

PROPOSED INDUSTRY ENHANCEMENT PROGRAM

A pool of approximately 25 horses (3YO and 2YO) would be created. The pool would consist of horses that breeders have not been able to sell or cannot afford to train and race.

The pool would require funding of approximately \$300,000 (25 x \$2000 /mo for 6 months). Source for funding the pool would need to be determined.

The breeder/owner would be given an option to enter his horse(s) into the pool. He would relinquish any rights to have a say in the training of the pooled horse(s). Breeder/owner would also have the option to insure the horse(s) at their expense. The breeder/owner would be guaranteed to receive any Breeders' awards and the 25% owner bonus.

Horse(s) would be chosen from the pool by trainers using a numbered draw. Trainers would not be paid for any training costs until the pool acquires additional funds to be in a position to pay trainers at cost.

The minimum race that a pooled horse could start would be a Maiden \$10,000.

The pool would have first priority of any purse funds received from any races for reimbursing costs to the pool. Once the pool has been reimbursed for expenses incurred then any balance of purse monies less 10% would be paid to the breeder/owner. The 10% would be added to the pool to increase the pool funds.

A pooled horse claimed would immediately be out of the pool. The monies received for the claiming price would be dispersed the same as any monies received for a purse from a race.

Any horse(s) in the pool that do well and becomes a "super star" would be put up for sale. The horse would go to the highest bidder. The breeder/owner would be required to bid and buy the horse back if he wanted to keep his horse. The proceeds from the sale of the horse would be dispersed the same as any monies received for a purse from a race with the exception of the 10%. The percentage would be increased to 15%.

Any injured horse(s) or a horse(s) requiring time off would be returned to the breeder for a recovery period. Transportation costs to the breeder's farm would be paid by the pool and all other expenses during the layoff time would be the responsibility of the breeder/owner.

To oversee the enhancement program an individual would be hired at a nominal cost to the pool. This individual would ensure that the horses in the pool are being trained and fed correctly. As well as, would decide with the trainer if a horse should be pulled from the pool for certain reasons such as its inability to be a runner etc.

The identity of the individual for overseeing the program would be confidential and only known to the individual who chose him.

It would be expected that the farriers, vets, transportation companies etc. would invoice at cost for any work associated to a horse(s) within the pool.

Once the industry enhancement program has been set up and established, a syndication program for the horses in the pool could be considered.