

**A Meeting of the Board of Directors of the
Suffolk Regional Off-Track Betting Corporation was held on
January 25, 2024 at 10:00 A.M. at
The Racing Forum, 690 Motor Pkwy. Hauppauge, NY 11788**

The following persons were present:

| | |
|------------------------|--|
| John Giannott | Chairman |
| Arlene D. Samos | Vice-Chairwoman |
| Kevin Snover, Esq. | Co-Counsel to the Board of Directors |
| John Zollo | Secretary |
| John LaMura, Esq. | Co-Counsel to the Board of Directors |
| Phil Boyle | President and CEO |
| Jim LaCarrubba | Vice President and COO |
| Michael Bonakdar | General Manager |
| Richard Stafford, Esq. | General Counsel |
| Anthony Portesy, Esq. | Deputy General Counsel |
| Celine Gazes | Chief Financial Officer |
| Kristie Hansen | Comptroller |
| Christine Geisler | Director of Finance |
| Michael Torres | Chief of Staff |
| Scott Kravitz | Deputy Chief of Staff |
| Victor Salamone | Chief of Staff to the Vice President |
| Marisa Moschera | Corresponding Secretary/ Sr. Executive Assistant |
| Krystina Sconzo | Deputy Director of Purchasing |

The meeting was called to order by Chairman Giannott at 10:00 a.m.

ITEM #1 APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS MEETING OF DECEMBER 14, 2023

Chairman Giannott stated the first item on the agenda was to approve the Minutes of the Board of Directors' Meeting for December 14, 2023. A motion to approve those minutes was made by Chairman Giannott and seconded by Vice-Chairwoman Samos and carried unanimously.

ITEM #2 DECEMBER 2023 HANDLE REPORT

Comptroller Gazes introduced the Handle Report. A few highlights from the report as per Comptroller Gazes:

Handle for the month of December 2023 was down \$419,769 or 10.2%. YTD handle was down \$4,338,718 or 7.5%. December handle was down compared to projected handle by \$123,755 or 3.2%. YTD handle was down \$1,420,964 or 2.6%. The total number of Qwik Bet (Franchise) Operations as of December 30, 2023, is 45 compared to 47 as of December 30, 2022. Total Qwik Bet handle was down \$180,225 or 12.6% compared to 2022 for the month of December. YTD handle was down \$2,291,996 or 11.1%. Significant increases compared to 2022 included: No Fo Beer & Smoke's handle is up \$16,907 or 185.3% for December 2023; YTD handle is up \$170,925 or 118.7%. Middle Island Cards handle is up \$15,756 or 57.4% for December 2023; YTD handle is up \$38,257 or 8.7%. One Stop's handle is up \$10,440 or 21.8% for December 2023; YTD handle is down \$13,891 or 2.1%. Hoops and Shots' handle is up \$9,576 or 40.0% for December 2023; YTD handle is up \$248,874 or 55.0%.

Significant decreases compared to 2022 (other than those due to closed locations) included: Rockwells' handle was down \$39,563 or 63.6% for December 2023; YTD handle was down \$361,566 or 47.8%. Medford Cards and Gifts' handle is down \$37,373 or 34.9% for December 2023; YTD handle was down \$265,706 or 18.0%. Clubhouse Cafe's handle is down \$31,102 or 10.7% for December 2023; YTD handle was down \$414,971 or 12.1%. Sai Card and Gifts' handle is down \$29,709 or 30.8% for December 2023; YTD handle was up \$386,793 or 46.3%. Bapa Cards and Gifts' handle is down \$27,537 or 25.7% for December 2023; YTD handle was down \$276,236 or 19.3%.

Internet wagering was down \$158,089 or 18.1% compared to December 2022; YTD handle was down \$1,271,218 or 10.6%. Telephone wagering was down \$34,247 or 14.4% compared to December 2022; YTD handle was down \$817,537 or 22.1%. The Racing Forum's handle was down \$70,665 or 6.2% compared to December 2022; YTD was up \$1,074,746 or 7.1%. Route 110 handle was up \$43,118 or 13.0% compared to December 2022; YTD was down \$802,326 or 15.1%. Jake's 58 handle was down \$19,662 or 20.1% compared to December 2022; YTD was down \$230,387 or 18.0%. Jake's 58 handle is \$78,284 for December 2023.

Telephone handle decreased from 5.8% of total handle for December 2022 to 5.5% for December 2023 and decreased compared to 5.9% of total handle in December 2021. Internet handle decreased from 21.2% of total handle for December 2022 to 19.3% for December 2023 and decreased compared to 23.9% of total handle in December 2021. Qwik Bet handle decreased from 34.7% of total handle for December 2022 to 33.8% for December 2023 and increased compared to 34.4% of total handle in December 2021. Regular Branch handle increased from 10.4% of total handle for December 2022 to 12.2% for December 2023 and increased compared to 10.4% of total handle in December 2021. Racing Forum handle increased from 27.9% of total handle for December 2022 to 29.1% for December 2023 and increased compared to 25.4% of total handle in December 2021. YTD Telephone handle decreased from 6.4% of total handle for December 2022 to 5.4% for December 2023 and decreased compared to 7.0% of total handle in December

2021. YTD Internet handle decreased from 20.7% of total handle for December 2022 to 20.0% for December 2023 and decreased compared to 21.5% of total handle in December 2021. YTD Qwik Bet handle decreased from 35.4% of total handle for December 2022 to 34.0% for December 2023 and increased compared to 31.0% of total handle in December 2021. YTD Regular Branch handle decreased from 11.4% of total handle for December 2022 to 10.4% for December 2023 and decreased compared to 13.4% of total handle in December 2021. YTD Racing Forum handle increased from 26.2% of total handle for December 2022 to 30.3% for December 2023 and decreased compared to 27.2% of total handle in December 2021.

Total In State Thoroughbred handle had a decrease of \$123,127 or 11.0% compared to 2022, all related to Aqueduct. Total In-State Harness handle had a decrease of \$18,672 or 14.4% compared to 2022. Monticello's handle had the largest \$ decrease of \$21,500 or 30.7%. Batavia Downs had the largest % decrease of 77.7% or \$4,885.

Total Out of State Thoroughbred handle was down \$274,510 or 10.9% compared to 2022. Fair Grounds had the largest increase of \$47,451 or 29.8% with one less race day than 2022. Gulfstream had the largest \$ decrease of \$157,680 or 19.6% with three less race days than 2022. Remington had the largest % decrease of 59.7% or \$349 with the same number of race days as 2022.

Total Out of State Harness handle was down \$3,460 or 1.0% compared to 2022. Northfield Park had the largest \$ increase of \$19,849 or 43.6%. Fraser had the largest % increase of 10,575% or \$423. Harrah's Philadelphia had the largest \$ decrease of \$12,842 or 38.4%. Cal Expo had the largest % decrease of 70.0% or \$4,387.

Statewide OTB Handle decreased \$908,505 or 40% for the month of December 2023 compared to December 2022. Nassau had the largest increase in handle of \$125,808 or 1.7%. Capital had the largest \$ decrease in handle of \$521,259 or 7.1%. Suffolk had the 2nd largest \$ decrease in handle of \$419,769 and largest % decrease of 10.2%. Western had the 3rd largest \$ decrease in handle of \$201,454 or 5.9%. Statewide OTB YTD Handle decreased \$35,317,791 or 10.0% for 2023 compared 2022. Catskill had the only YTD increase in handle of \$476,237 or 5.5%. Capital had the largest YTD \$ and % decrease of \$15,937,725 or 12.9%. Nassau had the 2nd largest YTD \$ decrease \$10,407,545 or 9.4%. Western had the 3rd largest YTD \$ decrease \$5,109,918 or 9.5%. Suffolk had the lowest YTD \$ decrease of \$4,338,839 or 7.5%.

ITEM #3 – 6 OCTOBER 2023 FINANCIALS

Comptroller Gazes introduced the consolidated financial statements for October 2023. Director Geisler presented the financials relating to Jake's; as no questions were raised, the financials were accepted into the record.

ITEM #7 RESOLUTIONS

Co-Counsel Kevin Snover presented a resolution for the Board's approval awarding a listing agreement to Michael Murphy of Douglas Elliman in connection with the Medford property.

The motion was made by Secretary Zollo and seconded by Vice Chairwoman Samos; Chairman Giannott abstained.

ITEM #8 PRESIDENT'S MESSAGE

President Boyle updated the Board as to the due diligence with respect to the expansion financing. It remains a work in progress and although there are still outstanding items before the list can be submitted, the Executive team meets weekly to continue to finalize.

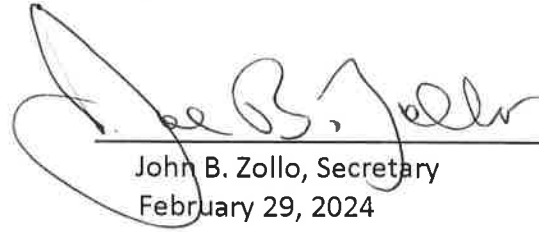
Petrocelli has been the contractor that was selected regarding the roof repair. They started the labor yesterday, January 24th for the roof and envelope. For the room remediation, PAL Environmental Corporation is staging the work and will start on Monday.

President Boyle has made the announcement of ceasing operations in the Print Shop and protecting all the workers by relocating their positions with no change in pay. It has been a losing proposition in the last few years. OTB will go out to bid for printing needs as this is the most cost effective. Vice Chairwoman Samos raised the question of what will happen to the equipment used in the Print Shop. President Boyle explained that most of the equipment is leased, and the one machine that OTB owns can be sold.

The last item President Boyle presented to the Board was the news from the New York State Gaming Commission approving the procedures constructed by General Manager Bonakdar of withdrawal and deposit kiosks for Sports Betting. Slight modifications will be made depending on the vendor that is selected to work with OTB and Jake's. The ultimate goal is to have a Sportsbook, but it's moving in the right direction starting with the kiosks. There need to be modifications to the law for Jake's to open a Sportsbook and additional SROTB representation of the Board will be necessary to the NYSGC. Right now, only the Casinos that have live dealers are eligible to open a Sportsbook.

ITEM #9 ANY AND ALL MATTERS

There being no further business before the Board, a motion was made by Chairman Giannott that the meeting be adjourned, seconded by Vice-Chairwoman Samos and carried unanimously. It is confirmed that the next BOD meeting will be February 29, 2024.



John B. Zollo, Secretary
February 29, 2024