

A Meeting of the Board of Directors of the Suffolk Regional Off-Track Betting Corporation was held on March 26, 2015 at 10 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
Philip C. Nolan	President
Anthony Pancella III	Vice President
James McManmon	General Counsel
Gilda Hidalgo	Deputy Comptroller
Kevin Snover, Esq.	Counsel to the Board of Directors (Conference Call)
Paulette L. Moses	Corresponding Secretary to the Board

Also Present:

Victor Salamone	Chief of Staff
Lorraine Pappas	Deputy Chief of Staff
John Luquer	Executive Director Corporate Facilities
Kim Edelstein	Director of Wagering Operations and Customer Service
Kathy Rice	Teamsters Local 237 Representative

The Meeting was called to order by Chairman Feeney at 10:00 A.M.

ITEM #1 APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS

MEETING January 2015

Chairman Feeney stated that the first item on the Agenda was to approve the Minutes of the Board of Directors' Meeting of January 22, 2015 whereupon a motion that those minutes be approved was made by Vice Chairman Hemendinger, seconded by Secretary Wynn and carried unanimously.

ITEM #2 JANUARY 2015 HANDLE REPORT

Deputy Comptroller Hidalgo reported the analysis of the January 2015 handle for the month of January was down \$ 517,100 or 6.7% from January 2014. January handle was down as compared to projected handle by \$461.810 or 6.0%.

The total number of QWIKBetz operations as of January 31st was 32, not including the Jon Thomas Inne. On February 5th 2015, we opened Old Town Tavern in Coram. The total Qwik Bet handle was up \$3,238 or 0.5% for the month. The internet wagering was down \$194,340 or 24.6% for the month. Telephone wagering was up \$142,521 or 21.0% for the month. The Racing Forum's handle was up \$115,818 or 5.3% for the month. The six regular branch locations' total handle was down \$584,336 or 17%. Two of the remaining five regular branches had increases. Commack was up \$140,689 or 36.6% and Route 110 was up \$228,520 or 60.9%. Some of the increase for Commack and Route 110 is due to being open at night. The Centereach branch was down by \$122,924 or 16.7%.

QWIKBetz handle increased from 9.0% of total handle for January 2014 to 9.6% for January 2015. Internet handle increased from 10.2% of total handle for January 2014 to 11.3% for January 2015. The telephone handle decreased from 8.7% of total handle for January 2014 to 8.2% for January 2015. Racing Forum handle increased from 28.0% of total handle for January 2014 to 31.6% for January 2015. Regular branch handle decreased from 44.1% of total handle for January 2014 to 39.2% for January 2015.

Aqueduct handle was down \$578,016 or 25.6%, mainly due to 4 fewer racing days than last year. The average daily handle was down also by \$7,864 or 7.0%. In-state harness handle was down \$38,980 or 10.5%. Yonkers was the only track to show a decrease in total handle. Monticello was up 25,074 or 17.0% and Buffalo was up 5,836 or 33.9%, both had the same amount of race days as last year. Their daily average also increased \$2,320 or 50.9%. Yonkers had the largest dollar decrease \$69,890 or 33.6% with one fewer racing days. Yonkers average daily handle decreased \$3,604 or 29.5%. The total out of state thoroughbred handle was up \$251,761 or 5.6%. The largest increase of 172,648 or 12.5% was Gulfstream, which is running at Calder, which didn't have any handle as a result; their handle was \$175,296 for January 2014. Tampa Bay also had an increase of \$60,501 or 9.1%. The daily average also decreased \$9,781 or 6.4%. CDI tracks' combined handle was down \$29,464 or 3.7%, which most of this can be attributed to Calder not running at all, and Oaklawn running two less days than last year. CDI tracks combined had 10 less race days than last year 58 versus 48. The daily average also decreased \$14,968 or 36.1%. Monarch tracks' which includes Thoroughbred and Harness tracks had a combined handle that was up by \$193,453 or 5.9%. Most of that can be attributed to Gulfstream, which by itself had an increase of \$172,648 or 12.5% with 1 more day than last year 23 versus 22, again due to their now using Calder's track. All Monarch tracks combined had 1 more racing days than last year 122 versus 121. The daily average increased \$6,240 or 5.9%. The out of state harness handle was also up at \$97,068 or 23.8%. The Meadowlands had the largest total dollar increase, at \$79,718 or 49.0% partially due to racing 14 days versus 9 last year. Their daily average decreased \$759 or 4.2%. Freehold had the largest percentage increase of \$22,689 or 52.1%. They also had

the largest percentage increase in daily average of 31.8%. Statewide OTB Handle decreased by \$1,649,581 or 3.1% for the month. Every region had a decrease except Capital, which increased \$296,371 or 2.9%. The smallest percentage decrease was Western at 2.1% and the largest was Catskill at 7.8%. Nassau also had the largest decrease in dollars of \$822,998. Western decreased \$137,652 or 2.1%. We had the second largest decrease in dollars and percentage at 517,100 and 6.7%.

ITEM #3 FEBRUARY 2015 HANDLE REPORT

Deputy Comptroller Hidalgo reported the analysis of the February 2015 handle for the month of February was down \$284,417 or 6.7% from February 2014. The year to date handle through February 2015 was down \$ 775,517 or 5.2% from 2014. February handle was down as compared to projected handle by \$315,457 or 4.4%. The year to date handle through February was down as compared to projected handle by \$777,267 or 5.2%.

The total number of QWIKBetz operations as of February 28st was 32, not including the Jon Thomas Inne. We have Connolly Station in Bay Shore and Island Farms. Our legal department is preparing to send to the Gaming Commission for approval. Old Town Tavern in Coram had their soft opening on February 5th, 2015. The QWIKBetz locations were flat this month; total Qwik Bet handle was up \$3,444 or 0.5% for the month. The total QWIKBetz handle was up \$6,681 or 0.5% for the year, Twisted Shamrock, Grumpy Jacks and Jimmy's were up for the month. The internet wagering was down \$108,479 or 17.5% for the month, and down for the year \$302,819 or 21.4%. Telephone wagering was up \$ 282,166 or 49.0% for the

month, and up \$424,687 or 33.8% year to date. The Racing Forum's handle was up \$228,763 or 11.8% for the month, and up \$344,581 or 8.4% year to date. The six regular branch locations' total handle was down \$665,588 or 20.4% for the month. Three of the remaining five regular branches had increases. Commack was up \$67,826 or 18.5%, Route 110 was up \$197,089 or 59.7%, and Airport was up \$30,546 or 4.9%. Some of the increase for Commack and Route 110 is due to being open at night, but not all of it. The Shirley branch was down \$65,906 or 14.3%, and Centereach was down by \$98,403 or 14.5%. The five regular branch locations' total handle was down approximately \$1,249,925 or 18.7% for the year. Not counting Sunrise, Centereach is showing the largest decrease of \$221,327 or 15.6%. Route 110 showed the largest increase for the year of \$425,609 or 60.4%.

The QWIKBetz handle increased from 9.4% of total handle for February 2014 to 9.9% for February 2015. Internet handle increased from 8.8% of total handle for February 2014 to 12.1% for February 2015. The telephone handle decreased from 8.2% of total handle for February 2014 to 7.2% for February 2015. The Racing Forum handle increased from 27.5% of total handle for February 2014 to 30.6% for February 2015. The regular branch handle decreased from 46.1% of total handle for February 2014 to 40.2% for February 2015. The year to date QWIKBetz handle decreased from 9.2% of total handle in 2014 to 6.5% in 2015. The year to date internet handle increased from 9.5% of total handle in 2014 to 15.6% in 2015. Year to date telephone handle increased from 8.5% of total handle in 2014 to 10.3% in 2015. Year to date Racing Forum handle increased from 27.8% of total handle in 2014 to 41.3% in 2015. The Regular branch year to date handle decreased from 45.1% of total handle in 2014 to 26.4% in 2015.

Aqueduct handle was down \$176,400 or 10.9%, with one less racing days than last year. The average daily handle was down 23,969 or 17.7%. In-state harness handle was down \$88,390 or 21.5%. Buffalo and Yonkers showed a decrease in total handle, ranging from 46.3% for Buffalo and 30.5% for Yonkers. Monticello was up 1,908 or 1.4%. Their daily average also decreased \$2,414 or 14.7%. Yonkers had the largest dollar decrease of \$71,038 with one less racing day. Yonkers average daily handle decreased \$3,584 or 26.2%. Total out of state thoroughbred handle was down \$9,927 or 0.2%. We took Delta Downs and Mahoning this year which gave us an increase of \$124,931 for Delta Downs and \$98,461 for Mahoning. CDI tracks' combined handle was down again this month \$105,384 or 17.7%, which most of this can be attributed to Calder not running at all. CDI tracks combined had 8 less race days than last year of 42 versus 50. Monarch tracks' combined handle was also down by \$74,005 or 2.4%. Most of that can be attributed to Gulfstream, which by itself had a decrease of \$46,588 or 3.1% with the same number of days as last year at 20 days, and Laurel which was also down \$40,998 or 25.1% with 3 less racing days. All Monarch tracks combined had the same number of racing days as last year of 105. The out of state harness handle was basically flat at \$15,023 or 2 %. Freehold had the largest total dollar increase and largest percentage increase, at \$26,432 or 57.2% partially due to racing 16 days versus 11 last year. Their daily average also increased \$340 or 8.1%. Pompano had an increase of \$12,969 or 38.5%. They also had an increase in daily average of 22.2 %. Northfield had the largest decrease of 29.5% and \$42,027 with two less racing days. Statewide OTB Handle decreased \$2,609,988 or 6.0% for the month. Capital had an increase of \$31,999 or 0.3% and Western's increase \$72,211 or 1.2% Nassau had the largest decrease of \$1,909,512 or 12.8%

We were the smallest percentage decrease at 3.7% and then Catskill 9.7%. We were right in the middle, 3rd place in both dollars and percentages. The overall statewide year to date OTB handle is down approximately \$4.2 million or 4.7%. The year to Date handle through February decreased in every region except for Capital, from a low of 0.5% for Western to a high of 9.0% for Nassau. As of Tuesday, March 24th, handle for the first 24 days of the month is down as compared to last year by almost \$1.3 million or 18.13%. This is partially due to the increase of dark days for Aqueduct. Aqueduct only opened 10 days so far this month with weather closures, Palm Sunday and dark days combined.

PRESIDENT'S REPORT

President Nolan stated that it has been a busy month and would like to start out the meeting by thanking all our employees and the Local Unions 237 and 517 for showing their active support on our VLT application. This has become a very contentious situation, obviously, but we continue to believe that the application is extremely solid and the location is superb and at the end of the day the new facility will become a reality. In spite of the conflicts that have arisen lately. President Nolan explained that we will continue to enlist the same supporters as we have before and are reaching out to local Medford businesses that will benefit from the VLT facility once it is up and running. We will need continued support going forward to ensure the success of the project.

President Nolan stated that we will be vacating our headquarters location very shortly to a location close by that will help with the moving costs. We negotiated a better price for the building than we previously reported, so that will help the cash flow as well. President Nolan said that there are good things occurring for us, despite all the negative noise that has been created lately.

Our marketing group continues to accelerate their efforts to grow the QWIKBetz business, these locations are essential for the long term health of the core business of Suffolk OTB.

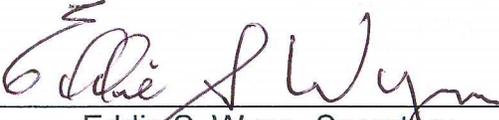
General Counsel McManmon requests that the Board of Directors adopt a Resolution for the sale of the real property owned by Suffolk Regional Off-Track Betting Corp. located at 5 Davids Drive, Hauppauge, New York 11788 for clearance of title and authorizing for Philip C. Nolan to execute any necessary documents.

President Nolan asked that the Board consider going into Executive Session to discuss litigation matters. A motion was made by Vice Chairman Hemendinger that the Board goes into Executive Session. The motion was seconded by Secretary Wynn and carried unanimously.

Upon reconvening in Open Session, Counsel McManmon stated that during Executive Session certain litigation matters were discussed. No motions were made and no votes were taken.

Chairman Feeney noted that the next meeting of the Board of Directors will be held Wednesday, April 29, 2015 at 10 am.

There being no further business before the Board, a motion was made by Vice-Chairman Hemendinger that the meeting be adjourned. The motion was seconded by Secretary Wynn and carried unanimously.


Eddie S. Wynn, Secretary

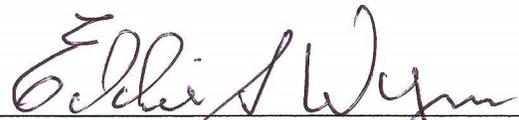
RESOLUTION

After a motion having been made, seconded and unanimously carried, it is

RESOLVED, that the Annual Operating Budget is hereby adopted for the year 2015.

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 Hauppauge, New York 11788 on the 29th day of April 2015.



Eddie S. Wynn, Secretary

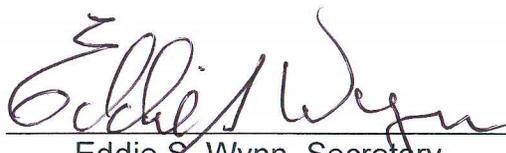
RESOLUTION

After a motion having been made, seconded and unanimously carried, it is

RESOLVED, on March 26, 2015, at Hauppauge, New York, the Board of Directors unanimously adopted the following Resolution that the Corporation shall sell the real property owned by said Corporation located at 5 Davids Drive, Hauppauge, New York 11788 to any willing third party for the amount of two million three hundred fifty thousand (\$2,350,000) dollars, and further that the President of said Corporation, PHILIP C. NOLAN, is authorized to execute a deed and what other further documents may be required.

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 Hauppauge, New York 11788 on the 29th day of April 2015.



Eddie S. Wynn, Secretary

