

**KENTUCKY HORSE RACING COMMISSION
SEPTEMBER 20, 2022
SPECIAL MEETING AGENDA**

**Location: American Saddlebred Museum
4083 Iron Works Parkway
Lexington, KY 40511
Via Zoom**

Time: 10:00am

I. Call to Order and Roll Call

II. New Business

1. Ellis Park Change of Control by Churchill Downs Incorporated

III. Executive Session

During the meeting on September 20, 2022, the Commission will go into closed session pursuant to KRS 61.810(1) (c) to discuss pending litigation (CONFIDENTIAL)

IV. Other Business

V. Adjournment



PUBLIC PROTECTION CABINET

Andy Beshear
GOVERNOR
Jacqueline Coleman
LIEUTENANT GOVERNOR

Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Ray A. Perry
SECRETARY
Jamie Eads
INTERIM EXECUTIVE DIRECTOR
Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Jennifer Wolsing, General Counsel
Waqas Ahmed, Director of Pari-mutuel Wagering and Compliance
DATE: September 15, 2022
RE: Ellis Park Change of Control by Churchill Downs Incorporated

On October 26, 2021, the Kentucky Horse Racing Commission ("KHRC") unanimously approved a renewal license application to conduct live horse racing, simulcasting and pari-mutuel wagering for Ellis Entertainment, LLC d/b/a Ellis Park. On September 8, 2022, the KHRC received a racing association change of control submitted by Churchill Downs Incorporated on behalf of Ellis Park.

Churchill Downs Incorporated is a publicly traded corporation that wholly-owns Churchill Downs Racetrack, LLC, Turfway Park, LLC, and WKY Development, LLC d/b/a Oak Grove Racing and Gaming. On September 15, 2022, Churchill Downs Incorporated and Laguna Development Corporation, parent of Ellis Park, entered into an agreement to transfer 100% of control in Ellis Park to Churchill Downs Incorporated pursuant to the considerations stated the agreement.

In summary, Churchill Downs Incorporated intends to purchase Ellis Park and develop a Henderson and Owensboro racetrack and pari-mutuel wagering facility with a total investment of \$150 million. Churchill Downs Incorporated has submitted a letter explaining the transaction, which has been attached to this memorandum.

In brief, the letter states that Ellis Park will not amend the race dates applied for by Ellis Park on September 1, 2022, for calendar year 2023. 810 KAR 6:010 states that, for the Commission to approve an association to conduct HHR wagering, the association must request to conduct at least the number of race dates and races initially requested for the 2010 racing year, unless approval is granted from the Kentucky Horse Racing Commission and applicable horsemen's organization(s). In the case of Ellis Park, the association was approved for twenty-seven race dates for the 2010 racing year. It should also be noted that any material alteration to the grounds or facilities after a licensed has been issued to the facility must be approved by the KHRC or its executive director, if designated by KHRC.

Chairman Jonathan Rabinowitz and KHRC staff has reviewed the change of control application submitted on behalf of Ellis Park by Churchill Downs Incorporated. In reviewing the supplemental information, Churchill Downs Incorporated qualifies as an applicant, pursuant to the requirements set forth in KRS 230.280.

KHRC staff recommends approval of the change of control with the following conditions:

1. The applicant must amend the current application to conduct live racing, simulcast and pari-mutuel wagering for calendar year 2023 by September 23, 2022 with any changes to information initially provided as a result of this transfer; and,



PUBLIC PROTECTION CABINET

Andy Beshear
GOVERNOR
Jacqueline Coleman
LIEUTENANT GOVERNOR

Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Ray A. Perry
SECRETARY
Jamie Eads
INTERIM EXECUTIVE DIRECTOR
Jonathan Rabinowitz
CHAIRMAN

2. The applicant must provide the KHRC with a detailed summary of operations proposed on a quarterly basis, beginning December 1, 2022.

3. The applicant must provide confirmation to the KHRC that all post-closing events between the parties have been completed.

Please note that the Commission maintains the authority to amend or supplement the above conditions.

COMMISSION ACTION:

_____ Approve

_____ Defer

_____ Deny