

A Meeting of the Board of Directors of the Suffolk Regional Off-Track Betting Corporation was held on March 18, 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
Tom Kilmartin	Budget Director
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

The Meeting was called to order by Chairman Feeney at 10:02 A.M.

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

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

ITEM #2 FEBRUARY HANDLE REPORT

Comptroller Gazes reported that handle for the month of February was down 24.0% from 2009 and from projected handle by almost 26.0% for the month of February. Obviously, part of the decline is weather-related as there were several cancellations and the Corporation was shut down on February 26th.

On Page 2, Qwik-Bet handle is up 12% because of the additional locations although the Qwik-Bets that were open in 2009 showed the same downward trend as the regular branches. It is noted that Dunton Inn is up but not as much as prior months. Most of the branches were down significantly, especially Route 110 down 42.5%. That might be a result of the recent closure for repairs and perhaps even a loss of customers to other locations. Also since Grand Blvd. had a small decline which might indicate the Route 110 customers relocated there. The Phone Room was down 92% perhaps because customers didn't opt to go to a branch but bet on the phone. Airport was up 4.1% for the month probably due to the influx of customers from Patchogue.

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 11.9% to 14.2%; the Racing Forum as a percentage of the total for the month decreased 26.3% to 23.2%; and for the regular branches decreased from 58.7% in 2009 to 57.9% and the Qwik-Bets have increased from 3.2% to 4.8% of total handle.

Page 5 is a summary of handle by track. NYRA handle decreased 23.0% over 2009 with two fewer racing days. There were some weather-related cancellations. In-state harness handle decreased 18.2% in 45 racing days but there were weather-related problems across the State. Out-of-state thoroughbred handle decreased 21.5% which is partially due to the decision not to

take night-time thoroughbred racing on Mondays and Tuesdays due to the maintenance of effort issue which may effect handle but not necessarily the bottom line. Out-of-state harness handle was down 39.1% again partially due to weather factors.

Page 6 is a summary of statewide OTB handle by region. On average the OTB regions' handle decreased over 2009 by 15.4% for the month of January with Suffolk's decrease being 24.0%. Hopefully the internet wagering program will be approved and handle will increase. The Board's next meeting is March 25th and we will see if it is on the agenda.

As a preview to March, through the 16th handle is down 14.8% for the month. President Casale added that the month started strong but again there have been weather issues with the Northeast getting hammered by tremendous rain.

He also stated that Suffolk is not the only region being effected so he plans to adjust accordingly.

ITEM #3 RENEWAL OF WILSON, ELSER CONTRACT

President Casale stated the next item to be discussed was the renewal of the Wilson, Elser contract. There are no changes in the amount to be paid under the contract and with the excellent results they have produced, he recommends renewal of the contract to the Board. They also represent Catskill and Capital OTBs. With their assistance in crafting proposed legislation, the firm has certainly gone above and beyond our anticipations.

Based on the foregoing, Vice Chairman Hemendinger made a motion that the contract with Wilson, Elser be renewed under the terms and conditions of said contract and for the term

April 1, 2010 through March 31, 2011, which was seconded by Secretary Wynn and unanimously passed.

ITEM #4 UPDATES COMMUNICATIONS

President Casale announced that since our last Board meeting he along with representatives from Wilson, Elser have been very busy attending meetings in Albany and Manhattan. The Manhattan meeting was with Local 237 Teamsters President Greg Floyd, Vice President Rich Hendershot, John Burns and Ben Carezza. In addition the meeting was attended by Pat Striker, the political director for the Teamsters and Richard Winston, their lobbyist. Present by telephone were Capital OTB and its ACSME representative ACSME. The purpose of the meeting was to review Executive and Legislative branch machinations in Albany and movement with regard to our legislative agenda. President Casale feels strongly that the voice of labor is meaningful in Albany and is appreciative of the collaborative efforts and time Union leadership has devoted to assisting us on taken on our issues.

President Casale stated that the Albany situation is unique at best. Driving the discussion is the fate of New York City OTB and its bankruptcy. There seems to be no consensus about whether New York City OTB's situation can be addressed effectively. He feels there are some who want to see NYCOTB fail and others striving for its survival. President Casale does not want to see New York City OTB fail as it would have a devastating effect on the racing industry in the State. The Governor has not yet introduced a legislative program to address the concerns although the second floor has circulated certain things they believe should be done. At the moment it would appear that no one in Albany is on the same page. President Casale then

outlined a plan for streamlining NYCOTB promulgated by Assemblyman Pretlow, and informed the Board of an industry wide meeting held by Senator Adams in Albany. Wilson, Elser will be responding to Assemblyman Pretlow's proposals with our suggestions as to their viability.

Generally, the consensus drawn from the Senate meeting was that New York City OTB should not be allowed to fail and that the out-of-state ADWs need to be regulated. He came away from the meeting feeling that from the Senate side, something will change.

Prior to the meeting above, the OTB Presidents met at Capital OTB with all six regions in attendance. The purpose was to discuss the Joint Venture agreement previously executed by Western, Capital and Suffolk. Nassau, Catskill and New York City were asked to participate. The end result was that Catskill executed the agreement and NYC and Nassau expressed their support. Debbie Pfeiffer has provided items in the Board members packets on the press coverage resulting from the Joint Venture Agreement. The success of the joint venture is dependent on the passage of the proposed legislative package. President Casale hopes to move quickly on several of the projects which the agreement encompasses.

Of special interest and high on the list JVA projects is the establishment of the New York State Racing Council the membership of which would essentially be the attendees at Senator Adams meeting. The President feels the light has finally dawned on the fact that the declining horseracing industry must be saved, promoted and grown. Unfortunately, Albany is acting slowly at a time when bold initiatives are needed. Hope is that New York City and Nassau OTB will participate in the joint venture and a proposal will be made to combine the phone operations to have one "downstate" phone center located in Suffolk and one upstate center located in the capital district.

ITEM #5 STATUS OF INTERNET WAGERING PLATFORM APPROVAL

To reiterate what Comptroller Gazes stated, President Casale is hopeful that the matter will appear on the March agenda of the NYS Racing & Wagering Board meeting and that approval will be granted. He feels that program will have a positive impact on the handle

ITEM #6 DEBBIE PFEIFFER UPDATE

Debbie Pfeiffer stated that Assemblyman Pretlow's NYCOTB proposal letter is in the Board's packets today. She hopes that three press releases will result from the news of the joint venture and more when the State Council on Racing is established. In the alert she is sending to the elected officials, not only is the Joint Venture agreement touted but the fact that the laws must be changed in order for it to be successful. She also informed the Board that Newsday has submitted some FOIL requests to Suffolk OTB for a variety of information so hopefully they will do an article.

ITEM #7 CLOSING OF THE HAUPPAUGE BRANCH

President Casale stated that the Hauppauge branch is now closed. The Buildings & Grounds department has moved out the equipment. The Manager of that branch has been relocated to Commack and confirms that a group of the customers have followed. No staff was let go as a result of that closing but other expenses have certainly been reduced and/or eliminated.

President Casale stated that there are some litigation matters to be discussed in an Executive Session whereupon Vice Chairman Hemendinger made a motion that the Board go into Executive Session, seconded by Secretary Wynn and unanimously passed.

Upon re-convening in open session, Counsel Tiger stated for the record that a number of pending litigation and hearing matters were discussed. No business was conducted and there will be no resolutions as a result of the informational discussions.

The next meeting of the Board of Directors will be held on April 22nd, 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 President Casale is authorized to execute a renewal contract with Wilson, Elser at the annual rate of Fifty Thousand (\$50,000.00) Dollars plus disbursements in the amount of Three Thousand (\$3,000.00) Dollars per month for a total annual fee of Fifty Three Thousand (\$53,000.00) to be paid in twelve equal monthly installments of Four Thousand Four Hundred Sixteen and Sixty-Six One-Hundredths (\$4,166.66) Dollars for governmental affairs counsel for the period April 1, 2010 through March 31, 2011.

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 18th day of March, 2010.

Secretary