

Fiona

**REASONS WHY MRAC SHOULD NOT BE RESPONSIBLE FOR 100% OF COSTS
INCURRED BY ELC WITH PINSENT MASONS**

1. ELC will be sole beneficiary financially from appointment of Third Party Operator as rental currently payable by MRAC will increase from [REDACTED]
[REDACTED] In addition, MRAC will not be receiving any compensation for the expenditure incurred by MJRC and MRAC on capital improvements of in excess of £2 million since April 2009 from Racecourse profits.
2. Decision to appoint Third Party Operator solely that of ELC.
3. BHA have made it clear, following their independent review of the Racecourse, that Licence to Race would not be renewed unless change in Governance of Racecourse and thus if no Licence then no rental income for ELC.
4. On appointment of Third Party Operator MOA with LRS terminates with no compensation for LRS and results in ELC owning fixtures, which are extremely valuable, at nil cost and entitled to 100% of rental from Third Party Operator with MRAC ceasing to have any income.
5. LRS have no income and provide Members who serve on MRAC, and previously MJRC, at nil cost to either ELC or MRAC and thus should not be responsible for any costs in respect of this Arbitration.
6. MRAC have had no involvement with Pinsent Masons since decision to appoint Third Party Operator and at ELC Council Meeting on 24 April 2018 estimated costs were forecast around £55,000 (see attached Council Minutes) with ELC suggesting part of such costs should be borne by Racecourse. Then at the ELC Meeting on 14 June 2018 (see attached documents) estimated costs had risen to between £75,000 and £100,000. It is now the position that such costs exceed £300,000 and further costs are still being incurred and ELC have debited 100% of such costs to MRAC.
7. MRAC Auditors, Scott-Moncrieff, whilst providing a clean certificate for Accounts for year ended 31 March 2019 only did so having received, after several meetings, an Undertaking from ELC that they would be responsible for any debts of the MRAC. During the Audit process Scott-Moncrieff advised that the question of responsibility for the costs as between ELC and MRAC should be the subject of an independent review to decide the allocation which ELC were not agreeable to.

// It should be noted that any surplus in MRAC would be available to invest in Racecourse (para 9viii) of //
// MOA which is why the issue is of importance to the LRS and the staff. //

R.A. Green
31/10/19