

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

---

In the Matter of

APPLICATION OF FAIR GROUNDS CORPORATION,  
A Louisiana Corporation, dba FAIR GROUNDS RACE  
COURSE, FOR APPROVAL TO RECEIVE A SHARE  
IN THE REVENUE FROM THE CONDUCT OF  
OFF-TRACK PARI-MUTUEL WAGERING

---

ORDER

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") on April 7, 1993, and before the Nevada Gaming Commission ("Commission") on April 22, 1993, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the application of Fair Grounds Corporation, dba Fair Grounds Race Course ("Fair Grounds"), for approval to share in the revenue from the conduct of off-track pari-mutuel wagering, as amended and supplemented, is hereby accepted as filed.

2. THAT Fair Grounds is hereby granted approval to share in the revenue from the conduct of off-track pari-mutuel wagering pursuant to NRS Chapter 464 and NGC Regulation 26A.060, et seq.; provided that, said approval is expressly conditioned as follows:

A. That Fair Grounds shall comply with the provisions of NRS 463.639(1) and NGC Regulation 16.330, and shall also comply with any requests for additional reporting requirements made by the Board.

B. That Fair Grounds shall notify the Board upon the commencement of any negotiations contemplating a business agreement or joint venture between Fair Grounds and Delaware North Companies, Incorporated or any of its affiliated companies, and shall not enter into any such business agreement or joint venture without the prior administrative approval of the Chairman of the Board or his designee.

C. That no transfer or disposition of the Fair Grounds shares of common stock beneficially owned by the John G. Masoni Trust, nor any change, amendment, modification or termination of the Voting Trust Agreement by and between Richard Katcher, Bryan Krantz and Marie Krantz, nor appointment of a successor trustee, may occur without the prior administrative approval of the Chairman of the Board or his designee.

D. That the following information shall be reported to the Board, in writing, by Fair Grounds within 30 days after the end of each quarter concerning the occurrence or absence of the following:

(1) Any changes in Fair Grounds' officers, directors or key personnel directly or indirectly engaged in the active administration or supervision of the gaming operations conducted at Fair Grounds Race Course and related facilities, who earn \$50,000 or more annually.

(2) All gaming related complaints, investigations into alleged misconduct, orders to show cause, and disciplinary actions instituted by, presided over, or made in connection with the Louisiana State Racing Commission or any other gaming regulatory agency, involving Fair Grounds or its officers, directors, owners, agents or employees thereof, together with a copy thereof.

(3) All arrests made of Fair Grounds' officers, directors, owners, agents or employees and patrons involving gaming misconduct or felony charges in the State of Louisiana. The report shall include: the name, position, charge, arresting agency and a brief description of the event.

(4) Any known gaming cheating or theft wherein an arrest is not made.

(5) A copy of the application for licensure to conduct horse racing, and any exhibits or attachments thereto, as provided to the Louisiana State Racing Commission.

E. That Fair Grounds shall fund and maintain with the Board a revolving fund in the total amount of \$5,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of the activities of Fair Grounds.

3. THAT Fair Grounds was granted a waiver from the provisions of NGC Regulation 4.080(1) pursuant to NGC Regulation 4.080(3) in accordance with meetings conducted by the Board on March 3, 1993 and the Commission on March 9, 1993.

ENTERED at Carson City, Nevada, this 22nd day of April, 1993.