



March 26, 2026

David Milburn, President, HBPABC

Dave Pihl, President, CTHSBC

Ole Nielsen, President, BCTOBA

Gary Johnson, Director, TBC

**Re: Immediate Requirements for Horse Racing in BC**

Dear Colleagues,

In the early days of Covid both breeds were working individually and unsuccessfully, in efforts to gain support from a provincial government that was receiving similar requests from a long list of deserving associations. Joining forces for the first time in a very long time, we were able to gain the support that, for the Standardbreds at least, allowed us to survive that terrible period.

Following that time, we worked together tirelessly in an effort to secure a long-term future for Racing in BC. I believe our ultimate failure was due to a number of factors:

- We were stalled by the impending election where no talks could be held.
- After the election we were frustrated by a cabinet shuffle which moved the Minister with the most education on horse racing and who had shown us support in the recent past to a new position and was replaced by a Minister who knew very little about horse racing.
- Another subsequent shuffle gave us another Minister who knew nothing about racing.

This left us in the hands of bureaucrats whose motives I openly questioned for years.

Throughout this process it became very clear that as long as the provincial government was going to feed tens of millions of dollars annually, with zero government oversight, to an operator whose best financial interests were to have nothing to do with horse racing, the future of racing in BC looked bleak. It was at this time we started getting serious about horse racing being operated by a Not-for-Profit.

Rick and I met with Chuck who was enthusiastic enough about the prospect to set a meeting with his higher ups. With non-disclosures signed, Rick, Gary and I met with GCGC to what was considerably less enthusiasm than we were expecting. At this time, it became clear to some of us that something was in the works that we were unaware of and did not include us.

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Page 1 of 4

In late June we had a meeting with the Mayor and City Manager of Surrey to discuss operating as a Not-for-Profit. We all agreed the meeting went very well and thought maybe this was the way forward. On August 15, while on vacation with my family in PEI, I received a call from GCE informing me the City of Surrey had invoked their ninety day clause, the gates would remain locked and they would not be opening for the meet scheduled to start in two weeks.

I immediately started looking for a new venue and when all requests to the City and the Province went completely unanswered, as in not even confirmation of receiving the request, I was certain a new venue was essential.

At this time, I discussed with the group that after exploring all options in BC I was confident that Osoyoos, although considerable work was needed, was the only realistic choice in the immediate future and I felt that was where we should be focusing our efforts. An offer to put on Standardbred racing at Hastings was floated, my reply was I would never personally race under GCE again and, considering our treatment, I did not believe I could get the horse support for a meet at Hastings. I was wished well but the Thoroughbreds felt they were good in Vancouver for the next one to three years and that is where they needed to focus their efforts.

Not long after, a Not-for-Profit, Western Canada Horse Racing Association (WCHRA), was established and started in the arduous licensing procedure, I reaffirmed this is the path we were taking and once started would not be able to wait or change course. I was wished luck and offered support, but the Thoroughbreds were going to focus on Vancouver until Chilliwack was developed.

Sometime later GCE and the City of Vancouver betrayed the Thoroughbred industry just as they had the Standardbreds in Surrey. A short time after that the Province delivered the ultimate betrayal ending the slot-based funding agreement with WEEKS notice.

That brings us to where we are today.

With the exit of GCE from racing, the Province of BC is left without a licensed racing operator needed by GPEB and CPMA to operate TBC.

TBC was able to come to agreement with Woodbine, GPEB and CPMA in an unprecedented arrangement whereby Woodbine's racing license was used to continue operations in BC without disruption. That arrangement is only temporary and will expire on May 31. WCHRA has been working furiously and spending great amounts of money, without guarantee of fulfilling the licensing requirements, to be ready by that drop dead date of May 31 set by CPMA.

As you are likely aware, the structure of TBC has always been an uncomfortable arrangement for CPMA. They are only permitted to license racing associations, and they have said in no uncertain terms that they will no longer accept that arrangement with the changes in operations in BC and provided us with this temporary arrangement to allow for that to be restructured. To avoid any disruption with the operations in BC, which are critical to the continuation of horse racing in the province, we must address the TBC issue immediately.

We are within reach of that timing goal with our licensing application and our efforts in Osoyoos so BC can resume control of the market from Woodbine as of that date. With respect to the outstanding TBC issue, TBC must be controlled by the licensed racing association, or it will no longer be permitted to operate the teletheatres and HPI business in BC. If we can't come to terms for the control of TBC, we will use our WCHRA licensing as a teletheatre operator to run those operations directly through WCHRA and TBC will be required to cease operations. A disruption to the simulcast wagering channels in BC could be catastrophic to the horse racing industry, regardless of the breed, and we are doing everything we can to avoid that.

We first need to complete the exit of GCE from TBC. There is an offer before us that settles the outstanding balance with them so that they can exit the partnership. The financial implications of that agreement are significant, particularly for HRBC, but we are ready to accept it to move forward, and we hope you are ready to do the same.

For the remaining TBC arrangement to comply with the licensing requirements, we have the following three solutions for you to consider. While I appreciate that the decision around these will be very difficult, we tried to be as fair as possible with that in mind. We are prepared to accept whichever you choose but Option 3 will be the default should no decision be made and efforts are already underway to ensure that it is achievable:

### **Option 1: The Complete Buyout (\$1M)**

WCHRA will purchase HBPA's partnership interest in its entirety for a sum of \$1,000,000. This is the most expensive route for us but does offer funds that I would hope could pay any outstanding amounts from the racing season, keep some of your programs alive, and still have some money to help with next steps.

- **Payment Schedule:** \$400k paid once licensing is secured to resume control of the market and the money from 2026 that is currently being held by Woodbine has been received and the remainder to be paid to you in two \$300k monthly installments starting 15 days after that event.
- **Condition:** In exchange for this guaranteed payout, HBPA agrees that there will be no pursuit of Thoroughbred race dates in B.C. for the 2026 season, and the agreement will require signatures from all three parties, namely HBPA, CTHS and TOBA to ensure a smooth transition for Woodbine and the regulators.

### **Option 2: The Transition and Earn-Out**

If HBPA wishes to continue the pursuit of a 2026 racing season, we can structure a transition that keeps the market open while helping to solve your immediate need for funds.

- **Payment Schedule:** WCHRA will advance HBPA \$200k in cash once licensing is secured.
- **TBC Restructuring:** In exchange, HBPA agrees to sign a unanimous resolution for WCHRA to effectively purchase the HPBA partnership interest in TBC. This allows WCHRA and HRBC to take 100% control of the entity which is required to seamlessly transition the teletheatre and HPI operations and satisfy the CPMA before the May 31 deadline.
- **2026 Conditional Revenue Sharing:** WCHRA will sign a side agreement guaranteeing that if HBPA successfully forms an operating association, secures a track agreement, receives the necessary licensing and runs the required minimum of 10 race dates in 2026, WCHRA will share \$2,000,000 of the net simulcast revenues with HBPA this year. The \$200k advance will then be deducted from that distribution.
- If HBPA is ultimately unable to secure the racing license or successfully complete the full race meet in 2026, the \$200k advance will be forgiven, and WCHRA will retain the market revenues as the sole licensed operator in the province.

### **Option 3: Alternative Contingency Plan**

We strongly prefer to manage this transition collaboratively through one of the options above to ensure that everyone benefits from an organized plan. HRBC and WCHRA continue to expend significant amounts of time, money, and resources trying to secure the market while taking on all the risk to keep it operating without disruption. However, because the CPMA deadline is absolute, we must have a definitive path forward immediately.

If we can't reach a signed agreement before Option 1 or 2 expire on Friday, April 10, 2026, WCHRA will be left with no choice but to proceed with our own independent plan. If WCHRA is awarded the Home Market Area this May as expected, we are fully prepared to operate the teletheatre and HPI network outside of the TBC partnership to ensure the B.C. market isn't shut down. Under that scenario, TBC would effectively cease operations on June 1 as all TBC revenues would stop, and we will start the process of dissolving the business.

We genuinely want to avoid that outcome, as it leaves HBPA with no revenue stream and an unresolved debt to the breeders.

The choice is yours, but we need to know which path we're taking quickly, as there is much to do. Please let me know when HBPA, CTHS and TOBA have decided how you want to proceed.

While I know this is very difficult, I hope this is received in the spirit intended and I look forward to future discussions.

Sincerely,



Kelly MacMillan  
President, Western Canada Horse Racing Association