

THE ASSINIBOIA RACING CLUB (2020).

MEMORANDUM OF UNDERSTANDING (MOU).

1] Introduction:

To become a member of the 2020 Assiniboia Racing Club each member must purchase a \$500 membership share. The money raised by the sale of these shares will be used to purchase a race horse or horses and to pay for training fees and expenses for the 2019 racing season. There will be **no additional cost** to the shareholder over and above the share purchase. Members will receive regular financial and racehorse updates via email.

2] General:

The purpose of the Assiniboia Racing Club (2020), hereinafter referred to as the "Club", is to provide the exciting experience of racehorse ownership through participation in a racing partnership created to race Thoroughbred race horses at Assiniboia Downs, (ASD), Winnipeg, Manitoba, during the 2020 racing season.

The Club is organized as an owner/partnership with each partner investing \$500 by way of a share purchase. Each partner may purchase a maximum of 4 shares.

The Club is designed to be informative as well as exciting for its members while exposing them to only limited and minimal risk. **The Club is generally structured as an entertainment and educational partnership, meaning that a person should not join the Club with any expectation of profit, and indeed club members may not receive back any of the \$500 membership share.** Any potential return is dependent upon a number of factors, including the income and expenses associated with the Club's horses and any purse money those horses may win.

Racing can be a very risky venture which could result in the loss of the initial investment, but under no circumstances will there be any further charges to the members, over and above the initial share purchase price of \$500.

Conversely, any funds remaining at the end of the racing season from purses, the sale of a horse, or otherwise, will be distributed to the members on a per share basis.

3] Operational:

The Club will acquire one or more racehorses for the 2020 racing season to race at Assiniboia Downs, Winnipeg, Manitoba.

Approximately 50-55 Club shares are anticipated to be sold at a price of \$500 each. A reasonable increase in the number of Club memberships sold is allowed, depending upon circumstances.

In any event, no shares will be sold after a racehorse is acquired for the 2020 season and turned over to the Club's trainer.

The funds raised from the sale of shares will be used to pay for the purchase of a racehorse(s), the training, veterinary, farrier, and other fees and expenses normally associated with racehorse management.

Share funds will initially be deposited into an account with the Horsemen's Benevolent and Protective Association of Manitoba, hereinafter referred to as the "HBPA", which is a non-profit organization designed to promote racing and to represent and assist owners, trainers and others in the industry. Once ASD opens for the 2020 racing season, these funds will be transferred from the HBPA account into the Horsemen's Bookkeeper Account. This latter account is one supervised by the Manitoba Jockey Club. Expenses and purchases will be paid for out of either of the two above-mentioned accounts, as circumstances dictate.

The finances of the Racing Club are subject to an annual auditor's review as part of the annual HBPA Auditor's Review.

The Racing Manager:

The HBPA will appoint a Club Manager, hereinafter referred to as the "Manager", from its Board of Directors or otherwise. No management fee will be charged for the services of the Manager. The Manager will be responsible for the retention of a Club Trainer, the communication between Club members and the Club's Trainer, and will generally manage the interests of the Club. The Manager will be responsible for acquiring a racehorse(s) to compete during the 2020 racing season at ASD. Final decisions in all matters rests with the Manager who may change trainers as circumstances may dictate.

The Manager will provide information with respect to the Club's racehorse(s) and will provide members with regular statements of income and expenses originating from the Horsemen's Bookkeeper Account or otherwise.

The Club will be dissolved at the end of the racing season after all expenses have been paid. The Manager will be responsible for the disposition of the racehorse(s) at the end of the season in his absolute discretion. The horse may be sold at a price dependent

upon market conditions, an assessment of the horse, and the necessity of ensuring a good home for the horse(s), which is a paramount consideration.

Some Club members may wish to acquire the Club's horse(s) at the end of the racing season. Club members will have preference and first option to acquire the horse(s) upon reasonable notice with a preference in price to those members. If there is more than one Club member interest, the selection will be decided by chance.

If no Club member has expressed an interest in purchasing the horse(s), consideration may be given to transferring ownership of the horse to the following year's Club, if there is sufficient member interest in this option, with a reasonable payout to those members not in favour of this option.

From time to time exceptional consultations through e-mail may be necessary to deal with extraordinary or fundamentally important changes in circumstances which sometimes arise in racing. For example, if the Club's horse is claimed, the membership will be consulted as to whether a new horse should be obtained or the Club wound up, depending upon a number of factors including how many racing days are left in the season. The Manager may also have to make decisions in circumstances where time constraints make consulting is impractical. In those cases every effort will be made to keep the members fully informed.

The Club Trainer:

A Canadian Trainer licensed by the Manitoba Horse Racing Commission and lawfully entitled to train racehorses in Manitoba, will be retained as the Club's trainer. The selection of a trainer will be based, in so far as is possible, upon objective criteria.

Such criteria may include a requirement that the trainer hold a satisfactory "in the money percentage". Another important criteria may include the trainer's willingness to reasonably assist in the educational aspects of Club and accommodate barn access to the Club's racehorse(s). The Trainer should be prepared to provide the Manager with monthly invoices, to advise of important works in advance which members may wish to watch, and to inform the manager generally as to the status and training of the horse(s).

The Trainer will also be responsible for the good care of the horse(s) and all typical racing and training decisions and shall consult with the Manager as may be necessary from time to time. It is understood that Trainer will enter the horse into races where the horse(s) will have a reasonable chance of success, including claiming races at such levels and distances as he or she sees fit, in consultation with the Manager as may be appropriate.

4] Licencing and other Racing Commission Requirements:

As is the case with any other racehorse owner in Manitoba, Club members will be required to obtain an **Owner's License** from the Manitoba Horse Racing Commission, as a condition of membership in the Club. This will necessitate obtaining a **Criminal Record Certificate** which is good for 5 years. A current Firearms Certificate will be accepted by the Racing Commission in lieu of the Criminal Record Certificate.

The club cannot race or claim unless all members obtain an owner's licence and execute all Commission Documents. This is an important requirement.

The owner's license application will cost each individual member approximately \$35 payable to the Racing Commission and may be obtained when the race office opens in the spring of 2020.

There will be an initial meeting of paid up Club members at Assiniboia Downs, on Sunday, November 17, 2019, at 1:00 PM in the Terrace Dining Room to discuss the selection a trainer and the operation of the Club going forward.

At this initial meeting members will also execute the various Manitoba Horse Racing Commission documents necessary to permit the club to Race as a partnership. The Partnership Registration, Appointment of Agents and the Registration of Stable Name Forms will be prepared by the Manager for signature by all members. Filing fees for these documents will be paid from the proceeds of the membership fees. A secondary signing date of Saturday, April 18, 2020, from 9AM till noon at the Backstretch Kitchen will be held for those members who simply can't attend on November 17, 2019.

Members who do not have their Owner's Licences or who fail to execute any other Commission document by May 1, 2020, agree to be struck from the Club membership at the discretion of the Club manager. The \$500 will be returned in those cases

It is recognized that from time to time unforeseen circumstances or difficulties may arise in the functioning of the Club. All parties agree to deal with these issues reasonably and with mutual respect.

5] To Become a Member.

To join the 2020 Assiniboia Racing Club you must mail a cheque in the amount of \$500 dollars per share, **payable to the HBPA (Manitoba)**, to:

The Horsemen's Benevolent & Protective Association, c/o Assiniboia Downs, 3975 Portage Avenue, Winnipeg, MB., R3K 2E9, no later than November 8, 2019.

Membership in the Club may be based upon the order in which cheques are received, with priority being given to 2019 Club members.

As well, please send, along with your cheque, a copy of this last page of the MOU so that we know how to contact you.

By sending the cheque and the completed information page, members acknowledge that they have read and understood the Memorandum of Understanding and agree to its terms.

MEMBER INFORMATION

NAME _____

SIGNATURE _____

MAILING ADDRESS _____

Telephone/Cell phone _____

E-Mail ADDRESS. _____

DATED, this _____ day of _____, 2019.

(PLEASE RETURN A COMPLETED COPY OF ONLY THIS LAST PAGE WITH YOUR CHEQUE)