STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD – HORSE RACING SECTION
OFFICE OF EXECUTIVE DIRECTOR

In the matter of:

John Carlo, Peter Battista, Margaret Zayti Partnership,
d/b/a Northville Downs

Application for a 2013 Standardbred Race Meeting License
and 2013 Simulcast Permit.

_____/

ORDER GRANTING NORTHVILLE DOWNS A
2013 STANDARDBRED RACE MEETING LICENSE
AND 2013 SIMULCAST PERMIT

Northville Downs filed an application for a 2013 Standardbred Race Meeting license and a 2013 Simulcast Permit with the Executive Director of the Michigan Gaming Control Board. The application was filed under the Horse Racing Law of 1995, Public Act 279 of 1995; MCL 431.301 *et seq.*, and the promulgated administrative rules.

Under Executive Order No. 2009-45 the powers and duties of the Office of Racing Commissioner were transferred to the Executive Director of the Michigan Gaming Control Board including regulating pari-mutuel wagering, licensing, issuing final agency decisions on all contested case hearings, and the promulgation of agency rules. The Executive Director may also delegate his powers in writing to another.

The Executive Director, through the Michigan Gaming Control Board – Horse Racing Section, has investigated and evaluated the applicant and its application in this matter. The Executive Director has determined and concluded that the applicant complies with the standards and the requirements for granting a race meeting license and simulcast permit under the Act and the Administrative Rules. The licensee, however, is subject to the terms and conditions set forth below.

IT IS ORDERED, as follows:

The Executive Director hereby grants the application of the licensee for a 2013 Standardbred Race Meeting license at Northville Downs. The 2013 Standardbred Race Meeting license granted and issued hereunder shall be valid and continue in full force and effect from January 1, 2013, through December 31, 2013, unless hereafter suspended or

revoked by order of the Executive Director. The 2013 Standardbred Race Meet license is conditioned upon the licensee's compliance with the Act, the Administrative Rules, and orders of the Executive Director, as well as all other applicable local, state and federal laws. In particular, but not limiting the licensee's responsibility to comply with all laws, rules and orders of the Executive Director, the licensee should take note of the following:

(a) The licensee shall immediately inform the Executive Director in writing of any changes or amendments in the licensee's ownership, including but not limited to:
- Affiliates, stockholders, shareholders;
- Partners, members, officers, directors;
- Officials, and employees participating in, involved in, or otherwise having to do with horse racing, pari-mutuel wagering or simulcasting;
- Any person who has significant control over the horse racing, pari-mutuel wagering, or simulcasting at licensee's race meeting.

(b) All proposed extensions, additions, modifications or improvements to the racecourse, roadways, parking lots, buildings, stables, lighting and electrical service, plumbing, public utilities, drainage, totalisator system and equipment, hardware and software for all approved methods of conducting pari-mutuel wagering, and security on the grounds of the licensed racetrack where the licensee is conducting its race meeting shall be submitted in writing for approval to the Executive Director by the licensee prior to the initiation or commencement of any such proposal.

(c) The names and addresses of proposed racing officials shall be submitted in writing to the Executive Director, not less than 30 days before the start of the licensee's 2013 Race Meeting and shall thereafter be approved or disapproved by the Executive Director. For the duration of the 2013 Race Meeting and Simulcast Permit, the licensee shall promptly notify the Executive Director of all changes in status of approved racing officials and of proposed new racing officials.

(d) The licensee shall maintain a restricted area log. The licensee shall ensure that licensed persons entering restricted areas of racetracks during other than normal racing and training hours shall sign in prior to entering any restricted area and shall sign out upon departure. The person's name, occupation and vehicle license plate number shall be recorded. In addition, exempt persons, other than police and fire personnel in the performance of their duties, shall sign in and out at all times during the licensee's race meeting. The exempt person's name, occupation, vehicle license plate number, and name and signature of the licensed person responsible for the exempt person's entry, shall be recorded. The restricted area log shall be made immediately available for inspection upon request by the Executive Director.

(e) Any changes in the licensee's current proposed simulcast schedule or format shall be submitted in writing to the Executive Director for approval prior to the changes. In such cases where the change is an emergency cancellation or

substitution and there is insufficient time to request and receive prior written approval from the Executive Director, the licensee shall promptly notify the Executive Director in writing of the emergency changes or substitutions.

(f) For the duration of the 2013 Race Meeting license and Simulcast Permit, the licensee shall have a fully executed written contract with a Certified Horsemen's Organization on or before December 31, 2012, to be able to conduct live or simulcast horse races with pari-mutuel wagering on the results of the races in 2013.

(g) For the duration of the 2013 Race Meeting license and Simulcast Permit, the licensee shall have a fully executed written contract with a totalisator company on or before December 31, 3012, to be able to conduct live or simulcast horse races with pari-mutuel wagering on the results of the races in 2013.

(h) The licensee shall maintain an interest bearing account for all funds due horsemen's purse pools, and shall timely deposit such funds in the account and credit all interest earned by the account to and for the horsemen's purse pools, under and in strict compliance with the requirements of §§ 14(7), 15(2), 17(3), 18(4)(5)(6) and 19 of the Horse Racing Law of 1995, as amended.

(i) All simulcasts to or from the licensed race meeting during the term of the license shall at all times be conducted in compliance with the Act, and the rules and orders of the Executive Director and applicable provisions of the Interstate Horse Racing Act of 1978, 15 U.S.C. 3001 et seq., as amended.

(j) Provide a copy of the applicant's export simulcast wagering agreement template that it will be using to contract with or export its live race meet signals to not less than thirty (30) days prior to distribution of said agreements. The export simulcast wagering agreement template shall thereafter be approved or disapproved by the Executive Director. The export simulcast wagering agreement shall include the following language:

> "Under the Michigan Horse Racing Law of 1995, the Michigan Administrative Rules, and all Written Orders of the Executive Director of the Michigan Gaming Control Board and its Horse Racing Section, nothing in this agreement is to be construed to allow wagering in Michigan on simulcast races at any location other than a licensed racetrack under this agreement where a race meeting licensee has been granted live race dates and a simulcast permit by the Executive Director."

(k) The licensee shall promptly forward to the Executive Director all copies of and all summaries of all contracts that it enters into to either transmit or receive simulcast race signals; all such contracts must be provided to the Executive Director prior to receiving any remuneration from said contracts.

(l) As directed by §§ 18(4) and (5)(b) of the Michigan Horse Racing Law of 1995, the licensee shall promptly deposit all money that it receives from interstate simulcasting to the horsemen's simulcast purse pool in accordance with the requirements of §§ 15(2), 18(5)(b) and 19(1)(a)(b) of the Michigan Horse Racing Law of 1995. This shall include related simulcast purse pool deposits as directed by the Executive Director.

(m) On the first day, other than Sunday, after each day of operation, the licensee shall remit all monies due and payable, including simulcast tax deposits to the State of Michigan and all other entities at the close of the day of operation with a detailed statement of that money in accordance with and as required by Horse Racing Law of 1995, the Administrative Rules, and as otherwise directed by the Executive Director.

(n) All forms of pari-mutuel wagering conducted at the licensee's race meeting must be pre-approved by the Executive Director.

(o) The licensee shall immediately inform and advise the Executive Director in writing and provide copies of any notification of the licensee, citation of the licensee, or violation by the licensee by any local, state, or federal agency other than the Michigan Gaming Control Board – Horse Racing Section.

(p) Before March 31, 2013, licensee shall file with the Executive Director a certified statement of receipts from all sources during the previous calendar year and of all expenses and disbursements, itemized in a manner and on a standardized form as directed by the state treasurer, showing the net revenue from all sources derived by the holder of the license.

(q) Under § 10(2)(a),(b) of the Horse Racing Law of 1995 a race meeting licensee shall not conduct a live standardbred horse race before 6:45p.m. on any day, except Sunday, without prior written approval of the Executive Director.

Any transfer or change in the holders of the race meeting license must be first approved by the Executive Director in accordance with the Horse Racing Law of 1995 and the Administrative Rules.

2) The Executive Director hereby allocates to Northville Downs, the following standardbred horse racing dates in 2013 on which live horse racing shall be conducted by the licensee during the term of its 2013 Standardbred Race Meeting license:

A total of 26 Harness race dates, from Friday, February 1, 2013, through Saturday, April 27, 2013. Live racing will be held two days per week, Fridays and Saturdays, with no less than 9 live horse races programmed per race date.

Each of the foregoing live racing dates allocated hereunder shall be utilized by the licensee to conduct live standardbred horse races with pari-mutuel wagering on race results, unless the date is hereafter cancelled by order of the Executive Director. The Executive Director will not cancel any live racing date allocated hereunder upon request of the licensee except for good cause shown and for those reasons permissible under the Act and rule, including but not limited to budgetary reductions and insufficient appropriations.

3) The Executive Director hereby grants the licensee a 2013 Simulcast Permit from January 1, 2013, through December 31, 2013. This permit authorizes the licensee to simulcast horse races to and from its licensed race meeting to the full extent permitted by the Act and the rules during the term of its 2013 Standardbred Race Meeting license.

4) The Executive Director further grants permission to the licensee to combine pari-mutuel wagers made under this license on interstate simulcast races with pari-mutuel wagers made at out-of-state sending host tracks on the same races to form common pari-mutuel pools created at out-of-state sending host tracks, under MCL 431.318(3).

5) The Executive Director further authorizes the licensee to transmit simulcasts of live horse races conducted under this license to locations outside of this state in accordance with the Interstate Horse Racing Act of 1978, 15 U.S.C. 3001 *et seq.*, as amended, or any other applicable laws; and furthermore, permits pari-mutuel pools on such simulcast races created under the laws of the jurisdiction in which the receiving entities are located to be combined in a common pool with pari-mutuel pools on the same races created at the licensee's racetrack, under MCL 431.318(6).

6) The licensee's live race meet, racetrack and simulcast facility are located at 301 S. Center Street, Northville, Michigan 48167. The Executive Director maintains jurisdiction over any and all property or premises owned, leased or used by the licensee in the operation, facilitation or running of its race meeting. This includes any training facility owned, leased or used by the licensee.

7) The conducting of all live race meetings and simulcasting is limited to those designated areas previously approved by the Executive Director within the designated licensed race track. Any change in those designated locations must be submitted in writing and specifically approved in writing by the Executive Director.

8) The licensee must conspicuously post at each entrance and exit of the racetrack and at each location on the racetrack where wagers on horse races are accepted a visually prominent sign that contains the toll-free compulsive gaming help line number (800-270-7117). The licensee must also include the toll-free compulsive gaming help line number (800-270-7117) in a prominent manner on all advertisement and promotional materials.

9) The licensee shall implement the emergency preparedness plan, referenced in its 2013 Race Meeting License application, together with any additional requirements or clarifications on said plan requested of the licensee by the Executive Director, throughout and for the duration of its 2013 race meeting. Any proposed changes, updates or amendments to said plan must be promptly submitted in writing to the Executive Director.

10) If after the issuance of this race meeting license the Executive Director determines upon further investigation that the holder of a race meeting license has not met or will be unable to meet the requirements of the license, the Executive Director may impose a fine or suspend or revoke the race meeting license, or both, for all or part of the remainder of the time period for which the 2013 race meeting license was granted.

IT IS SO ORDERED.

Date: October 31, 2012

/s/
Richard Ka1m, Executive Director
Michigan Gaming Control Board