

ASHA AGM
Northlands Park – Paddock Theatre
March 3, 2013 – 12:00pm

Darcy Marler – UHA PRESENTATION AT THE 2013 ASHA AGM

Good afternoon,

We have sold off our land since the time I last presented. We sold land to an investment group and took back a 30 year lease with an option to buy. We wrapped up a deal with Century Casinos. They are a big company based out of Austria. They are real and they know what they are doing. The deal that we have with them is subject to AGLC approval and country development approval. They will come in to build the gaming area and the racetrack. With the sale and lease and option to buy we have the land taken care of and Century is interested in racing and casino. Deals were finalized in November, and that is different because we had forms of understanding or agreement before but these groups get close and unfortunately things fall away. With Century we have legal contracts and have now moved to the next stage to deal with AGLC and the county. The AGLC deal was finalized with Century in November 2012. It's a five step process we have been stuck in step four, but now with Century we have the process completed on our part, AGLC have been coming back and forth with questions etc, so we've been answering anything. Anyone that has more than 5% of UHA have to complete a disclosure package and be approved, we have all done that. We haven't heard much, but within a couple weeks they hope to get us in and we will discuss the REC rules and regulations. We are to the point with blue prints and architectural draft so we can go through with AGLC and make sure everything is correct. We are currently in waiting mode with them. The development permits with Rockyview you can see by our drawings, we have done that and submitted to Rockyview in January. There used to be a master plan with everything, but we had to adjust that for now and it has also been sent to Rockyview. The master plan defines the height of everything. The development permit is very specific with height, windows, where everything is, landscaping and all the details that the council needs to know for us to go ahead. We have never been at this point. We are hoping by May/June that we might get finals from the AGLC and the Rockyview. As soon as we get approved by Rockyview, for the development permit and AGLC then the money from Century kicks in and we are hoping that it will all continue smoothly. We have never been this close and this optimistic. We continue to have good support from Shirley and HRA, now the racing license had been approved for 10 years from 2012 to 2022. Minister Horner has been nothing but supportive, I think reading between the lines, the government is waiting for all approvals and then we think they will extend the slot contract. That's looking very good as well.

We are building the REC – Grandstand, single story 32,000 Sq Ft structure. Again, it was the five story taj mahal before, but it is what it is now. It gives us room for a 600 slot floor 100 seat viewing and the restaurant food service etc. As you can see from the pictures we have proved, it's still a good looking building. We have tiered dining and some race seating inside so you can see the races. It's an eleven sixteenth track, we physically cannot build a mile track now, and we have tried to make the track good for both breeds. We could have gone with the standard 7/8 mile, but we decided since we are starting from scratch can we improve on what we have already. We have tried to make it decent and really good for all breeds. Personally I've never designed a race track, never thought it would be such a trick to make it work for all breeds. We still have lots of land and have done what we can to pretty it up. In terms of HRA, County and AGLC for the designed, we are pretty much settled, except for if they ask for it to be tweaked up a little. To be honest, the one thing we have a problem with and still have to work out is the barns. We are not sure what we will do. Currently we are building the track around the six barns there now. The barns are not built so that they can be easily moved. Physically we have to move three of them for sure. The way they are built it's very expensive to demolish or move them. We can't leave at least three where they are. We have looked at putting a training facility on maybe a quarter section of land and putting a training track there and have on site 130 stalls for shipping ins. If anyone has some really great idea, I'd be happy to hear about it. But that's really the only fly in the ointment at this point.

Hopefully if we get the approvals all done by May or June we will be in the ground as soon as possible after that. We are looking at roughly a year to build so hopefully we could have you racing late summer 2014. It's really out of our hands at this point, we are at various stages of govt and it is up to them at this point. As soon as we can, we will get into the ground and go from there. Thanks for all of your patience I'm not an owner, trainer, or anything, so I can't say I understand where you are, I am a farm boy so I understand d some, but on a personal note, it's been very frustrating and upsetting to me over the past four years to get the no's, but now it really s an exciting time for us. When we first turn that shovel, it will be a good day. Thanks ASHA and especially Fred for all your support, and help.

Questions:

Lorne Duffield– Seating in grandstand?

Answer: Around 1000 to 1200, in bleacher seating, hard to see on the pictures but we have a dual finish line, trying to get the most races work for both breeds, (he then took a drawing and explained it) There's 40 ft apron out in front. There are not as many people actually coming to the track, so a lot of days the grandstand is empty and on the other days of big races grandstands are packed. Our thoughts, you build a smaller grandstand so you're full more of the time and then on the big days we can add temporary seating.

Blair Thomas – How are dates going to be split, what kind of guarantee will we have for good dates with good weather so TB's won't take over the best dates?

Answer – to be honest, the board is mostly made up of Century now, Fred can attest to the fact that I have fought to make this a Standardbred friendly track, it has always been my vision and the vision of the old board to make it a mixed track. Fred and ASHA thankfully have supported me and honestly supported us more than HBPA, I've always thought they should be equal and your support has gone a long way.

Jamie Gray –explain the board?

Answer: Century has 3, Lyn Chounard, Ernie Carron, myself, and Max Gibb.

Jamie Gray– Are the main three permanent spots?

Answer: Yes, it's kind of a year to year vote, but no one has asked to be on the board and no one has stepped down.

Georgina – Grooms quarters?

Answer: Depends on the barns again, if we have barns there, we will have to have something for them on site, if not we will have to have some at a training center.

Al Goertzen – agreement from Dec. 3-2012, in the agreement with Century it says that the money goes for barns, facilities etc. but 13 million doesn't say anything is going to the track?

Answer: No the 13 million is going to the REC including the track, but the barns again, are my dilemma, even to demolish them its\$350 thousand a barn, to move them it will be \$1.2 million per barn. Three have to leave. The other three, even if we decided to forget about the visibility, the eastern side is still touching the track so we'd have to cut some of those barns out. They would still be 300 stalls each but in terms of the 13 million it's the REC including the track.

Diane Bertrand– if you knew the barns would be the problem why not deal with that before?

Answer: At the time I had some guys willing to take care of them, and then we thought we'd build some less expensive barns and the budget was there. Since that time, these three for four groups that were willing to basically do it for nothing have been in and they have looked more closely at the barns, but they have now said things like even for a buck we wouldn't take them. In terms of where, it really is the way it is because of the land. We are left with 55 acres and there are roads that already exist so we can't move too much. The track is where it is.

Al Goertzen. – in regards to this agreement, it says that UHA is responsible for the cost of these barns?

Answer: That's right, as I said, I'm not trying to keep it from you, and the barns are a problem. In terms of the training track, I am hoping and trying to put together a separate group to invest in the training facility. Trouble is, even worst case scenario, how do I get rid of these barns. I have dealt with harder issues over the last four years so I'm optimistic that I will be able to do something with them. We have checked a lot of necessities off the list but there are still always issues.

Blair Thomas – Will the slot split stay the same?

Answer: Yes, the only difference is that now the split is going to come from six hundred slots that have not been on the market. As far as the split that's defined by the government. The good thing is that our projection roughly is that the gross bet will be at ten dollars per hour per machine, the industry average is about \$15/hour we've been conservative and based on \$10/hour, basically for a gross total it would put in around\$ 10 million dollars for everyone to share.