcharge/Net earnings	398,000	58,000	365,000
\$ Variance		340,000	33,000
% Variance		586%	9%
Retained Surcharge	49,000	69,000	65,000
\$ Variance		(20,000)	(16,000)
% Variance		-29%	-25%
Net Earnings(Losses) from Operations	348,000	(11,000)	300,000
\$ Variance		359,000	48,000
% Variance		3264%	16%
Gain on Sale of Hornell	0	93,000	0
Earnings (Losses) Net of G&A Alloc.	348,000	82,000	300,000
\$ Variance		266,000	48,000
% Variance		324%	16%
1st Qtr. Operational Earnings			
		\$0	\$0
\$ Variance			
% Variance			

Month:

<u>OTB BRANCHES:</u>	2022 January	2021 January	2022 January Plan
HANDLE	\$3,918,000	\$5,179,000	\$4,800,000
\$ Variance		(1,261,000)	(882,000)
% Variance		-24%	-18%
Revenue and Expense:			
Operating Revenue (pg. 4)	1,130,000	1,476,000	1,369,000
Less: Statutory Expenses (pg. 4)	503,000	658,000	592,000
Revenue before Operating Expenses:	627,000	818,000	777,000
Less: Operating Expenses (pg.5, 5A)	551,000	607,000	564,000
Net Earnings (Loss):	76,000	211,000	213,000
Retained Surcharge:	49,000	69,000	65,000
Net Earnings (Loss) From Operations	27,000	142,000	148,000
Less: General and Admin. Allocation	199,000	194,000	205,000
Earnings (Losses) Net of G&A Alloc.	(172,000)	(52,000)	(57,000)
\$ Variance		(120,000)	(115,000)
% Variance		-231%	-202%

<u>BATAVIA DOWNS GAMING:</u>	2022 January	2021 January	2022 January Plan
HANDLE- ITW	\$105,000	\$10,000	\$120,000
\$ Variance		95,000	(15,000)
% Variance		950%	-13%
VGM Net Win	\$5,320,000	\$3,801,000	\$4,920,000
\$ Variance		1,519,000	400,000
% Variance		40%	8%

<u>Revenue and Expense:</u>			
Operating Revenue (pg. 6)	5,169,000	3,478,000	4,755,000
Less: Statutory Expenses (pg. 6)	2,638,000	1,881,000	2,436,000
Revenue before Operating Expenses	2,521,000	1,597,000	2,319,000
Less: Operating Expenses (pg. 7,7A-7C)	1,714,000	1,277,000	1,668,000
Net Earnings (Loss) From Operations	807,000	320,000	651,000
Less: General and Admin. Allocation	287,000	280,000	295,000
Earnings (Losses) Net of G&A Alloc.	521,000	41,000	356,000
\$ Variance		480,000	165,000
% Variance		1171%	48%

<u>GENERAL & ADMINISTRATIVE:</u>	2022 January	2021 January	2022 January Plan
Operating Expenses * (pg. 8,8A)	486,000	474,000	499,000
\$ Variance		12,000	(13,000)
% Variance		3%	-3%

* General and Administrative expenses are allocated 41% to Branches, and 59% to Batavia Downs Gaming as of January 2021

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Branch Operating Revenue
For the One Months Ended January

	<u>YTD</u> <u>2022</u>	<u>YTD</u> <u>2021</u>	<u>YTD 2022</u> <u>Plan</u>
Commissions earned -	\$ 833,000	\$ 1,087,000	\$ 1,017,000
Lottery	10,000	5,000	8,000
Vending	1,000	-	1,000
Surcharge	57,000	84,000	83,000
Revenue Derived from Surcharge	42,000	55,000	47,000
CAF revenues	21,000	20,000	20,000
Uncashed pari-mutuel tickets	40,000	40,000	40,000
Breakage	12,000	17,000	16,000
Program sales (net of cost)	7,000	10,000	8,000
Concessions	3,000	4,000	3,000
ATM transaction fees	4,000	5,000	6,000
ADW Revenue	101,000	140,000	120,000
Miscellaneous	(1,000)	9,000	-
TOTAL	\$ 1,130,000	\$ 1,476,000	\$1,369,000
\$ Variance		(346,000)	(239,000)
% Variance		-23%	-17%

Branch Statutory Expenses
For the One Months Ended January

	<u>YTD</u> <u>2022</u>	<u>YTD</u> <u>2021</u>	<u>YTD 2022</u> <u>Plan</u>
Track Compensation	\$ 376,000	\$ 495,000	\$ 429,000
Breeding and Development Funds	28,000	37,000	35,000
Allocation to NYS - Tax	28,000	40,000	41,000
Allocation to NYS - Breakage	-	1,000	-
Surcharge Allocations to Counties with Tracks	7,000	14,000	18,000
Uncashed Pari-mutuel tickets	40,000	40,000	40,000
Racing Board Regulatory Fee	24,000	31,000	29,000
TOTAL	\$503,000	\$658,000	\$592,000
\$ Variance		(155,000)	(89,000)
% Variance		-24%	-15%

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Branch Expenses
For the One Months Ended January

	<u>2022</u> <u>YTD</u>	<u>2021</u> <u>YTD</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	<u>2022</u> <u>Plan</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Salaries	\$ 152,000	\$ 162,000	(\$10,000)	-6%	\$ 152,000	\$0	0%
Payroll taxes & employee benefits	75,000	93,000	(18,000)	-19%	77,000	(2,000)	-3%
Rent/Property Taxes	6,000	6,000	0	0%	6,000	0	0%
Utilities	20,000	22,000	(2,000)	-9%	21,000	(1,000)	-5%
Maintenance and cleaning	53,000	52,000	1,000	2%	54,000	(1,000)	-2%
Computer & Telephone Data Line charges	70,000	64,000	6,000	9%	69,000	1,000	1%
Telephone	3,000	3,000	0	0%	3,000	0	0%
Realizator charges	5,000	7,000	(2,000)	-29%	6,000	(1,000)	-17%
Branch supplies and equipment	4,000	2,000	2,000	100%	4,000	0	0%
Branch security services	2,000	1,000	1,000	100%	2,000	0	0%
Travel and reimbursement	-	-	0	0%	-	0	0%
Printing forms and petty cash	24,000	21,000	3,000	14%	24,000	0	0%
Noncancellable tickets	-	-	0	0%	-	0	0%
Insurance	13,000	17,000	(4,000)	-24%	13,000	0	0%
Depreciation and amortization	26,000	27,000	(1,000)	-4%	28,000	(2,000)	-7%
Multicast equipment/Uplink charges	16,000	33,000	(17,000)	-52%	16,000	0	0%
Multicast commissions	3,000	6,000	(3,000)	-50%	5,000	(2,000)	-40%
Miscellaneous	1,000	1,000	0	0%	-	1,000	100%
Televia Bets & Enh. Branch Advertising/Promo.	38,000	44,000	(6,000)	-14%	38,000	0	0%
Internet Fee	31,000	36,000	(5,000)	-14%	36,000	(5,000)	-14%
Set Operator Commissions	9,000	10,000	(1,000)	-10%	10,000	(1,000)	-10%
TOTAL	\$551,000	\$607,000	(\$56,000)	-9%	\$564,000	(\$13,000)	-2%

OTB Branch & EZ Bet Variance Analysis Detail

Payroll taxes & employee benefits \$2k under plan YTD:

Health insurance expense at Clinton St branch lower to plan due to change in staffing

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Operating Revenue
For the One Months Ended January

	<u>YTD</u> <u>2022</u>	<u>YTD</u> <u>2021</u>	<u>YTD 2022</u> <u>Plan</u>
Commissions earned - Racetracks	\$ 22,000	\$ 2,000	\$ 18,000
VGM Revenue (net of adv. allowance and Cap Fund)	4,575,000	3,269,000	4,231,000
WROTB Revenue	4,000	14,000	11,000
Hotel at Batavia Downs Room Revenue	139,000	-	140,000
Stall Rental	10,000	8,000	8,000
Lottery	5,000	3,000	3,000
Uncashed pari-mutuel tickets	5,000	5,000	5,000
ATM transaction fees	68,000	43,000	44,000
Lucky Treasures Gift Shop Revenue	2,000	3,000	5,000
Food and Beverage sales net	292,000	115,000	257,000
ADW Revenue	35,000	14,000	29,000
Miscellaneous	2,000	2,000	4,000
TOTAL	\$ 5,159,000	\$3,478,000	\$4,755,000
\$ Variance		1,681,000	404,000
% Variance		48%	8%

Batavia Downs Statutory Expenses
For the One Months Ended January

	<u>YTD</u> <u>2022</u>	<u>YTD</u> <u>2021</u>	<u>YTD 2022</u> <u>Plan</u>
Track Compensation	\$ 1,000	\$ -	\$ 1,000
Breeding and Development Funds	8,000	3,000	4,000
Allocation to NYS - Tax	1,000	-	-
Allocation to NYS - Lottery	2,607,000	1,863,000	2,411,000
Uncashed Pari-mutuel tickets	5,000	5,000	5,000
Racing Board Regulatory Fee	1,000	-	-
Genesee County	1,000	-	-
Horse Drug Testing Fee	7,000	4,000	7,000
Batavia School Tax	7,000	6,000	8,000
TOTAL	\$ 2,638,000	\$1,881,000	\$2,436,000
\$ Variance		757,000	202,000
% Variance		40%	8%

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Gaming Expenses - Excluding Marketing
For the One Month Ended January

	2022 YTD	2021 YTD	\$ Variance	% Variance	2022 Plan	\$ Variance	% Variance	
Salaries	\$ 601,000	\$ 432,000	\$ 169,000	39%	\$ 603,000	\$ (2,000)	0%	1
Payroll taxes & employee benefits	240,000	190,000	50,000	26%	245,000	(5,000)	-2%	2
Real Estate Taxes and Rent	6,000	1,000	5,000	500%	8,000	(2,000)	-25%	
Telephone	4,000	2,000	2,000	100%	4,000	-	0%	
Telephone data lines	1,000	-	1,000	0%	1,000	-	0%	
Utilities	69,000	61,000	8,000	13%	63,000	6,000	10%	
Maintenance - General	37,000	35,000	2,000	6%	36,000	1,000	3%	
Small Equipment/Equipment Rental	1,000	2,000	(1,000)	-50%	4,000	(3,000)	-75%	
Uniform expense	-	1,000	(1,000)	-100%	-	-	0%	
Computer Charges	9,000	1,000	8,000	800%	10,000	(1,000)	-10%	
Callator charges	-	-	-	0%	-	-	0%	
Contractual track commissions	4,000	-	4,000	0%	5,000	(1,000)	-20%	
Broadcast equipment/uplink charges	1,000	-	1,000	0%	1,000	-	0%	
Used Pools/Minus Pools	-	-	-	0%	-	-	0%	
Printing forms and petty cash	1,000	-	1,000	0%	-	1,000	0%	
Printing Related Expenses	(1,000)	-	(1,000)	0%	-	(1,000)	0%	
Race Expense, WNYHHA and Breeders	548,000	390,000	158,000	41%	508,000	40,000	8%	
Race Fund	4,000	3,000	1,000	33%	4,000	-	0%	
Racing and Lottery Dues/Licenses	-	-	-	0%	1,000	(1,000)	-100%	
Security/Alarm Services	10,000	9,000	1,000	11%	9,000	1,000	11%	
Advertising/Promotional	3,000	-	3,000	0%	4,000	(1,000)	-25%	
Travel & Reimbursements	-	-	-	0%	-	-	0%	
Supplies & Related	2,000	2,000	-	0%	3,000	(1,000)	-33%	
Restaurant Supply Expenses	3,000	1,000	2,000	200%	3,000	-	0%	
Depreciation & Amortization*	80,000	86,000	(6,000)	-7%	79,000	1,000	1%	
Insurance	47,000	43,000	4,000	9%	48,000	(1,000)	-2%	
Professional Services	12,000	2,000	10,000	500%	11,000	1,000	9%	
Interest Expense	-	-	-	100%	-	-	0%	
Lease	-	-	-	0%	-	-	0%	
Gas and Fees	1,000	1,000	-	0%	1,000	-	0%	
Bank Fees and Charges	10,000	7,000	3,000	43%	10,000	-	0%	
Debit Card Fees	12,000	2,000	10,000	500%	7,000	5,000	71%	
Bank Expense	13,000	2,000	11,000	550%	10,000	3,000	30%	
Non-MARR Expenses	1,718,000	1,273,000	445,000	35%	1,678,000	40,000	2%	
MARR Expenses (Pg. 7C)	(\$1,000)	\$4,000	(\$5,000)	125%	(\$7,000)	\$6,000	86%	
Marketing Expenses Reimbursed by Marketing	(\$3,000)	\$0	(3,000)		(\$3,000)	0	0%	
TOTAL	1,714,000	1,277,000	437,000	34%	1,668,000	46,000	3%	

Depreciation and Amortization:

4% Capital Awards Fund provides for purchases of assets at Batavia Downs Gaming. The depreciation on these assets, as well as the betting revenues of \$170,000 year to date have been removed from this report, as there is no effect on the bottom line.

Interest Expense:

4% Capital Awards Fund also provides for payment of interest on loans used to finance construction at Batavia Downs Gaming. This interest expense, as well as the \$84,000 year to date have been removed from this report, as there is no effect on the bottom line.

January 2022 YTD Variance explanations for Gaming/Live Racing:

Salaries \$2K under plan YTD:

Maintenance has seen less overtime than planned.

Payroll Tax & Benefits \$5K under plan YTD:

Operating plan anticipated higher workers comp expense related to self-insured worker's comp program. Corporation has implemented safety procedures to help keep worker's comp costs down.

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
Batavia Downs Marketing Expenses
For the One Month Ended January

	2022 YTD	2021 YTD	\$ Variance	% Variance	2022 Plan	\$ Variance	% Variance	
Salaries	\$ 85,000	\$ 78,000	\$7,000	9%	\$ 85,000	-	0%	
Payroll taxes & employee benefits	33,000	30,000	3,000	10%	29,000	4,000	14%	1
Telephone	-	-	0	0%	-	-	0%	
Maintenance - General	1,000	1,000	0	0%	2,000	(1,000)	-50%	
Small Equipment/Equipment Rental	3,000	15,000	(12,000)	-80%	25,000	(22,000)	-88%	2
Computer Charges	3,000	4,000	(1,000)	-25%	4,000	(1,000)	-25%	
Advertising/Promotional	441,000	220,000	221,000	100%	342,000	99,000	29%	3
Marketing Requested Reimbursement	(571,000)	(347,000)	(224,000)	65%	(497,000)	(74,000)	15%	4
Travel & Reimbursements	-	-	0	0%	-	-	0%	
Supplies & Related	1,000	1,000	0	0%	1,000	-	0%	
Professional Services	3,000	2,000	1,000	50%	2,000	1,000	50%	
Postage	-	-	0	0%	-	-	0%	
Books and Fees	-	-	0	0%	-	-	0%	
Other Expense	-	-	0	0%	-	-	0%	
TOTAL	\$ (1,000)	\$4,000	(\$5,000)	125%	(\$7,000)	\$6,000	86%	

Payroll Taxes and Benefits \$4K over plan YTD:

NYS retirement system expesne higher to plan in January

Small Equipment/Equipment Rental \$22K under plan YTD:

a) IGT contract has been renegotiated at lower rate than planned.

Advertising/Promotional Expense \$99K over plan YTD:

Marketing used a more aggressive strategy in January to increase customer traffic.

Marketing Relmbursement \$74K more than plan YTD:

Western Regional Off-Track Betting Corporation
(A Public Benefit Corporation)
General and Administrative Expenses
For the One Months Ended January

	<u>2022</u> <u>YTD</u>	<u>2021</u> <u>YTD</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	<u>2022</u> <u>Plan</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	
Salaries	\$ 197,000	\$ 194,000	\$3,000	2%	\$ 203,000	(\$6,000)	-3%	1
Payroll taxes & employee benefits	169,000	181,000	(12,000)	-7%	174,000	(5,000)	-3%	2
Telephone	2,000	2,000	0	0%	2,000	0	0%	
Utilities	-	-	0	0%	-	0	0%	
Advertising/Promotional	6,000	6,000	0	0%	6,000	0	0%	
Travel & Reimbursements	3,000	3,000	0	0%	4,000	(1,000)	-25%	
Professional/ Consulting/ Audit fees	39,000	22,000	17,000	77%	37,000	2,000	5%	
Office supplies	3,000	4,000	(1,000)	-25%	3,000	0	0%	
Equipment rental/Small equipment/Computer S.	7,000	6,000	1,000	17%	8,000	(1,000)	-13%	
Maintenance	6,000	4,000	2,000	50%	6,000	0	0%	
Copier/microfilm expense	1,000	2,000	(1,000)	-50%	1,000	0	0%	
Insurance	18,000	16,000	2,000	13%	18,000	0	0%	
Depreciation	17,000	17,000	0	0%	17,000	0	0%	
Interest expense	3,000	3,000	0	0%	3,000	0	0%	
Rental expense	-	-	0	0%	-	0	0%	
Bank Fees	8,000	6,000	2,000	33%	8,000	0	0%	
Non Representation	1,000	1,000	0	0%	1,000	0	0%	
Leased Branch Expense	(1,000)	3,000	(4,000)	-133%	1,000	(2,000)	-200%	
Postage	2,000	2,000	0	0%	2,000	0	0%	
Commissions and Fees	3,000	1,000	2,000	200%	3,000	0	0%	
Motor expense	2,000	1,000	1,000	100%	2,000	0	0%	
Leased pools/minus pools	-	-	0	100%	-	0	0%	
TOTAL	\$486,000	\$474,000	\$12,000	3%	\$499,000	(\$13,000)	-3%	

Corporate General and Administrative Analysis Detail

Salaries \$6k under plan YTD:

Audit

Planned 12 months for an open position. Position has not been filled.

Payroll Taxes and Employee Benefits \$5k under plan YTD:

- a) Benefits for open Audit position listed in bullet 1
- B) Health insurance expense at Buffalo DO lower to plan due to change in staffing

W20TB
↓

Pg 9

Suffolk Regional OTB Corp.

NET HANDLE COMPARISON

BY REGION

January 2022

Month to Date

	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL
2022	\$ 9,372,446	\$ 3,899,614	\$ 619,647	\$ 3,917,520	\$ 8,964,902	\$ 26,774,129
2021	\$ 11,370,937	\$ 5,575,869	\$ 470,401	\$ 5,179,260	\$ 11,207,563	\$ 33,804,029
2020	11,949,393	5,484,908	3,596,860	4,750,542	9,331,559	35,113,262
2019	10,770,056	6,162,807	4,043,416	4,670,819	9,510,047	35,157,144
2018	11,176,833	5,846,718	4,340,987	4,742,975	9,608,027	35,715,540
2022 vs 2021	(1,998,490)	(1,676,255)	149,246	(1,261,740)	(2,242,661)	(7,029,900)
2021 vs 2020	(578,456)	90,961	(3,126,459)	428,718	1,876,004	(1,309,232)
2020 vs 2019	1,179,337	(677,899)	(446,557)	79,723	(178,487)	(43,883)
2019 vs 2018	(406,777)	316,089	(297,571)	(72,156)	(97,980)	(558,395)
2018 vs 2017	(872,719)	(458,317)	(444,289)	(773,809)	(1,316,723)	(3,865,857)
2022 vs 2021	-17.6%	-30.1%	31.7%	-24.4%	-20.0%	-20.8%
2021 vs 2020	-4.8%	1.7%	-86.9%	9.0%	20.1%	-3.7%
2020 vs 2019	11.0%	-11.0%	-11.0%	1.7%	-1.9%	-0.1%
2019 vs 2018	-3.6%	5.4%	-6.9%	-1.5%	-1.0%	-1.6%
2018 vs 2017	-7.2%	-7.3%	-9.3%	-14.0%	-12.1%	-9.8%

YTD

	NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL
2022	\$ 9,372,446	\$ 3,899,614	\$ 619,647	\$ 3,917,520	\$ 8,964,902	26,774,129
2021	\$ 11,370,937	\$ 5,575,869	\$ 470,401	\$ 5,179,260	\$ 11,207,563	33,804,029
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2020 vs 2019	11.0%	-11.0%	-11.0%	1.7%	-1.9%	-0.1%
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2018 vs 2017	-7.2%	-7.3%	-9.3%	-14.0%	-12.1%	-9.8%



2022		NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL OTB	TOTAL YTD
Jan		297,912		20,649	11,599	262,068	592,228	592,228
Feb							-	-
Mar							-	-
Apr							-	-
May							-	-
Jun							-	-
Jul							-	-
Aug							-	-
Sep							-	-
Oct							-	-
Nov							-	-
Dec							-	-
2021		NASSAU OTB	SUFFOLK OTB	CATSKILL OTB	WESTERN OTB	CAPITAL OTB	TOTAL OTB	TOTAL YTD
Jan		339,742		16,059	17,713	206,479	579,992	579,992
Feb		271,285		19,982	23,840	80,917	396,023	396,023
Mar		415,039		24,959	49,548	364,907	854,452	854,452
Apr		498,543		28,675	23,480	418,389	969,087	969,087
May		585,188		27,526	17,207	959,659	1,589,580	1,589,580
Jun		458,099		32,196	31,021	514,284	1,035,600	1,035,600
Jul		537,006	1,934	37,293	18,534	710,847	1,305,614	1,305,614
Aug		574,446		34,107	262,838	1,126,667	1,998,058	1,998,058
Sep		406,554		24,302	201,282	580,665	1,212,803	1,212,803
Oct		401,607		30,205	206,593	416,711	1,055,117	1,055,117
Nov		453,274	118,543	40,951	259,794	845,671	1,718,233	1,718,233
Dec		290,105		25,381	136,686	93,037	545,210	545,210

WROTB Corporation
Batavia Downs Gaming - Marketing Fund Status 2022

2/17/2022

Month		Net Win	10% Marketing Revenues Earned	Marketing Expenditures	Month (Over)/Under Expended	YTD (Over)/Under Expended	Estimated YTD (Over)/Under Expended
January	Plan	\$ 4,920,330	\$ 492,033	\$ 495,000	\$ (2,967)		
	Actual	\$ 5,319,843	\$ 531,984	\$ 573,975	\$ (41,990)	\$ (41,990)	
February	Plan	\$ 4,609,020	\$ 460,902	\$ 500,000	\$ (39,098)		
	Actual		\$				
	Estimated	\$ 5,100,000	\$ 510,000	\$ 560,000	\$ (50,000)		\$ (91,990)

**Batavia Downs Gaming
Comparison of Daily Statistics
For the Month Ended January**

	January 2022	January 2021	January 2019
Credits Played	72,785,000	52,764,000	55,299,000
Net Win	5,320,000	3,801,000	4,137,000
Net Hold %	7.31%	7.20%	7.48%
Win Per Terminal	196.11	265.60	159.79
Education Contribution/ Gaming Comm. Admin fee	2,607,000	1,863,000	2,110,000
Purse/WNYHHA/Breeders	532,000	380,000	414,000
Track Share (Vendor Fee)	1,968,000	1,407,000	1,448,000
Marketing Allowance	532,000	380,000	414,000
4% Capital Awards	213,000	152,000	165,000
Attendance	56,000	53,000	50,000
Win/Cap	94.68	72.25	82.73
% of Carded Play	52.64%	54.21%	51.49%

**Batavia Downs
Operating Statement of Revenue and Expenses
For the Month Ended January**

	January 2022	January 2021	January 2022 Plan
VLТ Drop Win/Unit/Day	5,320,000 196.11	3,801,000 265.60	4,920,000 152.13
Live Handle ITW Handle	0 105,000	0 10,000	0 120,000
Total Handle	<u>105,000</u>	<u>10,000</u>	<u>120,000</u>
Revenue	<u>2,521,000</u>	<u>1,597,000</u>	<u>2,319,000</u>
Purse/WNYHHA/Breeders	548,000	390,000	508,000
Payroll & Related	960,000	730,000	960,000
Other Operating Expenses	125,000	70,000	121,000
G&A Allocated	<u>287,000</u>	<u>280,000</u>	<u>295,000</u>
Total Operating Expenses	<u>1,920,000</u>	<u>1,470,000</u>	<u>1,884,000</u>
Total Net Revenue	601,000	127,000	435,000
Depreciation	80,000	86,000	79,000
Total Non-Operating Expenses	<u>80,000</u>	<u>86,000</u>	<u>79,000</u>
Net Operating Profit/(loss)	<u>521,000</u>	<u>41,000</u>	<u>356,000</u>

**Food and Beverage Operations--All Units
For the One Month Ended January**

	January Actual		January Plan	
Food Sales	232,894	55%	197,492	51%
Beer/Liquor/Wine Sales	150,219	35%	147,396	36%
Discounts	(4,759)	(1%)	(4,958)	(1%)
Beverage Sales*	9,423	2%	9,397	2%
Compe- Beverage*	28,834	7%	30,000	8%
Service CHG Revenue PR	6,173	1%	6,000	2%
Cigarette Sales	4,500	1.1%	4,500	1%
Total Sales	427,284	100%	390,027	100%
*Combined Drink total Sales	33,257		39,397	
Cost of Sales:				
Food Costs	86,009	37%	79,037	40%
Beer / Liquor Costs	35,409	24%	36,879	24%
Beverage Costs**	9,988	106%	13,917	148%
Cigarette Costs	3,783	84%	3,600	80%
Total Cost of Sales	135,189	32%	132,433	34%
Food Waste	481	0.1%	228	0.1%
Net Sales	291,615	68%	257,366	66%
Net Sales	291,615	100%	257,366	100%
Payroll	157,693	54%	150,857	59%
Payroll Taxes & Employee Benefits	71,940	25%	71,440	28%
Total Payroll/Related	229,633	79%	222,297	86%
Equipment/Supplies	4,270	1%	5,266	2%
Uniforms & Linens	2,823	1%	2,500	1%
Trash Removal	648	0%	708	0%
Telephone	250	0%	62	0%
Credit Card Fees	6,823	2%	3,508	1%
Licenses	551	0%	17	0%
Miscellaneous/Other	853	0%	292	0%
Professional Services				
Promotional Expense				
Events Live Entertainment				
Insurance Expense				
Total Other Operating Expense	16,318	6%	12,353	5%
Total Expenses	245,951	84%	234,650	91%
Operating Profit / (Loss)	45,664	16%	22,716	9%
*Combined total Sales	427,284	100.00%		
**Combined Total COS	135,189	31.64%		
Waste	481	0.11%		
Net F&B Sales	291,615	68.25%		

**Food and Beverage Operations
For the One Month Ended January**

	Fortune's Actual		34 Rush Actual		Homesfretch Actual		Events Actual		Clubhouse		January 2022		Administrative Expense		January 2022		January 2022 Plan		
Food Sales	96,702	87%	96,591	37%	16,066	95%	22,052	60%	1,482	44%	232,893	55%	197,492	51%	197,492	56%	197,492	51%	197,492
Beer / Liquor Sales	13,176	12%	127,582	49%	465	3%	7,159	20%	1,836	54%	150,218	35%	147,596	38%	147,596	35%	147,596	38%	147,596
Beverage Sales	2,773	2%	4,388	2%	1,058	8%	1,128	3%	76	2%	9,423	2%	9,397	2%	9,397	2%	9,397	2%	9,397
Sales Discounts	(1,151)	(1%)	(2,877)	(1%)	(731)	(4%)					(4,759)	(1%)	(4,958)	(1%)	(4,958)	(1%)	(4,958)	(1%)	(4,958)
Cigarette Sales			4,500	2%							4,500	1%	4,500	1%	4,500	1%	4,500	1%	4,500
Service CHG Revenue PR											6,173	17%	6,173	1%	6,000	1%	6,000	2%	6,000
Comp-Beverages			28,834	11%	16,858	100%	36,512	100%	3,394	100%	28,834	7%	30,000	8%	30,000	7%	30,000	8%	30,000
Total Sales	111,501	100%	259,019	100%	16,858	100%	36,512	100%	3,394	100%	427,285	100%	390,027	100%	390,027	100%	390,027	100%	390,027
Cost of Sales:																			
Food Costs	35,690	37%	35,688	37%	5,936	37%	8,148	37%	548	37%	86,010	37%	79,037	40%	79,037	37%	79,037	40%	79,037
Beer / Liquor Costs	3,120	24%	30,239	24%	111	24%	1,508	21%	432	24%	35,410	24%	35,879	24%	35,879	24%	35,879	24%	35,879
Beverage Costs	832	30%	8,477	26%	317	30%	339	30%	23	30%	9,988	26%	13,917	35%	13,917	26%	13,917	35%	13,917
Cigarette Costs			3,783	84%							3,783	84%	3,600	80%	3,600	84%	3,600	80%	3,600
Total Cost of Sales	39,642	36%	78,186	30%	6,364	38%	9,994	38%	1,002	30%	135,189	30%	132,433	34%	132,433	32%	132,433	34%	132,433
Food Waste																			
Net Sales	71,858	64%	180,833	70%	10,494	62%	26,518	73%	2,392	70%	292,096	68%	257,366	66%	257,366	68%	257,366	66%	257,366
Net Sales	71,858	100%	180,833	100%	10,494	100%	26,518	100%	2,392	100%	292,096	100%	257,366	100%	257,366	100%	257,366	100%	257,366
Operating Expenses:																			
Wages	52,622	73%	56,449	31%	14,380	137%	19,231	73%			142,682	54%	150,857	59%	150,857	54%	150,857	59%	150,857
Payroll taxes and benefits	24,282	34%	27,242	15%	6,753	64%	7,381	28%			65,658	25%	71,440	28%	71,440	25%	71,440	28%	71,440
Total Payroll/Related	76,904	107%	83,691	46%	21,133	201%	26,612	100%			208,340	76%	222,297	86%	222,297	76%	222,297	86%	222,297
Other Operating Expenses:																			
Equipment/Supplies																			
Uniforms and Linen																			
Trash Removal																			
Telephone																			
Credit Card fees																			
Licenses																			
Miscellaneous/other			47	0%							47								
Professional Services																			
Total Operating Expenses	76,904	107%	83,738	46%	21,133	201%	26,612	100%			208,387	76%	222,297	86%	222,297	76%	222,297	86%	222,297
Operating Profit/(Loss)	(5,045)	(7%)	97,095	54%	(10,639)	(101%)	(94)	(94)	2,392	100%	83,709	16%	22,716	9%	22,716	16%	22,716	9%	22,716

Batavia Downs Gaming
Hotel Operations
For the One Month Ended January

	January Actual	January Plan	
Room Revenue	139,000	140,000	100%
Misc Revenue		1,000	99%
Total Revenue	139,000	141,000	100%
Total Revenue	139,000	141,000	100%
Payroll	67,000	64,000	45%
Payroll Taxes & Employee Benefits	10,000	9,000	6%
Total Payroll/Related	77,000	73,000	52%
Real Estate Taxes and Rent	3,000	4,000	3%
Telephone	1,000	2,000	1%
Utilities	6,000	8,000	6%
Maintenance - General	2,000	3,000	2%
Small Equipment/Equipment Rental	-	1,000	1%
Computer Charges	5,000	6,000	4%
Advertising/Promotional	3,000	4,000	3%
Marketing Requested Reimbursement	(3,000)	(3,000)	-2%
Supplies & Related	3,000	5,000	2%
Food Cost	6,000	6,000	4%
Insurance	-	3,000	0%
Professional Services	8,000	8,000	6%
Credit Card Fees	5,000	4,000	4%
Other Operating Expense	40,000	49,000	29%
Total Operating Expense	117,000	122,000	84%
Operating Profit/Loss	23,000	19,000	17%

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

ADVERTISING AND PROMOTIONS COMMITTEE AGENDA

Wednesday, February 23, 2022

3:00 P.M.

Susan May, Chairperson
Ken Lauderdale, Vice-Chair
Richard Bianchi, Ex-Officio
Ed Morgan, Ex-Officio

Paul Lattimore Jr. Member
Michelle Parmer-Garner, Member
Richard Ricci, Member
Francis Warthling, Member
Michael Horton, Member

AGENDA

1. Branch Marketing Update - T. Haight
2. Gaming Marketing Update - R. Hasenauer
3. Resolution #06-2022
Mark It Smart (1) - R. Hasenauer
4. Resolution #12-2022
Riviera Theatre - R. Hasenauer
5. Resolution #13-2022
Mark It Smart (2) - R. Hasenauer
6. Resolution #16-2022
Excel Media & Design - R. Hasenauer

RESOLUTION #06-2022

WHEREAS, as part of its ongoing patron attraction and retention program, Western Regional Off-Track Betting Corporation ("Western") purchases various promotional items that are given away to patrons of Batavia Gaming; and

WHEREAS, Western has sent out an RFP requesting pricing for Buffalo Bills moccasins and Buffalo Bills fleece blankets and Mark-It-Smart Inc. ("Smart") was the lowest responsible bidder to purchase those items as set forth in the attached schedule to this resolution.

WHEREAS, Staff requests that the Board approve the above referenced purchase of Buffalo Bills moccasins and Buffalo Bills fleece blankets to be used as promotional items from Smart to be given away to various patrons of Batavia Gaming in an amount not to exceed each of the specific amounts set forth in the attached schedule, and in the total amount of \$30,480.00; and therefore

BE IT RESOLVED, that the Board of Directors of Western hereby acknowledges and approves that Western enter into a series of purchase agreements with Smart for the purchase of Buffalo Bills moccasins and Buffalo Bills fleece blankets to be given away to various patrons of Batavia Gaming in the total amount of \$30,480.00; and further

RESOLVED, that the Board of Directors of Western hereby authorizes an officer of Western to execute any such agreements in furtherance of this resolution.

Respectfully submitted,

Susan May, Chairperson
Advertising & Promotions Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #12-2021

WHEREAS, as part of its ongoing patron attraction and retention program, Western Regional Off-Track Betting Corporation ("Western") contracts with local venues to provide entertainment event tickets for a certain level of our patrons, as well as for special promotions; and

WHEREAS, Western was provided an opportunity to purchase a block of six (6) tickets from Riviera Theatre ("Riviera") for the 2022 season in an amount not to exceed \$20,000.00; and

WHEREAS, as part of the arrangement, Western would be provided on site advisement, as well as advertising on the back of each Riviera event ticket throughout the 2022 season; and

WHEREAS, Staff recommends that Western enter into an agreement with Riviera for the purchase of a block of six (6) tickets for the 2022 season at an amount not to exceed \$20,000.00; and therefore

BE IT RESOLVED, that the Board of Directors of Western hereby approves the purchase of a block of six (6) tickets from Riviera for the 2022 season in an amount not to exceed \$20,000.00; and further

RESOLVED, that the Board of Directors of Western hereby authorizes an officer of Western to execute an agreement with Riviera in furtherance of this resolution.

Respectfully submitted,

Susan May, Chairperson
Advertising & Promotions Committee

Dated: February 24, 2022
Batavia, New York

RESOLUTION #13-2022

WHEREAS, as part of its ongoing patron attraction and retention program, Western Regional Off-Track Betting Corporation ("Western") purchases various promotional items that are given away to patrons of Batavia Gaming; and

WHEREAS, Western has sent out an RFP requesting pricing for Buffalo Bills gloves and Buffalo Bills gaiter and Mark-It-Smart Inc. ("Smart") was the lowest responsible bidder to purchase those items as set forth in the attached schedule to this resolution.

WHEREAS, Staff requests that the Board approve the above referenced purchase of Buffalo Bills gloves and Buffalo Bills gaiter to be used as promotional items from Smart to be given away to various patrons of Batavia Gaming in an amount not to exceed each of the specific amounts set forth in the attached schedule, and in the total amount of \$21,600.00; and therefore

BE IT RESOLVED, that the Board of Directors of Western hereby acknowledges and approves that Western enter into a series of purchase agreements with Smart for the purchase of Buffalo Bills gloves and Buffalo Bills gaiter to be given away to various patrons of Batavia Gaming in the total amount of \$21,600.00; and further

RESOLVED, that the Board of Directors of Western hereby authorizes an officer of Western to execute any such agreements in furtherance of this resolution.

Respectfully submitted,

Susan May, Chairperson
Advertising & Promotions Committee

Dated: February 24, 2022
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

LEGISLATIVE COMMITTEE

Wednesday – February 23, 2022

3:30 p.m.

Richard Siebert, Vice Chairman
Paul Lattimore, Jr., Member
Phil Barnes, Member
Francis Warthling, Member

Richard Bianchi, Ex-Officio
Edward Morgan, Ex-Officio

AGENDA

Legislative Update

H. Wojtaszek

Resolution #18-2022
Leslie Bishop

H. Wojtaszek

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

BRANCH OPERATIONS COMMITTEE MEETING

**Thursday, February 24, 2022
9:30 A.M.**

Michelle Parmer-Garner, Chairperson
Francis Warthling, Vice-Chairperson
Richard D. Bianchi, Ex-Officio
Edward F. Morgan, Ex-Officio

Dennis Bassett, Member
Mark Bombardo, Member

AGENDA

- | | |
|-------------------------------|---------------|
| 1) Branch Update | - Dina Pane |
| 2) E-Z Bet Update | - Dina Pane |
| 3) Batavia Bets Update | - Dina Pane |
| 4) Resolution #10-2022 – EBET | - M. Gabriele |

RESOLUTION - #10-2022

WHEREAS, it is the corporate responsibility of the Western Regional Off-Track Betting Corporation ("Western") to operate its online wagering site in an efficient manner, while providing the best experience available to our customers; and

WHEREAS, Western operates Batavia Downs as well as off-track wagering and simulcast facilities which provides interactive products and advance deposit wagering services to our customers; and

WHEREAS, the EBET Technologies, Inc. ("EBET") provides a platform which offers comprehensive and customizable interactive products and advance deposit wagering; and

WHEREAS, staff recommends that Western enter into a five (5) year agreement with EBET whereby EBET will provide a platform for its online waging product for a fee for all pari-mutuel wagers accepted and processed by EBET in an amount equal to 2.15% of the adjusted gross handle; and now therefor

BE IT RESOLVED, that Western's Board of Directors agree to enter into an agreement with EBET to provide a platform to Western for its online wagering as set forth above and per the attached agreement; and

BE IT FURTHER RESOLVED, that an officer of Western is hereby authorized to enter into such an agreement that reflects the Board's actions.

Respectfully submitted;

Michelle Parmer-Garner
Branch Operations Committee

Dated: February 24, 2022
Batavia, New York

ADW SERVICES AGREEMENT

THIS ADW SERVICES AGREEMENT (the "**Agreement**") is made and entered into as of this _____ day of _____, 2022 (the "**Effective Date**"), by and between **EBET TECHNOLOGIES, INC.**, a Nevada limited liability company with an office address at One Hamden Center, 2319 Whitney Ave., Suite 5-A, Hamden, Connecticut 06518 ("**COMPANY**"), and **WESTERN REGIONAL OFF-TRACK BETTING CORPORATION**, a New York public benefit corporation with a principal place of business at 8315 Park Road, Batavia, NY 14020 ("**CUSTOMER**") (each a "**Party**", and collectively, the "**Parties**").

WHEREAS, **CUSTOMER** operates certain racing properties and/or off-track wagering and simulcast facilities in the State of New York (collectively, the "**Facilities**") and provides certain interactive products and advance deposit wagering ("**ADW**") services to its ADW account holders ("**Account Holders**") in the State of New York and other states as permitted by applicable law; and

WHEREAS, **CUSTOMER** is licensed by the New York State Gaming Commission (the "**Commission**") to provide pari-mutuel and simulcast wagering; and

WHEREAS, **COMPANY** offers comprehensive and customizable interactive products and advance deposit wagering ("**ADW**") services; and

WHEREAS, **CUSTOMER** desires to provide certain interactive products and ADW services to account holders ("**Account Holders**") in the State of New York, and other states as permitted by applicable law via certain ADW platforms managed and operated by **COMPANY** (the "**ADW Platform**"); and

WHEREAS, **CUSTOMER** desires to receive and **COMPANY** desires to furnish the specific services as called for by this Agreement, as further described in Exhibit A of this Agreement (the "**Services**"); and

WHEREAS, the Parties recognize that they offer services in a highly regulated business and that the subject matter of this Agreement, including the services provided herein, will be expressly subject to the laws, regulations and rules of the United States, the State of New York, various other jurisdictions, and subject to the approval of the Commission, and/or other regulatory authorities, as well as other race tracks and racing associations in some instances.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises and the mutual covenants hereinafter set forth, the Parties hereto agree as follows:

Section 1. PROVISION OF SERVICES. Subject to the terms and conditions of this Agreement, **COMPANY** agrees to provide the Services, more specifically described in Exhibit A of this Agreement, along with the technical expertise, equipment, and personnel necessary to operate an ADW system on behalf of **CUSTOMER** for the benefit of its Account Holders. The conduct and control of the Services will be under the authority of **COMPANY**, subject to the reasonable requests of **CUSTOMER**. **COMPANY** shall perform the Services in accordance with

industry standard procedures, and the requirements of all applicable governmental laws, rules, and regulations.

COMPANY reserves the right, in its discretion, to amend the Services described in Exhibit A upon reasonable notice to CUSTOMER to reflect upgrades, enhancements, and improvements to the Services and the ADW Platform and, in certain circumstances, elimination or retirement or replacement of ADW Platform(s) and its features (or provision of replacement features).

Section 2. IMPLEMENTATION.

Following full execution of this Agreement, COMPANY shall deploy the Services to the general public, on a schedule to be agreed between the Parties. The implementation date for the Services shall be the date the first live, non-test wager is accepted through the ADW Platform (the "**Implementation Date**"). CUSTOMER acknowledges that performance by COMPANY hereunder is necessarily contingent on CUSTOMER's prompt compliance with its obligations and satisfying all deliverables required in connection with deployment of the Services.

Section 3. TERM. This Agreement shall be in full force and effect commencing on the Effective Date and continue for a period of five (5) years, commencing on the Implementation Date (the "**Term**"), unless sooner terminated or extended as provided herein.

Section 4. COMPENSATION FOR SERVICES.

A. Fees. Commencing on the Implementation Date and during the Term, CUSTOMER shall pay to COMPANY a fee for all pari-mutuel wagers accepted and processed through the Services in an amount equal to 2.15% of the Adjusted Gross Handle (as defined herein) processed through the Services (the "**Services Fee**"). "**Adjusted Gross Handle**" is defined as the gross handle accepted through the Services, minus cancellations and refunds.

B. Payment. The Services Fee shall be paid on a monthly basis as provided for in Section 7 of this Agreement.

Section 5. COMPANY RESPONSIBILITY FOR COSTS. COMPANY shall be responsible for all Equibase/Trackmaster fees. COMPANY reserves the right to pass on any portion of these fees to CUSTOMER. COMPANY shall be solely responsible for all operating costs associated with the provision of the Services unless otherwise agreed to in writing by the Parties or as provided in this Agreement.

Section 6. CUSTOMER RESPONSIBILITY FOR COSTS. In addition to the fees set forth in Section 4 of this Agreement, CUSTOMER shall be responsible for all tote fees, interface fees, video and replay streaming, age and location verification fees, simulcast fees, state taxes, licensing fees, bonding premiums, and all other license-related fees and expenses required for CUSTOMER to offer the Services to its Account Holders, source market fees, surcharges, settlement fees, banking and payment processing fees, including funding chargebacks and associated fees, and the cost of any other third-party services not specifically the responsibility of COMPANY, including the Domain Obligations specified in Section 10, those third-party funding services provided by COMPANY to CUSTOMER as set forth on Exhibit B (the "**Third-Party Funding Services**"). Both Parties acknowledge and agree that CUSTOMER shall be responsible for call center

operations and customer care services, provision of marketing content for the Site, hosting and managing of Site homepage and associated content, the negotiation and execution of any and all contracts with host tracks, and settlement services as may be necessary for the operation of the Services in accordance with applicable laws and regulations.

CUSTOMER shall pay COMPANY's costs and charges for any changes to the computer software or hardware used in the provision of the Services that are required due to a change in any applicable law, regulation, or other governmental imposition ("**Regulatory Change**"). The costs and charges for Regulatory Changes shall be computed on the basis of COMPANY's then-current hourly rates or direct hardware costs.

Section 7. FUNDS, TRANSFERS AND REPORTS. CUSTOMER and COMPANY shall be jointly responsible for establishing and maintaining banking accounts for ADW Account Holder funds as may be required by applicable law. COMPANY shall have authority and responsibility to manage such accounts for the purposes of accepting and processing wagers and Account Holder deposits via Third-Party Funding Services.

On a monthly basis, no later than thirty (30) calendar days after the close of the previous month and receipt of COMPANY's invoice therefor, the Parties shall cause to be transferred via ACH or other mutually agreeable method all amounts owed pursuant to this Agreement. Each Party shall provide monthly reports to the other Party as may be required for reconciliation purposes, or upon reasonable request by either Party.

Section 8. LICENSING. CUSTOMER shall be the ADW licensee for the conduct of ADW as provided by this Agreement. COMPANY shall cooperate with CUSTOMER's licensing efforts required for CUSTOMER to conduct ADW within the State of New York. CUSTOMER shall be solely responsible for obtaining approvals from any horsemen's association(s), to the extent necessary. Both Parties shall assist in the preparation of any application and related documents, business plan or proposal, appear at any hearings as may be required, provide reasonable information, and cooperate in any background inquiries related to such licenses and approvals. CUSTOMER shall be responsible for all bonding premiums and fees incurred in relation to such licensing and approval processes.

Maintenance of the necessary licenses and approvals from the Commission to accept ADW wagers from New York residents and residents of other states, if applicable is a precondition to COMPANY's performance of its obligations under this Agreement. The Parties acknowledge and agree that the Implementation Date as set forth in this Agreement is subject to the Parties obtaining all necessary licenses and approvals from the Commission and other regulatory authorities, as applicable.

Section 9. EXCLUSIVITY. CUSTOMER acknowledges that COMPANY may engage in other ADW operations and shall be free to contract for similar services to be performed for other entities. During the Term, COMPANY shall be the exclusive provider of the Services and CUSTOMER shall not contract with any ADW service provider other than COMPANY or promote any ADW services or websites other than those operated or provided by COMPANY or its affiliates. CUSTOMER will not permit or endorse any advertising or promotion of any kind of

account wagering services other than those approved by COMPANY. The restrictions described in this section shall not restrict or limit COMPANY from engaging in phone wagering.

Section 10. PROPRIETARY RIGHTS.

(a) COMPANY owns or has the legal right to use, all technology pertaining to the provisions of the Services, including but not limited to software relating to the Services, free and clear of all liens and encumbrances and without infringing on the proprietary rights of any third party. All information (except CUSTOMER's Account Holder list (the "Customer List") and Confidential Information regarding Account Holders), know-how, equipment, programming, software, patents, trademarks, copyrights, trade secrets, plans, drawings, specifications and documentation of COMPANY, and all other property of COMPANY, real or personal, tangible or intangible, of any nature whatsoever, used or developed by COMPANY in the course of the performance of this Agreement, including, without limitation, the Equipment and Software furnished with the Services, shall be and remain the sole property of COMPANY and neither CUSTOMER nor any other party shall have any proprietary interest therein. CUSTOMER shall furnish and own exclusively the rights to any Internet domain names associated with the Services, including the Site (collectively, "Domain Name"), and shall be responsible for: (i) any associated registration or payment of registration fees; (ii) registration and cost of all SSL certificates; (iii) Domain Name verification processes; and (iv) all Domain Name maintenance and/or renewal fees (collectively the "Domain Obligations"). CUSTOMER shall designate COMPANY as an administrator of any Internet Domain Names as necessary in connection with the provision of the Services. CUSTOMER's failure to perform the Domain Obligations shall result in a suspension of the Services. CUSTOMER may request that COMPANY perform the Domain Obligations and COMPANY, to the extent it has the capability to do so, may perform the obligations at a commercially reasonable price.

(b) All information (including the Customer List and Confidential Information regarding Account Holders), know-how, equipment, programming, software, trademarks, trade secrets, performance data, plans, drawings, specifications and documentation of CUSTOMER, and all other property of CUSTOMER, real or personal, tangible or intangible, of any nature whatsoever, used or developed by CUSTOMER in the course of performance of this Agreement, including, without limitation the Customer List and other Confidential Information about Account Holders, and wagering data generated by the Services, shall be and remain the sole property of CUSTOMER, and neither COMPANY nor any other party shall have any proprietary interest therein. COMPANY agrees that the Customer List shall be and remain the sole property of CUSTOMER. COMPANY further agrees that the Customer List shall not be shared by COMPANY with any third party and/or used by COMPANY for any reason.

Section 11. INTELLECTUAL PROPERTY.

(a) COMPANY agrees to defend at its own cost and expense all intellectual property infringement claims or intellectual property litigation (including any claim for damages or royalties which may be made or instituted against CUSTOMER, or to which CUSTOMER may be a party), based upon or by reason of the installation and operation of the Service, uncombined with any equipment or device not furnished or required by COMPANY, and to indemnify and save CUSTOMER harmless against any damages or liability incurred or sustained by CUSTOMER by

reason of any such intellectual property claim or litigation. CUSTOMER shall notify COMPANY promptly in writing of any claim of infringement for which COMPANY is responsible, shall cooperate with COMPANY in every reasonable way to facilitate the defense of any such claim and shall allow COMPANY to have sole control of the defense of any such claim, suit or cause of action and all negotiations for the settlement or compromise thereof. Should any of the Service become or in COMPANY's opinion be likely to become the subject of a claim for infringement, COMPANY shall at its own expense and option, either procure for CUSTOMER the right to continue using any component of the Service or replace the same with a non-infringing alternative with the same functionality or modify the Service so that it becomes non-infringing; provided, however, if any equipment or software is replaced or modified such replacements or modifications shall result in equally suitable substitute equipment. This Section 11 shall survive cancellation or termination of this Agreement.

(b) THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF THE PARTIES HERETO FOR INFRINGEMENT OR THE LIKE OF PATENTS, TRADEMARKS, TRADE SECRETS, AND COPYRIGHTS, WHETHER DIRECT OR CONTRIBUTORY, AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY IN REGARD THERETO, INCLUDING WITHOUT LIMITATION, THE WARRANT AGAINST INFRINGEMENT SPECIFIED IN THE UNIFORM COMMERCIAL CODE.

Section 12. CONFIDENTIALITY. Each Party shall in all respects honor and maintain the confidentiality of such confidential or proprietary information as may be disclosed by the other Party, and shall not use or disclose to others any such information, except for purposes of performing this Agreement. Confidential Information shall not include information in the public domain, rightfully acquired from a third party, already known or independently developed without breach of this Agreement. Both Parties acknowledge that, for the purposes of this Agreement, "**Confidential Information**" includes the Customer List and all information regarding Account Holders, their personal information, and wagering activity (including name, address, phone number, email address, login name, password, Social Security number, banking information, and account balance). Accordingly, each Party shall use its best efforts to restrict access to such Confidential Information and will use security procedures that will minimize the risk of theft or unauthorized use of such information. Each Party shall hold all such Confidential Information in confidence and shall only disclose such information to its authorized personnel and agents with a need to know such information, and take all reasonable precautions to prevent disclosure to other parties. Each Party acknowledges that such information may be disclosed to regulatory authorities in various jurisdictions or any other federal, state, or local governmental entity as may be required by law.

Section 13. COMPLIANCE WITH LAW.

(a) Each Party specifically acknowledges that the other Party is subject to the wagering and licensing requirements of various jurisdictions and is obliged to take reasonable efforts to determine the suitability of its business associates. Each Party agrees to cooperate fully with the other Party in providing it with any information (which shall be kept confidential), of whatever nature, that such Party deems necessary or appropriate in assuring itself that the other Party possesses the good character, honesty, integrity, and reputation applicable to those engaged in the

wagering industries and specifically represents that there is nothing and there will not be anything in such Party's background, history, or reputation that would be deemed unsuitable under the standards applicable to the wagering industries. If, during the term of the Agreement, a Party is notified by any regulatory agency that the conduct of business with the other Party will jeopardize that Party's license or ability to be licensed or if either Party reasonably concludes that the other Party fails to meet the above criteria, it shall be a material default of this Agreement.

(b) Each Party will comply with all federal and state laws, including, without limitation, those related to wagering, financial and anti-money laundering, and the Interstate Horse Racing Act of 1978, as amended.

(c) Each Party, at its own cost and expense, shall procure and keep in force all permits and licenses required by law that are necessary in order to permit it to discharge its obligations under this Agreement and shall comply with all applicable laws and regulations.

(d) Each Party shall keep and maintain proper records and books of accounts and make true and complete entries therein of all appropriate information relating to the operation of wagering.

(e) Each Party will comply with any cease and desist order issued by any State or federal regulatory agency and will immediately inform the other Party of any cease and desist order.

(f) Each Party to this Agreement shall bear the sole responsibility for all legal consequences arising from its breach of this Agreement and will maintain any such license and/or approval required by their respective governing bodies.

Section 14. INSPECTION AND AUDIT RIGHTS. Upon ten (10) days' written request, either Party or its representative shall be permitted, at such Party's sole expense, the right to audit and review the financial records and all related supporting documentation of the other Party as they relate to this Agreement during regular business hours, provided however, that no audit (other than the first audit) may be conducted less than one (1) year after the previous audit.

Section 15. DISCLAIMER OF IMPLIED WARRANTY. COMPANY warrants that the Services provided hereunder shall be provided in a professional manner free of neglect or willful misconduct. COMPANY does not represent or warrant that the Services will be entirely free from error or defect, nor shall COMPANY be deemed in breach of this Agreement due to or resulting from errors or defects from any third party or for any cause related to services or information provided by such third parties, or acts or neglect of CUSTOMER, its agents or employees, or of any third party, or from any other cause not within the control of COMPANY. COMPANY hereby disclaims to the fullest extent authorized by applicable law any and all warranties, whether express or implied, including any implied warranties of merchantability or fitness for a particular purpose,

and specifically disclaims any representation or warranty that the Services provide or assures compliance with federal or state anti-money laundering or financial reporting laws.

Section 16. REPRESENTATIONS OF COMPANY. COMPANY acknowledges and represents that:

(a) it has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained herein or expressly incorporated by reference;

(b) neither the execution nor the delivery of this Agreement, nor the performance of the Services contemplated hereunder will conflict with or cause a breach of any of the terms and conditions of, or constitute a default under, any agreement, license, permit or other instrument or obligation by which COMPANY is bound or conflict with any state or federal law;

(c) COMPANY has full power, authorization, and approval to enter into this Agreement and to carry out its obligation hereunder;

(d) the parties executing this Agreement on behalf of COMPANY are fully authorized to do so; and

(e) there is no litigation in progress or known by COMPANY to be threatened that could have a material adverse effect on the transactions contemplated by this Agreement.

Section 17. REPRESENTATIONS OF CUSTOMER. CUSTOMER acknowledges and represents that:

(a) it has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained herein or expressly incorporated by reference;

(b) neither the execution nor the delivery of this Agreement, nor the performance of the services contemplated hereunder will conflict with or cause a breach of any of the terms and conditions of, or constitute a default under, any agreement, license, permit or other instrument or obligation by which it is bound or conflict with any state or federal law;

(c) it has full power, authorization, and approval to enter into this Agreement and to carry out their obligation hereunder;

(d) the parties executing this Agreement on behalf of CUSTOMER are fully authorized to do so; and

(e) there is no litigation in progress or known by CUSTOMER to be threatened, which could have a material adverse effect on the transactions contemplated by this Agreement.

Section 18. DEFAULT.

(a) By CUSTOMER. In the event CUSTOMER: (i) fails to pay any of the compensation, charges or costs when due and such failure is not corrected within five (5) business

days after receipt of COMPANY's written notice of a monetary default, or (ii) fails to perform or abide by any of the material covenants and agreements on its part to be performed as required under this Agreement, and such failure shall not be corrected within thirty (30) calendar days after receipt of COMPANY's written notice of such non-monetary default, then COMPANY may, in addition to any other remedies it may have at law or equity:

(i) withhold the Services entirely, without liability to COMPANY for any damages of any nature whatsoever, except as provided in Section 22 of this Agreement until such time as the breach by CUSTOMER has been cured; or

(ii) terminate this Agreement, effective on the date specified in written notice to CUSTOMER of such termination, which date shall be not less than thirty (30) calendar days from the date of the notice, and be released and discharged from any and all liability or obligation hereunder.

(b) By COMPANY. In the event that COMPANY shall materially default in the performance of any provision of this Agreement, and such default shall not be cured within a period of thirty (30) calendar days after written notice is received by COMPANY specifying such default, then CUSTOMER may terminate this Agreement by delivering to COMPANY written notice of such termination.

(c) In the event of any termination of any approval or license that either Party to this Agreement is required to procure and maintain, or in the event that either Party: (i) is ordered or required by any regulatory authority to terminate this Agreement; (ii) is advised in writing by a regulatory authority that a license, permit, or approvals required for the conduct of its business may be in jeopardy as a result of this Agreement; or (iii) is affected by a change in existing regulation or law making it commercially impracticable to continue without modification to this Agreement, then the Party so ordered, notified, or affected may deliver written notice of same to the other Party, and if the facts underlying the order or notice cannot be cured within thirty (30) calendar days, the other Party shall have the right to terminate this Agreement at the end of the thirty (30)-day period.

(d) If either Party becomes insolvent, ceases to do business as a going concern, files or has filed against it a petition in bankruptcy or for arrangement or reorganization, or has a receiver appointed it, then the other Party may elect to terminate this Agreement by providing not less than thirty (30) calendar days' prior written notice.

(e) Upon expiration or termination of this Agreement: (i) each Party shall return all property belonging to the other Party; (ii) the Parties shall exchange all information necessary for a final reconciliation of amounts due hereunder; (iii) COMPANY shall transfer to CUSTOMER the Customer List and related Confidential Information regarding Account Holders as CUSTOMER reasonably instructs; (iv) no later than thirty (30) calendar days after expiration or termination, settlement of all outstanding fees and sums due under this Agreement shall be made; and (v) COMPANY shall cooperate in transitioning CUSTOMER's ADW operation as reasonably requested by CUSTOMER; provided that CUSTOMER shall reimburse COMPANY for all costs incurred by COMPANY in connection with such transition.

Section 19. ARBITRATION. Except for actions by COMPANY to collect sums due to COMPANY, as to which COMPANY may elect to waive arbitration and to bring suit in any court of competent jurisdiction having personal jurisdiction over CUSTOMER or its property any controversy or claim not resolved by the Parties arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association. Venue for the conduct of the arbitration shall be New Haven, Connecticut, except that, at the direction of the arbitral tribunal or with the consent of the Parties, particular hearings in aid of such arbitration may be held in other places. The arbitral tribunal shall render its reasoned award on any claims and counterclaims within six (6) months after the filing of a demand for arbitration. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The Parties expressly agree as a term of their agreement to arbitrate that the factual findings of the arbitral tribunal shall be final absent manifest or material error and rulings on questions of law or mixed questions of fact and law shall be reviewed under the "clearly erroneous" standard of review and not under a "manifest disregard of the law" or other standard, notwithstanding federal, state, or commonwealth decisional or other law concerning such standards to the contrary.

Section 20. INDEMNIFICATION. Each Party to this Agreement shall defend, as its sole responsibility, any claim, suit or proceeding brought against the other Party to this Agreement insofar as such claim, suit or proceeding is based upon a claim by a third party alleging facts or circumstances that, if true, would constitute a breach of any covenant, representation or warranty of such indemnifying Party set forth in this Agreement, provided that the Party entitled to indemnity gives written notice of any claim, suit or proceeding promptly upon first learning of same, and provides the indemnifying Party, at no cost, with such assistance and cooperation as the indemnifying Party may reasonably request in the defense thereof. The provisions of this Section 20 shall apply to any such claim, suit or proceeding, regardless of the jurisdiction, venue, tribunal, and/or governing law. The indemnifying Party shall pay any damages, costs, and/or fines (to the extent that such payment of fines is not held by a court of competent jurisdiction to be either illegal or against public policy) assessed against the Party entitled to indemnity (or paid or payable by such Party pursuant to a settlement agreement or any other resolution, formal or informal, provided that such settlement agreement or other resolution is approved by the indemnifying Party, which approval shall not be unreasonably withheld or delayed) in connection with such claim, suit or proceeding. The indemnifying Party shall indemnify and hold the Party entitled to indemnity harmless from and with respect to any such loss, damage, and/or fine (including reasonable attorneys' fees and costs). CUSTOMER hereby acknowledge that any claims by any horsemen's association, racing commission, host track (as that term is used in the racing industry), or any former ADW service provider shall be subject to this right of indemnity described above.

Section 21. LIMITATIONS OF LIABILITY.

(a) COMPANY's total cumulative liability in connection with this Agreement, whether in contract, tort, or otherwise, will not exceed the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) per each annual period beginning on the Implementation Date.

(b) Neither Party will be liable to the other Party for any incidental, indirect, special, exemplary, or consequential damages, including, but not limited to, time, savings, goodwill, or cost of replacement goods or services, whether foreseeable or unforeseeable, that may arise out of

or in connection with the subject matter of this Agreement, regardless of theory of liability, even if such damages were foreseeable.

Section 22. FORCE MAJEURE. Neither Party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to acts of nature, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, communications, power, and electronic failures, including common carrier failures, Internet service provider disruptions, insurrections, and/or any other cause beyond the reasonable control of the Party whose performance is affected. Neither Party shall be liable for any failure or delay in performance under this Agreement to the extent said failures or delays are proximately caused by causes beyond that Party's reasonable control and occurring without its fault or negligence, including, without limitation, failure of suppliers, subcontractors, banking institutions, and carriers, or that Party's failure to substantially meet its performance obligations under this Agreement, provided that, as a condition to the claim of nonliability, the Party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon.

Section 23. RELATIONSHIP OF PARTIES. Each Party acknowledges and agrees that COMPANY is an independent contractor and is not to be considered a partner, joint venture, or employee of CUSTOMER for any purpose whatsoever under this Agreement.

Section 24. THIRD-PARTY BENEFICIARIES. Each Party acknowledges and agrees that there are no third-party beneficiaries to this Agreement.

Section 25. WAIVER. The waiver by either Party of any right hereunder shall not be deemed a waiver of any other right hereunder. Any waiver, amendment or other modification of any provisions of this Agreement shall be effective only if in writing and signed by the Parties.

Section 26. NOTICE. All notices or communication hereunder shall be given to the respective Parties hereto in writing and shall be sent through the United Postal Service by Registered or Certified mail, return receipt requested, to the address stated below or to such other address as either Party shall designate by written notice to the other Party.

TO COMPANY:

eBet Technologies, Inc.
Attn: President
One Hamden Center
2319 Whitney Ave., Ste. 5-A
Hamden, CT 06518

with a copy to:

Global Tote US, LLC
Attn: Legal
One Hamden Center

2319 Whitney Ave., Ste. 5-A
Hamden, CT 06518

TO CUSTOMER:

Batavia Downs Gaming Western Regional OTB
8315 Park Rd. Batavia, NY 14020
Attn.: Henry Wojtaszek, CEO and President

Section 27. ASSIGNMENT. No Party may assign its rights or delegate its obligations hereunder, either in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempted assignment or delegation without such written consent will be void. Consent shall not be required in the event of an assignment to a direct subsidiary or affiliate made solely for the purposes of internal corporate restructuring or as a requirement of any licensure process.

Section 28. INTEREST AND ATTORNEYS' FEES. If any sums due pursuant to this Agreement are not paid timely pursuant to the terms hereof, interest at the rate of two percent (2%) over LIBOR calculated daily based upon a 360-day year or to the extent allowed by law, if less, starting from the day immediately following the due date shall be imposed on such amounts. In addition to any other relief awarded, the prevailing Party in any action arising out of this Agreement shall be entitled to its reasonable attorneys' fees and costs.

Section 29. ENTIRE AGREEMENT. This Agreement, including all exhibits which are incorporated herein by reference, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior and contemporaneous understandings or agreements, written or oral, regarding such subject matter.

Section 30. GOVERNING LAW AND JURISDICTION. This Agreement shall be governed, controlled and interpreted by the laws of the State of New York. Any action at law or in equity arising under this Agreement shall be filed only in an appropriate State or federal court located in the State of New York. Each Party hereby consents and submits to the personal jurisdiction of such courts for the purpose of litigating any such action.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

EBET TECHNOLOGIES, INC.

By: _____
Name:
Title:

**WESTERN REGIONAL OFF-TRACK
BETTING CORPORATION**

By: _____
Name:
Title:

EXHIBIT A

SERVICES

1) Digital Wagering Platform

The Digital Platform will include the principal features and functionality described in this paragraph 1. The Digital Platform will be upgraded from time to time as COMPANY continues to enhance and improve the service.

- A. White label wagering platform branded to CUSTOMER specifications with graphic design elements, including logos and color schemes, to be provided by CUSTOMER.
- B. Software license for Digital Platform betting framework, including software maintenance and upgrades.
- C. Digital Platform features include the following:
 - (a) Data and Information
 - Race card information (runner number, horse name, driver/jockey, trainer, owner information, post position)
 - MTP
 - Pool totals
 - Changes
 - Placed and settled wagers
 - Race results
 - Balance updates
 - (b) Wager Pad
 - Customer upselling ability (additional wagers/same runners)
 - Default and customizable bet amounts
 - Bet Queue
 - Oddsboard
 - Multiple screen display for live video and race replays
 - Online store for purchase of handicapping-related items (programs, recap sheets)
 - (c) Wagering Interface Widgets
 - Upcoming Races
 - Tracks
 - Top pools
 - Carryovers
 - Active and Complete Wagers

(d) Account Functions

- **Account/profile management**
- **Wagering account funding/withdrawal services**
- **Wager and account transaction histories**

D. Back Office Administration. Includes tools to permit CUSTOMER to manage and deploy content for the Digital Platform including information, promotions, messages, and downloadable PDF information.

EXHIBIT B

THIRD-PARTY FUNDING SERVICES

During the Term, COMPANY shall make available to CUSTOMER Third-Party Funding Services for the ADW Platform provided by third parties (each, a "Funding Option Vendor") set forth in Schedule 1 to this Exhibit B (each, a "Funding Option").

Each Funding Option shall be implemented on a schedule to be agreed between the Parties following the later date of: (i) CUSTOMER's execution and delivery of any agreements or documentation required by COMPANY or the Funding Option Vendor; or (ii) receipt of all necessary approvals from the Commission or other regulatory authority.

Funding Option processing fees charged by COMPANY as set forth in Schedule 1, if any ("Processing Fees"), shall be settled in accordance with the Section 7 of the Agreement. In addition to payment of the Processing Fees, CUSTOMER shall reimburse COMPANY for: (i) any fees, fines penalties, or other charges, imposed on COMPANY by a Funding Option Vendor as a result of any violation of the Funding Option terms by CUSTOMER or CUSTOMER's Account Holders or any improper or illegal use of the Funding Option by CUSTOMER or CUSTOMER's Account Holders; and (ii) Funding Option chargeback amounts charged to COMPANY. COMPANY reserves the right to suspend or terminate CUSTOMER's access to the Funding Option for failure to cure any nonpayment of sums owed to COMPANY after receipt of notice and a request to cure by COMPANY.

If, by reason of its use of the Funding Option, CUSTOMER is assessed or has imposed or levied upon it any tax or fee by any governmental authority (including, but not limited to, sales or use, transfer, excise, intangible, property, and similar taxes and duties), CUSTOMER agrees to provide COMPANY with adequate documentation that such taxes or fees have been paid. CUSTOMER shall reimburse COMPANY should COMPANY be charged for any verified tax obligation of CUSTOMER. CUSTOMER shall hold COMPANY harmless from all claims and liability arising from any failure to report or pay such taxes.

COMPANY reserves the right to evaluate CUSTOMER's usage and transaction history of the Funding Option from time-to-time at its own discretion. Upon thirty (30) days' advance written notice, COMPANY reserves the right to modify the fee structure or other conditions of any Funding Option. CUSTOMER acknowledges that COMPANY's provision of the Funding Option to CUSTOMER is not guaranteed, and is subject to the availability of the Funding Option to COMPANY by Funding Option Vendor. In the event that Funding Option Vendor terminates, removes, or otherwise no longer makes its services available to COMPANY, COMPANY shall have no further obligation to provide the Funding Option to CUSTOMER.

New Funding Options may be made available by COMPANY to its customers, including CUSTOMER, from time to time. Deployment of any new Funding Option shall be contingent upon: (i) execution of a written amendment to this Agreement by the Parties setting forth the terms of such Funding Option, including deployment timeframe(s) and associated fees, if any; and (ii) receipt by CUSTOMER of approval(s) for the Funding Option by the Commission, and provision of evidence of such approval to COMPANY.

SCHEDULE 1

FUNDING OPTIONS

ACH

Funding Option: Automated Clearing House ("ACH")

Description: ACH permits Account Holders to make deposits to and withdrawals from wagering accounts via the ACH electronic network for financial transactions.

Account Holder Fees: The Account Holder is charged at the time of the transaction One Dollar (\$1.00) For Each Wagering Account deposit, and Two Dollars (\$2.00) for each wagering account withdrawal initiated via ACH. In the event a transaction is dishonored by the Funding Option provider due to insufficient funds or for any other reason, the Account Holder will be charged Fifteen Dollars (\$15.00).

Processing Fees: No fee is charged by COMPANY to CUSTOMER for access to the Funding Option.

Card Services

Funding Option: Credit and debit card funding

Description: Credit and debit card financial transaction services that permit Account Holders to add funds to their wagering accounts using VISA and MasterCard credit or debit cards.

Account Holder Fees: The Account Holder is charged a transaction fee equal to: four and one-half percent (4.5%) of the requested deposit amount for deposits initiated via the Site. Fees are deducted from the deposit amount at the time of the funding/transfer. Additional fees may be charged by the cardholder's issuing bank. In the event a transaction is returned or charged back by the funding processor due to insufficient funds or any other reason the account holder will be charged Twenty-six Dollars (\$26.00).

Processing Fees: No fee is charged by COMPANY to CUSTOMER for access to the Funding Option.

PayNearMe

Funding Option:

PayNearMe

Description:

PayNearMe is a service that permits Account Holders to use cash at 7-Eleven and Family Dollar locations to add funds to wagering accounts using a PayNearMe PayCode sent to the account holder. The PayNearMe PayCode may be printed or accessed via mobile app and presented in person at the participating location.

Account Holder Fees:

Fees associated with use of the PayNearMe service as in effect from time to time, are collected from the Account Holder at the time of the transaction. COMPANY charges a processing fee of One Dollar (\$1.00) per transaction for use of the Funding Option to add cash to wagering accounts, which processing fee is collected from the Account Holder at the time of the transaction.

Processing Fees:

No fee is charged by COMPANY to CUSTOMER for access to the Funding Option.