



IMPORTANT MEMBERS UPDATE

April 4, 2019

Dear Members:

Your elected Board of Directors would like to update you on the status of the Thoroughbred Improvement Program and assure you that our efforts to date have been in the best interest of the Breeders of Ontario.

Since the receipt of the notice of termination of our administration contract, until recently, the CTHS and our staff have been more than co-operative with sending the information requested by Ontario Racing Management. We had worked diligently with their staff, so much so that we have received many thank you emails from them for being so helpful.

We would like to reassure you that the data and reports that Ontario Racing Management have received to date from the CTHS is more than is required for them to have the ability to distribute program benefits for the start of this year's racing season.

Ontario Racing Management has made several attempts to intimidate the CTHS since we advised them, on March 15th, that the Board of Directors passed a motion that the Directors of the CTHS are in agreement to comply with what is outlined in our TIP administration contract, as Ontario Racing referenced in our termination, and more specifically section 8. This section provides for the transfer of data and reports only. Since our notice to solely provide data and reports, Ontario Racing Management has sent us threatening requests for information that have been outrageous and absolutely unnecessary.

Ontario Racing has continued with the distribution of negative propaganda regarding the CTHS including their latest release of April 2nd. OR's need to release false information to industry participants is a clear indication that they are not confident that they can manage this program with the same degree of efficiency, transparency and acumen that CTHS has provided over the last 40 years.

As of this past Monday, the CTHS has filed an application with the Ontario Superior Court of Justice against Horse Racing Ontario (Ontario Racing), Ontario Racing Management, Ontario Lottery and Gaming Corporation and Woodbine Entertainment. The Ontario Division had no alternative but to seek to protect the Ontario breeders and breeding industry and has therefore made an application for an interim injunction staying the termination of the CTHS's Administration Agreement and the commencement and enforceability of the funding agreement and membership agreement as they relate to the transfer of the Thoroughbred Improvement Program from the CTHS to Ontario Racing and

Ontario Racing Management. We will allow the courts to decide if breeders should be responsible for the development, management and distribution of their incentive funds or if it should be racetracks.

The sole purpose of this court challenge is to protect the interests of the Thoroughbred breeders of Ontario in respect of a funding program, as they have for over 40 years in an exemplary fashion, as well as to ensure the continued and necessary influence, guidance and expertise of the Ontario Division.

Your Directors have also approved the hiring of a Lobbyist to assist in educating the government on how important it is for breeders to decide our own fate and work towards a viable future for our members.

We would like to thank each and every one of you for your contributions and dedication to our industry and encourage you to write to your local MPP's with a carbon copy to Mr. Cal Bricker, OLG's Senior Vice President, Horse Racing at cbricker@olg.ca.

If you have any questions please don't hesitate to contact us.

On behalf of the Board of Directors.