

January 22, 2010

To: All Participants in BC's Horse Racing Industry
From: The BC Horse Racing Industry Management Committee

Since its inception, the BC Horse Racing Industry Management Committee has met almost weekly to get a comprehensive understanding of the industry's financial picture and begin to develop a plan for BC's horse racing industry for the immediate, mid and long term.

The Committee's most recent meeting was on January 20, 2010. The Committee wishes to convey the following:

- The Committee now has a thorough understanding of the current financial circumstances of, and the pressing circumstances faced by, the industry;
- Ultimately, the Committee will consider medium and long-term plans, including the need to make horse racing and racetracks in BC more efficient, economical and profitable;
- However, the Committee's immediate responsibility is to make decisions about the allocation of anticipated available revenue for 2010;
- There are no immediate solutions to a problem that has taken many years to develop;
- While promising opportunities are being discussed for the mid and long term, the immediate financial reality means difficult decisions must be made for 2010 which will impact all industry organizations and participants. Simply put, there is nowhere close to enough money to address the size of the requests made by all organizations;
- Ideally, the 2010 race seasons would be run as close to status quo as the 2009 seasons as possible. However, the anticipated revenue for 2010 must be allocated to a significant number of purposes. This includes running the track in a break even manner, purse pools, breeding programs and any efforts to grow or market the industry;
- Even with the cost savings identified by the Committee to this point, an operating deficit in excess of \$3 million remains just to get the size of allocations made to the industry to a break-even point in 2010;
- In an effort to find additional cost savings to address this deficit, the Committee will be meeting in the next few days with industry organizations to elicit their suggestions;

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- In the short term, we have to consider everything, including the length of thoroughbred and standardbred race seasons, the number of race days, and so forth; and
- The Committee continues to strive to consider matters and make decisions in the best interests of the overall horse racing industry.

In that regard, if the industry's current budget deficit can be eliminated for 2010 and the track operator's operating costs managed to at least a break-even circumstance, the new fees proposed by the operator (i.e. stall rent and farriers/veterinarian access fees) for Hastings Racecourse will not be instituted.

The intention continues to be to improve the viability of horse racing in BC over the long term. In keeping with this intention the Committee suggests that industry participants not take actions in the immediate future that would compromise their involvement in the longer term.

Sincerely



Derek Sturko
Chair, BC Horse Racing Industry Management Committee

pc: Honourable Rich Coleman
Committee Members
Chris Curtis