

A Meeting of the Board of Directors of the Suffolk Regional Off-Track Betting Corporation was held on April 22, 2010 at 10:00 A.M. at Corporate Headquarters, 5 Davids Drive, Hauppauge, New York.

The following persons were present:

Dominick P. Feeney	Chairman
Herbert Hemendinger	Vice Chairman
Eddie S. Wynn	Secretary
Jeffrey A. Casale	President/CEO
Neil H. Tiger	Executive Director/Director of External Affairs
Celine Gazes	Comptroller
Edna Donohue	Corresponding Secretary to the Board

Also Present:

David Needham	Chief of Staff
Russ Kratoville	Deputy Comptroller
Debbie Pfeiffer	Director of Government and Public Affairs
Chris Dempsey	Deputy Director of Wagering Operations and Services
Kevin Snover	Board Counsel
Cathy Rice	Local 237 Teamsters Union Representative
Robert Quarte	AVZ Partner
Stephen Antaki	AVZ Partner
Anita Zanderzuk	AVZ Manager

The Meeting was called to order by Chairman Feeney at 10:04 A.M.

ITEM #1 APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS MEETING OF MARCH 18, 2010

Chairman Feeney stated that the first item on the Agenda was to approve the Minutes of the Board of Directors Meeting of March 18, 2010. Secretary Wynn made a motion that the Minutes be approved, seconded by Chairman Feeney and passed unanimously.

ITEM #2 AUDITORS' REPORT

Present at the meeting today are representatives from Albrecht, Viggiano, Zureck & Company to present their report of the Audit conducted of the Corporation's books. Partner, Bob Quarte, opened stating that the presentation would only cover the highlights of the report. He turned the meeting over to Anita Zanderzuk who informed the Board of the impact of the declining revenue and poor economic conditions confronting the Corporation. She noted that the Corporation's net handle had a decrease of about \$25 million from 2009. Operating expenses decreased approximately \$794,000. The bulk of the decrease was in salaries, wages and benefits which was achieved by staff reductions by attrition, employee contributions towards their health insurance premiums and a slight reduction in contribution rates for the NYS Retirement System and the reduction of earned time liability due to changes in corporate policy. Mr. Quarte added that while handle is down 14% from the previous year, it is not always possible to reduce expenses in the same percentage but that it is commendable that the expenses have come down almost \$1.7 million. Ms. Zanderzuk stated that despite reducing staffing levels and closing two branches (one in 2009 and one in 2010), a new vendor providing interface services and simulcast transmissions expected to reduce costs an additional \$300,000, revenue is still falling faster than expenses. It was also noted that internet wagering has just begun. In addition, Suffolk OTB has entered into a "joint venture agreement" with other regional OTBs in order to share various services and hopefully further reducing expenses.

Cash received from bettors decreased by \$25 million, the cash paid to suppliers and employees decreased by about \$2.7 million, the net cash provided by operating activities

decreased over \$2 million. Mr. Quarte indicated that last figure is largely due to the statutory payments

It is noted that employees retiring after November 2009 contribute 15% to their health insurance premium.

President Casale added that most of the other OTBs have similar financial concerns. On the one side he feels the Corporation has done everything possible to manage the finances and reduce expenses and perhaps make some difficult decisions in the future while on the other hand, the State has failed to address the statutory payments. Once again, President Casale complimented the staff of Suffolk OTB on their creativeness and thriftiness. Mr. Antaki thanked the HQ staff, Comptroller Gazes and her department, for their assistance which enables AVZ to finish their audit in an efficient and timely manner.

ITEM #3 MARCH HANDLE REPORT

Comptroller Gazes reported that handle for the month of March was down 12.5% from 2009 and from projected handle by almost 14.4% for the month of March. On a year-to-date basis, handle through March is down 17.1% from 2009. There was one weather-related closing in March 2009 and March 2010 but the one in 2010 was on a Saturday. Palm Sunday fell in March this year.

On Page 2, Qwik-Bet handle is up 121% because of the additional locations and the big bettors at the Dunton Inn. The Qwik-Bets that were open in 2009 showed the same downward trend as the regular branches.

The Hauppauge branch closed in mid-March. From the figures it would appear that the handle from that branch has shifted to the Ronkonkoma and Racing Forum branches so that the majority has been retained. Most of the branches were down significantly, especially Huntington and Route 110. Riverhead's handle was basically flat, Shirley's was up 2.5% mainly due to a shift from Patchogue and Grand Blvd. was up 2.2%.

Page 3 is an analysis of handle by entity. On a month-to-date basis, Phone Room handle as a percentage of total jumped from 12.1% in 2009 to 12.3% in 2010; the Racing Forum as a percentage of the total for the month increased from 25.7% to 27.7% and for the regular branches decreased from 60.2% in 2009 to 54.7% in 2010 and the Qwik-Bets have increased from 2.1% to 5.3% of total handle.

Page 5 is a summary of handle by track. NYRA handle decreased 23.8% over 2009 with two fewer racing days. Overall, in-state harness handle increased 4.6% due to Monticello which had 19 race days versus 13 in 2009; out-of-state thoroughbred handle is down 5.1% while out-of-state harness handle is down 22.4% perhaps weather-related.

Page 6 is a summary of statewide OTB handle by region. On average the OTB regions' handle decreased over 2009 by 9.4% for the month of March with Suffolk's decrease being 12.5%. Internet wagering went into effect in April. At the present time, we are taking all tracks that have given us permission. NYRA has withheld permission to take wagers over the internet. In order to break even on the internet, we must have \$70,000 in handle per month and even without NYRA, we seem to be doing alright. As stated before, it is a low-cost way of doing business and hopefully we will attract new customers, just another example of a positive step. We are reaching out to NYRA through Wilson, Elser and the NYS Racing & Wagering Board in

the hope they will see the logic in granting permission. He added that due to some lag payments, NYRA was originally going to shut down the home signal which would punish the customers. With the help of Albany, an agreement has been reached with respect to the payments.

As a preview to April, through the 21st handle is down 7.1% for the month. There were 7 darks days in the first 21 days of April 2010 compared to 8 in April 2009.

ITEM #4 NEW YORK CITY OTB IMPACT

President Casale expressed his concern with the statements made by the Chairman of NYCOTB, Sandy “Meyer” Frucher last Saturday. President Casale also stated his concern with actions being taken at NYCOTB that would have a negative effect on the industry as a whole and more specifically the other 5 OTB regions. As examples, President Casale cited the following: NYCOTB is in the midst of its Chapter 9 bankruptcy proceeding and has issued pink slips to employees. It has made plans to close on April 11th unless the State Legislature and Governor had taken steps to resolve the problems facing the OTB. Mr. Frucher then announced that New York City OTB could remain open at least another year. For at least the last two years, the suburban OTBs have urged Albany to enact legislation with respect to the dysfunctional distribution, the maintenance of effort and hold harmless issues necessary to enable these OTBs to survive. The President observed that Mr. Frucher’s statement has severely damaged any credibility of New York City OTB or, for that matter, the credibility of any of the other five regional OTBs. Mr. Casale reminded the Board members of the points the external auditors had made earlier in the meeting. This gambit by Mr. Frucher and NYCOTB has now created an atmosphere where whatever progress we might have been making in talks with the legislators in

Albany is in danger of being ignored and not being taken seriously, as well as making it difficult to work towards a solution. The bottom line is that it will require a huge amount of effort to re-establish credibility with our legislators and the labor unions who have been so supportive. President Casale credited Assemblyman Sweeney with our success in negotiating with NYRA. He managed to get a letter signed by the entire Suffolk delegation to be delivered to the Speaker. Chairman Feeney assured President Casale of the Board's support."

ITEM #5 APPROVAL OF EXPENDITURE FOR HANDICAPPING WORLD SERIES IN LAS VEGAS

The next item to be discussed was to consider the expenditure of monies to send the winners of the Suffolk OTB Handicapping Challenges to the World Series at the Orleans Hotel in Las Vegas. This is the same procedure that has been followed over the last several years wherein the winners of the Suffolk OTB Handicapping Challenges are entered into the Las Vegas Handicapping World Series. The amount requested covers the entry fees to the contest as well as round-trip airfare. Accordingly, Vice Chairman Hemendinger made a motion that the Corporation is authorized to expend the sum of Four Thousand Five Hundred for entry fees for the winners of Suffolk OTB's three handicapping challenges to the World Series handicap Contest held in Las Vegas in February 2011 and to expend such further sums to reimburse those winners for the cost of round-trip airfare to Las Vegas, seconded by Secretary Wynn and unanimously passed.

ITEM #6 CONSIDERATION OF LANDSCAPING EASEMENT AT AIRPORT

President Casale stated this matter had been discussed a few years ago but was not resolved. The Company, G-MAP REALTY LLC, on property adjacent to the Airport branch, wants to do some landscaping and maintenance along the property line between the branch and their building. Corporate Counsel has no objection, there are no security issues and there will be no cost to Suffolk OTB. Accordingly, Vice Chairman Hemendinger made a motion that the Corporation authorize the President to execute a mutual satisfactory easement agreement for landscaping improvement and maintenance, seconded by Secretary Wynn and unanimously passed.

The Corporation is in the throes of preparation for Kentucky Derby Day. The Board was invited to the Racing Forum on that day.

The next meeting of the Board of Directors will be held on May 27th, 2010 at 10:00 a.m. at Corporate Headquarters.

Thereafter, Vice Chairman Hemendinger made a motion to adjourn, which was seconded by Secretary Wynn and unanimously passed.

Secretary

RESOLUTION

After a motion was made, seconded and a unanimous vote, it is hereby

RESOLVED, that the Corporation is hereby authorized to expend the sum of Four Thousand Five Hundred and 00/100 (\$4,500.00) Dollars for entry fees for the winners of Suffolk OTB's three handicapping challenges to the World Series Handicap Contest held in Las Vegas in February 2011 and further to expend such further sums to reimburse those winners for the cost of round-trip airfare to said Las Vegas contest as stated in the contest rules.

CERTIFICATE OF SECRETARY

Eddie S. Wynn, being the Secretary of Suffolk Regional Off-Track Betting Corporation, does hereby certify that said resolution has duly passed at a meeting of the Board of Directors of Suffolk Regional Off-Track Betting Corporation held at Corporate Headquarters, 5 Davids Drive, Hauppauge, New York, 11788 on the 22nd day of April, 2010.

Secretary

RESOLUTION

WHEREAS, G-Map Realty, LLC an abutting property owner of the Airport Branch has proposed a maintenance easement for the sole purpose of grading, planting and maintaining the common property line between their property and the OTB Airport Branch property; and

WHEREAS, G-Map Realty, LLC will assume full cost and expense for the easement area improvement and maintenance thereof; and

WHEREAS, a copy of the proposed easement is attached hereto;

After a motion was made, seconded and a unanimous vote, it is hereby

RESOLVED, that President Casale is authorized to execute the maintenance easement on behalf of Suffolk Regional Off-Track Betting Corporation.

CERTIFICATE OF SECRETARY

Eddie S. Wynn, being the Secretary of Suffolk Regional Off-Track Betting Corporation, does hereby certify that said resolution has duly passed at a meeting of the Board of Directors of Suffolk Regional Off-Track Betting Corporation held at Corporate Headquarters, 5 Davids Drive, Hauppauge, New York, 11788 on the 22nd day of April, 2010.

Secretary