



## 2021 Canterbury Club Group Offering Supplement Effective: April 1, 2021

### Overview:

As WVS continues to evolve, our goal of being a complete thoroughbred operation means that we will explore and offer all aspects of the business to our Club members.

In 2021, working with the **Minnesota Racehorse Engagement Project** and **Canterbury Park**, WVS has been able to create a unique offering that will be available to Canterbury Club members and existing members of Wasabi Ventures Stables. WVS is offering a package of horses that will act as a “portfolio for the 2021 meet”. With a purchase of \$250 per share, you will get an equal percentage of all of the horses involved.

The horses will all run at Canterbury Park in 2021, and the package will end at the conclusion of the Canterbury meet.

The key features of the **2021 Canterbury Club Offering** program:

- **Fixed Price on the Offering - No Ongoing Bills**
- **No upcharges** - The value of the Canterbury package will be based on the exact horse purchase/claim price (including tax). No upcharges of any kind.
- **Limited Exposure** - Like WVS Racing Programs, there is no chance for future cash risks. If the Canterbury Package offering loses more than the initial purchase, **WVS absorbs those costs.**
- **Finite Time** - The Canterbury Package Offering will be liquidated at the end of the 2021 summer Canterbury meet.

### Canterbury Club Offering Details:

1. From the beginning of the offering through the end of April 2021, a Club member can buy one (1) of four hundred (400) available shares of the **Canterbury Package for \$250**. If by the end of April any of the shares are still available, Club members will be allowed to purchase up to 2 more units.
2. Wasabi Ventures Stables, LLC is buying 80 of the 400 units. This means that WVS is subject to the **same expenses and outcomes of the group**.
3. There is **no \$99 admin fee** on the Canterbury Club offering.
4. Wasabi Ventures Stables intends to have, as close to possible, **\$100,000 worth of horses** be part of the package. Some of these horses will be in the program at the

beginning, and some will be added via claim or private purchase throughout the Canterbury meet.

5. As horses in the group race during the meet they will earn purse income and they can also be claimed away. All of this income will be used against any training costs (vet, day rates, etc.) At the end of the meet, an exit statement will be calculated that covers all of the revenue minus all of the expenses. At that point, if there is a positive return for the package, each participating Club member will be compensated on his/her prorated portion of the proceeds. If the package offering has a negative value, **Wasabi Ventures Stables** will absorb the losses. **No individual Club member will owe anything more than the initial purchase.**

#### **General Items for the Canterbury Club Package Program:**

- We will be pricing and structuring the program a little differently, but as always we attempt to keep the process honest, transparent, and simple.
- WVS is the manager and sole decision maker on the aspects of the **Canterbury Club Package Program**, but as always with all of its programs, WVS will attempt to be transparent and open about the entire process. In any place possible and when reasonable, we will give insights into our horse selection process and management process.

#### **Pricing, Expenses, and Exit Prices of the Horses in the Program:**

Like all of our programs WVS believes heavily in honesty and transparency in the pricing of the horses and programs offered. The pricing for the Canterbury Club offerings will be no different.

Prices will be based on the actual claiming or sales price when the horse was acquired by Wasabi Ventures Stables. The price will include any of the applicable sales tax.

Expenses for the package will start with the beginning of the Canterbury Club meet, including any shipping expenses required to get the horses to Canterbury Park for the meet. Any revenues or expenses for the horses before the meet begins will be absorbed by Wasabi Ventures Stables.

As the 2021 Canterbury Park meet happens and the Club Package horses race, they will have purse revenues and expenses that get accrued. These both will be accounted for in the accounting ledger of the package. If a horse is sold or claimed away, the exit price of those horses will be added to the revenues of the package accounting.

At the end of the meet, if there are any package horses that are still owned by Wasabi Ventures Stables, those horses will be given an exit price equal to the **LAST CLAIMING PRICE** they raced for and this revenue will be added to package revenues. These horses will then be moved on to new racing venues and continue in the Wasabi Ventures Stables Racing Program.

At the end of the 2021 Canterbury Meet if there is a positive value left on the package, participating Club members will have the opportunity to receive one of three liquidity events that will be based on their prorated share value:

- Wasabi Ventures Stables credit
- Check delivered via U.S. mail
- ACH deposit to a U.S. bank account (small transaction fee charged)

### **Examples of a Canterbury Club Package Outcome:**

To help understand the financial aspect of the Club Package, there are a few examples of what the summer may look like.

#### **EXAMPLE #1**

10 Horses Purchased for the Canterbury Package (including tax) **Total:\$98,000**

30 races occur and \$105,000 in purse money is earned.

5 horses are claimed away for a total of \$30,000

5 horses are still with WVS at the end of the meet and have a total last claiming value of \$35,000

The horses had \$100,000 in training and operational expenses.

The closing statement:

Revenue:

Purse Revenue: \$105,000

Sold Prices of Horses: \$65,000

Remainder from Initial Purchase: \$2,000

Total Revenue: \$172,000

Expenses:

Trainings and Operating Expenses \$100,000

Total Expenses: \$100,000

Net Proceeds: \$72,000 (shared pro rata to all participating Club members for a per share payout of \$180.00)

#### **EXAMPLE #2**

7 Horses Purchased for the Canterbury Package (including tax) **Total:\$99,000**

25 races occur and \$120,000 in purse money is earned.

2 horses are claimed away for a total of \$25,000

4 horses are still with WVS at the end of the meet and have a total last claiming value of \$40,000

The horses had \$70,000 in training and operational expenses.

The closing statement:

Revenue:

Purse Revenue: \$120,000

Sold Prices of Horses: \$65,000

Remainder from Initial Purchase: \$1,000

Total Revenue: \$186,000

Expenses:

Trainings and Operating Expenses \$70,000

Total Expenses: \$70,000

Net Proceeds: \$116,000 (shared pro rata to all participating Club members for a per share payout of \$290.00)

**EXAMPLE #3**

8 Horses Purchased for the Canterbury Package (including tax) **Total:\$95,000**

30 races occur and \$25,000 in purse money is earned.

6 horse are claimed away for a total of \$30,000

2 horses are still with WVS at the end of the meet and have a total last claiming value of \$10,000

The horses had \$80,000 in training and operational expenses.

The closing statement:

Revenue:

Purse Revenue: \$25,000

Sold Prices of Horses: \$40,000

Remainder from Initial Purchase: \$5,000

Total Revenue: \$70,000

Expenses:

Trainings and Operating Expenses \$80,000

Total Expenses: \$80,000

Net Proceeds: -\$10,000 (shared pro rata to all participating Club members for a per share payout of \$0) NOTE: Even though there is an actual loss on the package, **Wasabi Ventures Stables will absorb this loss**, no further expenses are due from participating Club members.

**Risks:**

- All racehorses are unpredictable. We are using the best skills and knowledge we have to make good decisions on our purchases and management, but anything could happen.
- It is also possible that all of the horses are in a place where we should sell them and make profits where we can.

- Like any other startup venture, there is risk in the Canterbury Club Package Program that market conditions could change or that some of the assumptions in the models are incorrect. Despite the time and effort put into the planning by the WVS team, **this is a risky venture.**

**NOTE:**

This supplement is an addition to the **Thoroughbred Racehorse Management Agreement** - [https://s3.amazonaws.com/stable-bucket/Co\\_owner\\_WVStables\\_Agreement.pdf](https://s3.amazonaws.com/stable-bucket/Co_owner_WVStables_Agreement.pdf)