

A Meeting of the Board of Directors of the Suffolk Regional Off-Track Betting Corporation was held on May 27, 2010 at 10:00 A.M. at Corporate Headquarters, 5 Davids Drive, Hauppauge, New York.

The following persons were present:

Dominick P. Feeny	Chairman
Herbert Hemendinger	Vice Chairman
Eddie S. Wynn	Secretary
Jeffrey A. Casale	President/CEO
Marietta M. Seaman	Vice President
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

The Meeting was called to order by Chairman Feeny at 10:01 A.M.

ITEM #1 APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS MEETING OF APRIL 22, 2010

Chairman Feeny stated that the first item on the Agenda was to approve the Minutes of the Board of Directors Meeting of April 22, 2010. Secretary Wynn made a motion that the Minutes be approved, seconded by Chairman Feeny and passed unanimously.

ITEM #2 MISCELLANEOUS

President Casale stated that April was a relatively quiet and uneventful month. For May, the Kentucky Derby was better than anticipated and the Preakness was about \$200,000 less than expected. While there was not a lot of hype about the Preakness this year, the branches were busy. When the handle report is reviewed later, it will indicate that the handle is still in decline we believe largely due to the economy. The racing industry in general in New York is in a state of turmoil of which the New York City OTB and NYRA problems are simply the most outwardly visible problems. The State has agreed to lend NYRA an additional \$25 million in the hopes that this will sustain that organization until a VTL operator is selected. Despite the best efforts of the suburban OTBs there has been no legislative action taken in this session and it is doubtful that there will be any movement with respect to amending the distribution formulas. As a result approximately 4,000 OTB jobs statewide remain in jeopardy. President Casale's opinion is that the State will never take any action in that regard. The only recourse the Corporation has is downsizing.

Another disappointment has been the relative inaction or reluctance of some of the OTBs to take affirmative action on agreed upon projects of the executed joint venture agreement.

i. President Casale announced that both he and Vice President Seaman had had a meeting with the new officers of Nassau OTB. He is hopeful that we can establish a productive relationship with the new Nassau OTB management with the goal of effecting savings by reducing duplication on certain projects and/or positions.

ii. Another item that is rather puzzling is the NYS Racing & Wagering recent policy of not approving out-of-state track simulcasting and wagering contracts for New York City OTB. Our

concern is two-fold: first is concern that the unregulated untaxed out of state adw's will move to acquire this handle and second that it will cause a tremendous reduction in payments to the breeders funds. There is also concern as to the effect it might have on the rates charged by the out of state tracks to the remaining New York State suburban OTBs.

iii. A New York State Retirement System incentive has been passed in the Assembly and is expected to be approved in the Senate. Once signed, President Casale will ask the Board for a Special Meeting to consider acceptance of the retirement incentive probably the week of May 31st. The incentive is similar to the one adopted in 2002.

iv. The Belmont Stakes is coming up although it is not expected to generate the traditional interest or handle as it is lacking a Triple Crown contender. Overall NYRA's handle is about 10% less than 2009. Fields are small and the uncertainty surrounding NYRA's ability to remain open combined with increased purses at Monmouth, Philly Park and Delaware, among other tracks have led to more horses being sent out of state.

v. The newly instituted internet wagering program is doing well despite a lack of advertising. It is catching on primarily by word of mouth. There are plans to market it more heavily in the future. Initially, NYRA would not permit Suffolk OTB to take internet wagering on their tracks but after a period of negotiations permission was granted. It appears that the site has created new handle.

vi. Debbie Pfeiffer reports that a press release was put out with respect to the State Comptroller's Audit report and the joint venture's response thereto. We are also preparing a response to an inaccurate Cablevision editorial. In addition there is a planned meeting with Newsday.

ITEM #3 APRIL HANDLE REPORT

Comptroller Gazes reported that handle for the month of April is down about 6% from the same period in 2009 and on a year-to-date basis down 14.4%. There were two additional dark days in 2010 for the month of April and there seems to be more dark days as the tracks run less days. Palm Sunday fell in March this year and April last year.

Qwik-Bets are up 12.5% over 2009 largely due to the increased locations. Internet Wagering is listed for the first time since it started in mid-April. There seems to be a handle shift from the Hauppauge branch which closed in March to the Racing Forum which was up 10.3% and Commack up 11.2%. Riverhead was basically flat, Airport was up 6.4% and Southampton up 45.2%. Grand Blvd. was up slightly which might have been a shift from the Route 110 branch when it closed in December.

Page 3 is an analysis of handle by entity. Telephone handle was basically flat; Racing Forum handle as a percentage of total was up from 24.9% to 29.2% in 2010, regular branches as a whole went down from 60.4% to 54.6% and Qwik-Bets from 3.1 to 3.7% of the total.

Page 5 is a summary of handle by track. NYRA handle is down 11% for the month of April. In-state harness handle was basically flat with decreases at Buffalo, Monticello and Saratoga offset by increases at Yonkers which was up 19.5%. Out-of-state thoroughbred handle is down 3% and out-of-state harness handle is down 11% with less racing days.

Page 7 is a summary of statewide OTB handle by region. On average the OTB regions' handle was down 5.4% and note is made that Suffolk is getting back to being more average.

Nassau was down 7.1% compared to Suffolk's 6%. Catskill was down 3.2% and Capital 3.7%.

New York City was only down 5.5%.

Derby Day Suffolk was slightly up for the day when all tracks are included. Through the 25th of this month handle remains down compared to 2009.

With the need to discuss potential litigation as well as personnel matters, Vice Chairman Hemendinger made a motion to go into Executive Session which was seconded by Secretary Wynn and unanimously passed.

When re-convened in open session, Counsel Tiger announced there was a discussion during Executive Session concerning some personnel and procedure matters as they relate to some specific personnel as seen on Preakness Day. The Corporation is in the process of gearing up for Belmont Stakes Day. The Board was invited to the Racing Forum on that day.

The next meeting of the Board of Directors will be held on June 24th, 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