



## - PRESS RELEASE -

### For Immediate Release

Monday, February 4, 2013 - The Board of Directors of the Fort Erie Live Racing Consortium (FELRC) met today in an emergency meeting to bring Board members and constituents up to speed on the latest developments in progress towards negotiating a racing season for 2013 and beyond.

"First and foremost", said Jim Thibert, Chief Executive Officer of the FELRC "is the news that we have a proposal with our landlord to significantly reduce our lease rate for the Fort Erie racetrack". The current lease, which was to expire December 31, 2012, was extended by mutual agreement to March 31, 2013 and calls for annual rent payments in the amount of \$650,000 to the Nordic gaming Corporation (El Ad Canada).

In an effort to develop a business case in shared goals with the Province, to work towards sustainability on an industry-wide basis, the FELRC shared its financials, audited statements, business plan and financial projections with both the Province and the FELRC's landlords. As a result, Nordic Gaming Corporation (El Ad Canada) which has always worked closely with the FELRC, has offered FELRC a two-year extension commencing April 1, 2013 with an annual rental payment of \$395,000 per year.

"The reduction of \$255,000 in annual payments will go a long way towards helping Fort Erie make a case in our negotiations with the Province for race date approvals and transition funding" said Thibert.

"I would like to point out that we are aware that such rental rates do not cover the Nordic/El Ad carrying costs of the property or opportunity loss costs, to which they [El Ad] would be entitled, just like in any other landowner/tenant situation". Thibert continued. "We have a very good relationship with Nordic/El Ad and they have discounted our rent a number of times starting in our year one, three years ago, to \$100,000 and last year to \$450,000. We [the FELRC] want to formally thank them for that generous consideration and as well for the stability this new rate and term offers the Fort Erie racetrack moving forward" Thibert noted.

.../2



# Fort Erie Live Racing Consortium

---

...cont'd.

As far as the status of a 2013 race season, the FLERC can advise that it has yet to be in contact directly with either the Ontario Finance Authority (OFINA) or the transition panel since before Christmas. The FELRC was advised that there would be a "triage" set up for prioritizing all the various tracks based on race timing or opening date, and that Woodbine would be first to be addressed. Such was accomplished almost 2 weeks ago and the FELRC continues to await a response from both of these agencies as to when Fort Erie's issues will be addressed, and when Fort Erie may be presented with an offer to race in 2013 and beyond.

The FELRC continues to have one concern with respect to meeting all the terms and conditions set forward to become a member of the racing alliance. These conditions include; 1) that Fort Erie agree to be a member of the alliance; 2) that Fort Erie agree to support the principles of the alliance including matters related to purse pooling, setting purse limits, negotiations regarding pari-mutuel wagering, contributions towards joint marketing, etc.; 3) setting and approving race dates; 4) submitting a business plan; and, 5) meeting the requirements of a transfer payment recipient for the Province of Ontario (transparency, accountability, public scrutiny, etc.).

"The FELRC has clearly acknowledged that it has met and meets all of the conditions set out by the Province" said Thibert.

Thibert went on to indicate that "...however, we are now hearing from tracks that are engaged in negotiations or have concluded negotiations, that there is an insistence on the part of the Province that eligible tracks are require to bring Ontario Lottery and Gaming Corporation revenues, from the rent on site, to the table. This is of course, absolutely out of the question in Fort Erie, because we have no control over that matter, with the OLG and the Province having unilaterally decided to both remove the slots at Fort Erie, and when we offered to be the first in the Province as private-sector operators of slots, the OLG and Province excluded us from that opportunity and excluded us from any of the 29 gaming zones in Ontario" said Thibert.

Thibert concluded by stating "we are hopeful that common sense will prevail, that the Province can appreciate the economic impact on Fort Erie and the jobs that it [the Fort Erie Race Track] creates and the families and businesses that

.../3



# Fort Erie Live Racing Consortium

---

...cont'd.

depend on it for their livelihood. We are optimistic that the Province will engage us soon, and are very pleased that we can offer even more value to our business plan through this generous rent reduction and lease for the next two years, renewable thereafter".

For more information, please contact;

James A. Thibert  
CEO – Fort Erie Live Racing Consortium  
Office: 905-871-1332  
Cellular: 905-994-3031  
[jthibert@forteriecanada.com](mailto:jthibert@forteriecanada.com)

- 30 -