



CANTERBURY PARK ENTERTAINMENT, LLC

2021 Racing Participant Conduct Policy

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INTRODUCTION

The reputation and integrity of Canterbury Park Entertainment, LLC (“CPE”) is an asset that is vital to CPE’s success. As a member of the Minnesota business community and the pari-mutuel wagering industry, it is necessary for all of us to adhere to the highest standards of integrity, to ensure positive public perception and confidence and maintain CPE’s Minnesota Racing Commission (“MRC”) licenses. As a result, CPE requires CPE Racing Officials and persons who hold valid licenses specifically relating to the integrity of racing as issued by the MRC, or are otherwise permitted on CPE’s privately owned property, including, but not limited to, owners, trainers, trainer’s agents, grooms, veterinarians, vendors, pony people, independent contractors, jockeys, jockeys’ agents, minors, guests, agents, and anyone else with a license relating to the integrity of racing (herein referred to as “Racing Participant”), to comply with all rules and regulations as well as the highest standard of professional and ethical conduct. A failure to abide by the rules and policies set forth in this Code of Conduct may result in discipline at the discretion of CPE up to and including the exclusion from CPE property.

This Conduct Policy (“CP”) covers a wide range of practices and procedures designed to foster integrity and honesty among all participants at CPE. It does not cover every issue that may arise, but rather it sets out basic guidelines for all the individuals covered by this CP. All Racing Participants must be familiar with and comply with all policies contained in the CP as well as all other applicable laws and regulations. In the normal course of our business, CPE may require individuals to complete and sign various forms, and provide other information as required or requested, prior to being granted access or in continuing with racing privileges at CP.

No guide or code of conduct can replace the thoughtful behavior of someone conducting their business with a high level of integrity. Therefore, dishonest or illegal conduct may constitute a violation of this CP, regardless of whether the conduct is specifically addressed in the CP.

While we expect to periodically give notice relative to updates to the CP and other matters, because of the fast-paced and highly regulated nature of our business, CPE reserves the right to alter or amend all its rules and regulations, at any time, and from time to time, at its sole discretion. CPE will use best efforts to communicate such changes; however, it is incumbent upon the Racing Participant to be aware of any changes, updates or modifications to this CP.

PART 1 – GENERAL

1.1 PERSONAL CONDUCT

All persons covered by the CP are required to avoid conduct detrimental to the integrity of, and public confidence in, pari-mutuel wagering. Guidelines promoting ethical and responsible conduct serve the interests of CPE, participants in the sport and the racing industry. Illegal or irresponsible conduct does more than simply tarnish the offender. It puts innocent people at risk, damages the reputation of others involved in the racing business, and it undermines public trust and support for the racing industry.

1.2 STANDARDS OF CONDUCT

While criminal activity is clearly outside the scope of permissible conduct, and persons who engage in criminal activity will be subject to the appropriate sanctions (legal and otherwise), the standards of conduct for persons permitted to conduct business at CPE are considerably higher. It is not enough to avoid being found guilty of a crime. Instead, persons must conduct themselves in a way that is responsible, promotes the integrity our industry relies upon, and is lawful. All persons permitted to conduct business on CPE property and to use the grounds must abide by the lawful direction of all CPE personnel.

Persons who fail to live up to this standard of conduct are subject to action by CPE.

For example, action by CPE may be based on circumstances that include, but are not limited to the conduct described below:

A. Discrimination, Harassment, Dishonest, Offensive or Unlawful Conduct

The following activities are prohibited:

- Criminal offenses of any kind;
- Discrimination or harassment, whether in or outside CPE property;
- Violent, threatening or any form of abusive behavior, whether in or outside CPE property;
- Conduct that creates a negative public perception of CPE or undermines or puts at risk the integrity and reputation of pari-mutuel wagering;
- Violations of CPE safety policies or rules; and
- Misrepresentations on any applications/forms and/or in any disclosures or statements to CPE or MRC.

CPE is committed to providing an environment that is free of discrimination, and other unlawful harassment. We have an expectation that all individuals that have been licensed by the MRC, as well as any other individual who has been granted authorization to visit or preside on the backside of Canterbury Park will at all times treat one another respectfully and with dignity.

Actions, words, jokes or comments based on an individual's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, age, or any other legally protected characteristic, is unlawful under federal, state, and/or local laws, is absolutely forbidden and will not be tolerated. We consider discrimination, sexual and other unlawful harassment to be forms of misconduct that is demeaning to others and which undermines the integrity of the working relationship.

It is difficult for CPE to respond to an individual's concerns about unlawful harassment if the individual does not inform someone promptly. Any individual that believes he/she is the victim of unlawful harassment or if they have witnessed any unlawful harassment should promptly call the Confidential Hotline at 1-866-460-2621 to report a violation.

B. Medications and Related Issues

The presence of any medication in a horse in violation of MRC Chapter 7890, the subsequent confirmation of such an excess by a split sample (if conducted) and the documented verification of such an excess by the MRC – defined herein as a “positive test” - is prohibited.

A Trainer whose horse in such trainer's care and custody receives a positive test for a Class 1 or Class 2 medication (as determined by the Association of Racing Commissioners International, “ARCI”), or a medication not permitted by the Food and Drug Administration (FDA) may not be permitted to participate at CPE, upon receipt of information acknowledging a positive test.

CPE reserves the right to refuse entry to a horse that has received a positive test for a Class 1 or Class 2 medication for a minimum period of 30 days from the date of Racetrack notification of positive test. All horses in the care of a trainer receiving a Class 1 or Class 2 positive test may also be requested to vacate grounds of CPE.

Any adjudication process undertaken by a Trainer, Owner or individual associated with a horse receiving a positive test(s) shall not be a determining factor upon CPE, for independent actions taken by CPE within the scope of this CP.

C. General Racing Issues

Knowingly receiving a horse through a transfer, or acting as a “program trainer,” from/or for individuals not permitted on CPE's property or not properly licensed by the appropriate regulatory body. In such cases, a trainer or other individual associated with horse may be required to provide written documentation evidencing such individual is the actual trainer, or that a legitimate transfer has taken place among the former trainer or owner, wholly separated from any matters involving such horse. Documentation that may be required includes, but is not limited to, bank records, checks, receipts or signed affidavits. This requirement is over and above any requirements that may be placed on an individual by any regulatory body.

D. Illegal Drugs/Alcohol

The use, distribution or possession of illegal drugs is not permitted at any time on grounds of CPE. For the purposes of this rule, an illegal drug is any drug which is not legally obtainable, or one which is legally obtainable but has not been legally obtained, including prescription drugs not legally obtained and prescription drugs that were prescribed for someone else.

E. No Solicitation Policy

There is a no solicitation policy at CPE, which includes, but is not limited to, circulation of petitions, political flyers, or distribution of literature not approved in advance in writing by the CPE. Signs identifying stables and trainers and vendors must be approved by the Racing Secretary or Sr. Director of Racing Operations.

F. Mandatory Mortality Reviews

In the event a horse suffers a catastrophic injury or sudden death either during the course of a live race, during training hours or on the grounds of CPE, CPE may require the trainer, and/or any other individual associated with the training, racing, care or custody of such horse to participate in a mortality review meeting with CPE and MRC. Such review meetings shall be scheduled as soon as practical after such incidents occur.

Failure to adhere to this section may result in loss of stabling, racing privileges and/or possible exclusion from CPE property.

G. Animal Welfare

Any Racing Participant covered by this CP who handles or treats any animal without regard for the well-being of the animal or causes physical injury or pain or suffering to the animal, including excessive or unnecessary training or whipping, in the sole discretion of CPE, may lose stabling, racing privileges and/or possible exclusion from CPE property. It is the sole responsibility of the trainer to ensure that a licensed veterinarian is available at all times to ensure the health and welfare of such trainer's horses and to attend to trainer's horses at all times such horses are on the grounds of CPE in any and all emergency situations.

In the event CPE receives credible and verifiable information regarding a Racing Participant at CPE who knowingly, or without conducting proper due diligence, buys or sells a horse for slaughter, directly or indirectly, such individual(s) may have his or her stalls revoked and may lose stabling, racing privileges and/or possible exclusion from CPE property. CPE highly encourages Racing Participants to obtain proper written documentation on the sale or transfer of any horse that they previously raced or was stabled on the grounds of CPE and reserves the right to require a trainer(s) or individuals responsible for a horse to provide such documentation. Failure to cooperate under this section may lead to loss of stabling, racing privileges and/or possible exclusion from CPE property

H. Treatment of Racetrack Staff, Commission Staff, Patrons and Other Racing Participants/Non-Disparagement

All persons covered by the CP are required to afford CPE's staff, MRC staff, other Racing Participants and CPE's customers the highest level of professional courtesy and treatment. Racing Participants agree to fully cooperate with the necessary provision of information and any investigation by CPE staff.

Any verbal or physical mistreatment of, or inappropriate or disrespectful conduct toward, any of these individuals will be viewed as a strict violation of the Standards of Conduct contained in the CP.

It shall be a violation of CPE's standards of conduct for any person covered by the CP to disparage other Racing Participants, CPE Customers, CPE, MRC, either of its employees, staff, vendors or personnel, in any manner by any type of medium. This includes, but is not limited to, disparagement by use of the internet, e-mail, and via any social media such as blogs, Facebook, twitter, etc.

I. Past Conduct and/or Sanctions

Past conduct and/or sanctions having occurred at CPE, or at other facilities may be considered when evaluating the fitness of an individual covered by the CP to conduct business on CPE's property. Such evaluations and decisions will be at the sole discretion of CPE.

J. Racing Participant Care for CPE Property and Communal Areas

It shall be a violation of CPE's standards of conduct for any person covered by the CP to damage, disparage or otherwise allow for animals in their care to damage CPE property outside of the normal course of business. These standards include, but are not limited to, allowing animals in the care of the Racing Participant – equine or otherwise – to damage property or otherwise endanger or threaten themselves or other Racing Participants through inappropriate or aggressive behavior.

K. Firearms and Other Prohibited Items

The possession of weapons on one's person or within stable area is strictly prohibited. Violations could result in permanent exclusion and or criminal charges. Prohibited weapons include but are not limited to the following.

- Firearms
- Explosive devices or materials
- Zip guns or any other device designed to launch a projectile
- Any weapon used or designed to inflict bodily harm, death or physical damage

1.3 REPORTING VIOLATIONS AND WHISTLEBLOWER PROTECTION

Individuals may anonymously, in good faith, report violations or suspected violations of the CP via phone call to the CPE Confidential Hotline at 1-866-460-2621.

In addition, there can be no retaliation of any kind against any person for reporting a suspected violation. Any person who feels that they have been retaliated against shall report it as set forth above. Any person who retaliates against someone who has reported a suspected violation in good faith is subject to actions against their CPE privileges as described in this CP.

1.4 ACTING IN GOOD FAITH

Anyone filing a report or complaint concerning a violation or suspected violation of the CP must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious offense and in violation of the principles contained in this CP.

1.5 RACETRACK AS SOLE ARBITER

CPE is the sole and ultimate arbiter in interpreting and enforcing provisions of this CP.

1.6 RACETRACK AS A PRIVATE ACTOR

While CPE may consider violations of racing rules and/or results of medication testing performed by the MRC or other racing jurisdiction or regulatory body when exercising its rights against individuals violating provisions of this CP, CPE is a wholly separate and private entity from any state agency or regulatory body and at all times acts independently from any such agencies or regulatory bodies with respect to all persons covered by the CP.

As CPE is duty bound to uphold the law, no efforts by CPE to do so shall be construed as Racetrack operating as an instrument of the state.

1.7 FIRE SAFETY

All Racing Participants shall familiarize themselves with the location of fire alarms, fire prevention signs and all firefighting equipment.

No person shall move, interfere with, damage or hinder the use of smoke detectors, heat detectors or other fire suppression equipment or signage. All Racing Participants must adhere to CPE rules and regulations pertaining to smoking on CPE premises, especially in any barn or dormitory area(s.) Any disabled smoke detector may result in a fine.

1.8 INSURANCE

All persons holding a trainer's license shall be required to have workmen's compensation insurance as required by the MRC. The trainer shall, upon request by CPE or MRC, provide a workmen's compensation certificate and any other documentation CPE or MRC may reasonably request evidencing that the foregoing insurance is in effect.

Any vehicle operated on CPE grounds or in the Racetrack stable area must be properly registered with CPE and proof of proper insurance will be required upon request. No person shall operate any vehicle in CPE's stable area without a valid driver's license.

CPE reserves the right, at any time, to require Racing Participants to show proof of any appropriate insurance coverage as it deems necessary.

1.9 SURVEILLANCE & INSPECTION

Our business is highly regulated and requires significant oversight including security related measures. As a result, we employ extensive surveillance and security on our property. All individuals entering the grounds at CPE consent to all surveillance or inspection measures employed by the CPE on its grounds for both individuals and horses.

CPE may require horses to be placed in a pre-race surveillance program prior to the post time of the race in which they are entered under terms, conditions, policies and procedures prescribed from time to time by CPE. Responsibility for each horse in any surveillance program will remain solely with the horse's trainer. In no event will Racetrack assume responsibility or liability for such horse(s.)

CPE reserves the right to inspect any vehicle entering, exiting or parked on the grounds of the CPE as well as any piece of equipment brought onto or into grounds of CPE by any individual. Failure to allow inspections under this section may result in ejection of individual from CPE.

1.10 ASSUMPTION OF RISKS

All persons covered by this CP acknowledge animals, including but not limited to horses, horse riding and racing, horse training and practicing, caring for horses and all other equestrian and

animal related activities can be extremely dangerous and routinely involve risk of serious injury, death and/or property damage.

By participating in our industry and choosing to enter CPE's premises voluntarily, Racing Participant has and does hereby assume all of the above risks, and releases CPE, on their behalf and on behalf of all their family members, and will hold CPE harmless from any and all liability, actions, causes of actions, debts, claims and demands of every kind and nature whatsoever which he or she now has or which may arise out of or in connection with his/her participation in those activities and risks.

PART 2 – RESULT OF CONDUCT POLICY VIOLATIONS

2.1 RESULT OF CP VIOLATIONS

A violation of any of the rules and policies set forth in this Code of Conduct may lead to the imposition of sanctions against Racing Participants, including but not limited to:

- suspension of, or loss of privileges, including loss of stabling and/or racing privileges at CPE;
- loss or refund of any or all nomination and entry fees as well as any deposits on account with CPE;
- temporary or permanent exclusion from CPE premises; and/or
- any other remedy available by law.

Subject to Section 2.2 below, the sanctions as set forth by CPE for any violation of the rules and policies are final.

2.2 OPPORTUNITY FOR RECONSIDERATION

In cases where CPE has excluded a Racing Participant from the property for a period of more than one (1) year, such person subject to such action may seek review of the decision by written request directed to the CEO and/or General Manager of CPE setting forth, in detail, the grounds for the request for reconsideration.

Any review shall not be considered until a minimum of six (6) months has elapsed since the last review of such ejection. CPE is under no obligation to grant a review or reconsider a prior ejection.