

KENTUCKY HORSE RACING COMMISSION

March 22, 2016

AGENDA

Location: Rolex Hospitality Room
4089 Iron Works Parkway
Lexington, KY 40511

Time: 1:30 pm

I. Call to Order and Roll Call

II. New Business

1. Minutes

October 26, 2015 (pgs. 1-8)

December 1, 2015 (pgs. 9-16)

February 19, 2016 (pgs. 17-23)

2. Ellis Park's 2016 Meet KTDF Allotment Request (pgs.24-25)

3. Kentucky Downs' 2016 Meet KTDF Allotment Request (pgs. 26-27)

4. Churchill Downs' 2016 September Meet Allotment Request (pgs. 28-29)

5. Churchill Downs' Backside Improvement Fund Request (pgs. 30-34)

6. KY Mountain Saddle Horse Assoc. Period IV Application Amendment Request (pgs. 35-43)

7. Mountain Pleasure Horse Assoc. Period IV Application Amendment Request (pgs. 44-50)

8. Keeneland's Request to Offer Drive-Through Wagering
at the Horse Park for Oaks and Derby (pgs. 51-59)

9. LGC Science Rapid Response Contract Renewal (pgs. 60-83)

10. Churchill Down's Pick 6 Carryover Request (pg. 84)

11. Kentucky Downs' Request to Offer Jockey 7 Special Wager (pgs. 85-88)

12. Reports

a. Thoroughbred Rulings (pgs. 89-91)

b. Standardbred Rulings (pg. 92)

c. Veterinary Division (pg. 93)

d. Pari-Mutuel Wagering Division (pgs. 94-101)

e. Litigation and Regulations (No Materials)

III. Other Business

IV. Executive Session

V. Adjournment

HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: October 26, 2015 at 1:30 PM

Place: Rolex Hospitality Room, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Vice Chairman Tracy Farmer; Commissioner Edward S. "Ned" Bonnie; Commissioner Elizabeth Lavin; Commissioner Tom Conway; Commissioner Burr Travis, Jr.; Commissioner Jerry Yon, M.D.; Commissioner D. Wayne Lukas; Commissioner Neil Howard; Commissioner Frank Jones, Jr.; Commissioner Clayton Patrick; and Commissioner Steve H. Stewart

Ex-officio Members Present: Secretary Ambrose Wilson, IV, Public Protection Cabinet; William Dexter, representing the Tourism, Arts and Heritage Cabinet; and John Christian Enochs, representing the Cabinet for Economic Development

KHRC Staff Participating: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Director of Racing; Susan B. Speckert, General Counsel; Greg Lamb, Supervisor of Pari-Mutuel Wagering; Mary Scollay, DVM, Equine Medical Director; Jamie Eads, Director of Incentives and Development; Barbara Borden, Chief State Steward; Rich Williams, Chief Judge; and Will Farmer, DVM, Chief Racing Veterinarian

Others Participating: Mr. Ron Geary, Ellis Park; Mr. Kevin Flanery and Mr. E. Lysonge, Churchill Downs; Mr. Corey Johnsen, Kentucky Downs; Mr. William May, Thunder Ridge; and Ms. Julie Sorrell, The Red Mile

Judge Larry VanMeter administered the oath of office and swore in two new commissioners, Clayton Patrick and Steve H. Stewart

Meeting called to order and roll call performed by Chairman Beck. A quorum was recognized.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
ANNOUNCEMENTS	6 – 7	Chairman Beck requested that all Commissioners respond as to their availability for scheduling the December 2015 meeting. Additionally, new commission badges will be mailed to all commissioners who have a photo on file and he requested that those who do not have a photograph on file, please have one taken at the Commission office.	

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Tab 1 Approve the minutes of the September 17, 2015 meeting	7	Chairman Beck presented the minutes of the September 17, 2015 meeting for approval.	Motion to approve the minutes as presented by Commissioner Travis. Second by Commissioner Howard. Motion carried with no objections or abstentions.
Tab 2 Approve KTDF Purse Structure – Churchill Downs Fall Meet	7 – 8	<p>Ms. Eads presented Churchill Downs’ request dated October 6, 2015 for approval of its KTDF purse structure for the 2015 Fall meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Staff has confirmed that at the end of the September 2015 meet, Churchill Downs had a KTDF surplus of \$139,653.72. Churchill Downs projects to card KTDF purses in the range of \$500,000 to \$600,000, which is based on a payout of approximately 82% of the amount carded and daily earnings of \$15,700.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs’ request at its October 6, 2015 meeting. Approval is recommended.</p>	Motion to approve by Commissioner Lavin. Second by Commissioner Travis. Motion carried with no objections or abstentions.
Tab 3 Approve KTDF Purse Structure – Turfway Park 2015 Holiday Meet & 2016 Winter/Spring Meet	8 – 10	<p>Ms. Eads presented Turfway Park’s request dated October 2, 2015 for approval of its KTDF purse structure for the 2015 Holiday meet and 2016 Winter/Spring meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Staff has confirmed that at the end of the 2015 Winter/Spring meet, Turfway Park had a KTDF surplus of \$108,952.89. Turfway Park projects to card KTDF purses of \$1,636,000, with \$350,000 for the 2015 Holiday meet and \$1,286,000 for the 2016 Winter/Spring meet, which is based on a payout of approximately 75% of the amount carded. The request includes \$100,000 be allocated on stakes races.</p>	Motion to approve by Commissioner Bonnie. Second by Commissioner Yon. Motion carried with no objections or abstentions.

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		The KTDF Advisory Committee approved recommendation of Turfway Park's request at its October 6, 2015 meeting. Approval is recommended.	
Tab 4 Approve Turfway Park's 2015 Holiday Meet and 2016 Winter/Spring Meet Officials	10 – 11	<p>Mr. Guilfoil presented Turfway Park's request dated October 13, 2015 for approval of its roster of racing officials and dates preference system for the 2015 Holiday meet and 2016 Winter/Spring meet. All Stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and are currently licensed. The Kentucky Horsemen's Benevolent and Protective Association (KyHBPA) has approved the requested dates preference system.</p> <p>Staff recommended approval.</p>	Motion to approve by Commissioner Bonnie. Second by Commissioner Howard. Motion carried with no objections or abstentions.
Tab 5 Approve Kentucky Downs' request to offer four new historical horse wagers	11 – 17	<p>Ms. Speckert presented Kentucky Downs' request dated October 15, 2015 for approval to offer four (4) new historical horse race wagers and to proceed with the installation of 125 of the 275 additional terminals approved by the Commission at its August 18, 2015 meeting.</p> <p>The requested wagers are based on Association of Racing Commissioners' (ARCI) Model Rule 004-105T. Testing of the wagers has been performed by, and a satisfactory functionality report received from, the Commission's independent testing laboratory, Gaming Laboratories International (GLI).</p> <p>Staff has reviewed the wagers to ensure compliance with regulations and recommended approval contingent upon receipt of a revised breakdown of wagers and denominations. Staff also recommended approval of the installation of 125 additional terminals contingent upon final staff approval of the floor plan and security coverage and receipt of an amended floor plan schematic before being offered to the public.</p>	Motion to approve by Commissioner Bonnie. Second by Commissioner Howard. Motion carried with no objections or abstentions.

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Tab 6 Approve KRM's request to approve new historical horse wager	17 – 20	<p>Ms. Speckert presented KRM's request dated October 15, 2015 for approval of a new historical horse race wager entitled "Breeders' Cup."</p> <p>The requested wager is based on ARCI Model Rule 004-155A(4). GLI has performed testing on the wager and issued a satisfactory functionality report. GLI's testing confirms the wager is compliant with KHRC regulations and requirements, and constitutes pari-mutuel wagering based on the outcome of a historical horse race. Ms. Underwood confirmed that the intellectual property side of the use of "Breeders' Cup" had been worked out.</p> <p>Based on the documentation presented and GLI's satisfactory functionality report, the staff recommended approval contingent upon final staff approval of the revised floor plan and security coverage; receipt of a revised floor plan schematic; final staff approval of number of terminals offering each approved wager; and receipt of a revised breakdown of wagers and denominations.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 7 Approve Churchill Downs' request for Unique Pick-6 changes	20 – 23	<p>Mr. Lamb presented Churchill Downs' request received October 15, 2015 to make changes to the Unique Pick-6 wager. The requested changes include: 1) increasing the minimum wager from \$0.10 to \$0.20; 2) lowering takeout rate to 15%; 3) only one single winning ticket at the minimum value (\$0.20) for the pool to be paid out; and 4) if there is no single winning ticket, 100% of the net pool for that day would be added to the carryover pool for the next performance.</p> <p>Staff has reviewed the wager and recommends approval.</p>	<p>Motion to approve by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>
Tab 8 Approve 2016 Conditions of Racing Association and OTB Facility Licensing	23	<p>Ms. Speckert presented the proposed 2016 Conditions of Racing Association and Off-Track Betting (OTB) Facility Licensing (2016 Conditions). Ms. Speckert stated that there are no changes to the 2016 Conditions from last year and that the Race Dates Committee had discussed the proposed 2016 Conditions at its October 6, 2015 meeting</p>	<p>Motion to approve by Commissioner Bonnie. Second by Commissioner Jones. Motion carried with no objections or</p>

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Tab 9 Approve 2016 Racing Association Applications	24 – 43	<p>and approval was recommended.</p> <p>Chairman Beck presented the 2016 racing association applications for licensure and requests for race dates and host status.</p> <p>Chairman Beck noted that at the October 6, 2015 Race Dates Committee (Committee) meeting, issues arose concerning thoroughbred September 2016 dates and licensure of Thunder Ridge. The Committee asked the racing associations with an interest in September to work out a settlement. At that meeting with the exception of thoroughbred dates for the month of September 2016 and Thunder Ridge’s application, the Committee approved recommendation for licensure and all other requested race dates and host status for Bluegrass Downs, Churchill Downs, Ellis Park, Keeneland, Kentucky Downs, Red Mile and Turfway Park for 2016.</p> <p>Chairman Beck stated that the second scheduled meeting of the Race Dates Committee was cancelled because the racing associations with an interest in September had reached an agreement. That agreement is reflected on the proposed 2016 race dates calendar as presented.</p> <p>Chairman Beck went through the proposed 2016 race dates calendar as presented month by month.</p>	<p>abstentions.</p> <p>Motion to approve Thunder Ridge’s license application and requested races dates contingent upon payment being made in full to Turfway Park, Kentucky Downs and Churchill Downs, and if not paid in full a report satisfactory to the Commission as to why be presented at the Commission’s next scheduled meeting. Second by Commissioner Stewart. Motion carried with no objections or abstentions.</p>
	26 – 35	<p>In response to an inquiry by Commissioner Travis, Ms. Speckert stated that the Commission had just been informed that an agreement between Thunder Ridge and the Kentucky Harness Horsemen’s Association (KHHA) had been reached and the documenting letter would be forthcoming. Chairman Beck also noted that the Race Dates Committee had requested Thunder Ridge to provide additional financial information and that that information had been received. Chairman Beck stated that the Race Dates Committee informally agreed with awarding Thunder Ridge its</p>	<p>Motion to approve the race dates as presented on the proposed 2016 race dates calendar contingent upon: 1) Commissioner Bonnie’s previously carried motion in regard to Thunder Ridge; receipt of the approval letter for Thunder Ridge from the KHHA; 3) receipt of</p>

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	35 – 43	<p>requested dates for 2016.</p> <p>In response to Mr. Ward’s comment that he had received correspondence from Turfway Park expressing concern that a settlement between Thunder Ridge and Turfway Park in connection with simulcasting funds owed to Turfway Park was not in place, Mr. May stated that Thunder Ridge contemplated paying its outstanding balances from the proceeds received through its transaction with Keeneland. A discussion among the Commission members occurred during which Churchill Downs and Kentucky Downs noted that Thunder Ridge also owed them simulcasting funds. Following the discussion, Commissioner Bonnie offered a motion that Thunder Ridge’s license application and requested races dates be approved contingent upon payment being made in full to Turfway Park, Kentucky Downs and Churchill Downs, and if not paid in full a report satisfactory to the Commission as to why be presented at the Commission’s next scheduled meeting.</p> <p>Chairman Beck concluded presenting the proposed 2016 race dates calendar and requested a motion to approve the race dates and simulcasting as presented on the proposed 2016 race dates calendar contingent upon: 1) Commissioner Bonnie’s previously carried motion in regard to Thunder Ridge; receipt of the approval letter for Thunder Ridge from the KHHA; 3) receipt of amended approval letters from the KyHBPA for Ellis Park, Churchill Downs and Kentucky Downs; and 4) receipt of an amended approval letter from the Kentucky Thoroughbred Owners and Breeders (KTOB) for Ellis Park.</p>	<p>amended approval letters from the KyHBPA for Ellis Park, Churchill Downs and Kentucky Downs; and 4) receipt of an amended approval letter from the Kentucky Thoroughbred Owners and Breeders (KTOB) for Ellis Park. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>

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Tab 10 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Regulations and Litigation	43 – 49 43 47 – 49 43 43 – 44 44 – 46 49	<p>a. Mr. Guilfoil presented the thoroughbred ruling report on behalf of Ms. Borden. He stated that Ms. Borden would be available at the December 2015 meeting to address any questions.</p> <p>Mr. Bonnie raised an issue and Chairman Beck recommended that Mr. Borden address the issue at the next meeting.</p> <p>b. Mr. Williams presented the standardbred ruling report.</p> <p>c. Due to the absence of Dr. Scollay and Dr. Farmer, presentation of the race-related fatality and the veterinary division reports were deferred to the next scheduled meeting.</p> <p>d. Mr. Lamb presented the September 2015 wagering on historical horse racing handle reports for Kentucky Downs, Ellis Park and Red Mile, and live racing for Churchill Downs, Kentucky Downs and the Red Mile.</p> <p>e. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	No action taken. Informational items only.
Other Business	49 49 – 50 50 – 51 51 – 52	<p>Chairman Beck introduced the two new Commissioners sworn in before the beginning of the meeting, Steve Stewart and Clay Patrick, and asked that each share a little bit about themselves.</p> <p>Commissioner Stewart addressed the Commission and audience.</p> <p>Commissioner Patrick addressed the Commission and audience.</p> <p>Chairman Beck announced that Mr. E Lysonge had resigned his position with Churchill Downs.</p>	No action taken. Informational items only

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Adjournment	52 – 53	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Vice Chairman Farmer. Second by Commissioner Yon. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.

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HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: December 1, 2015 at 1:30 PM

Place: Central Kentucky Riding for Hope, 4185 Walt Robertson Road, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Vice Chairman Tracy Farmer; Commissioner Edward S. “Ned” Bonnie; Commissioner Elizabeth Lavin; Commissioner Burr Travis, Jr.; Commissioner Tom Conway; Commissioner Neil Howard; Commissioner Wade Houston; Commissioner Clayton Patrick; Commissioner John Phillips; Commissioner Steve H. Stewart; Commissioner Jerry Yon; and Commissioner Frank Jones, Jr.

Ex-officio Members Present: Secretary Ambrose Wilson, IV, Public Protection Cabinet; William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Caroline Baesler, representing the Cabinet of Economic Development

KHRC Staff Participating: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Director of Racing; Susan B. Speckert, General Counsel; Greg Lamb, Director of Pari-Mutuel Wagering; Mary Scollay, DVM, Equine Medical Director; William Farmer, Chief Racing Veterinarian; Barbara Borden, Chief State Steward; Rich Williams, Chief Judge; and Jamie Eads, Director of Incentives and Development

Others Participating: Shannon Arvin, Stoll Keenon Ogden; Adam Suliman, Rock Gaming; Corey Johnsen, Kentucky Downs; William Thompson, Keeneland

Meeting called to order and roll call performed by Chairman Beck. A quorum was recognized.

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N/A	5 – 6	Chairman Beck presented an update regarding <i>Appalachian Racing, LLC v. KHRC</i> , Floyd Circuit Court, Civil Action No. 15-CI-836. Chairman Beck announced that a restraining order had been granted by the Floyd Circuit Court prohibiting the Commission from considering or taking any action on Keeneland’s license application to establish a Quarter Horse Race Track (Cumberland Run) in Corbin and to Offer Wagering on Historical Horse Races (Agenda Item No. 10). He noted that an emergency appeal of the restraining order had been filed with the Kentucky Court of Appeals; therefore, Agenda Item No. 10 would be deferred to the end of the meeting pending a ruling from the Court of Appeals.	Informational only. No action taken.

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Tab 1 Approve Kentucky Racing Health & Welfare Fund request for payment of unclaimed pari-mutuel tickets	6 – 9	<p>Ms. Eads presented a request dated November 9, 2015 from the Kentucky Racing Health & Welfare Fund (“KyRHWF”) for the transfer of funds from the unclaimed pari-mutuel tickets more than one-year old in the amount of \$1,946,785.84, less any claims received and advertising expenses, pursuant to KRS 230.374. The amount requested is the total of tickets sold to bettors between July 1, 2013 and June 30, 2014 and that remained unclaimed as of July 1, 2015. The KyRHWF has submitted the required documents and staff recommends approval of transfer of the requested funds.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>
Tab 2 Approve Kentucky Sire Stakes Race Dates and Purse Distributions	9 – 10	<p>Ms. Eads presented the proposed races dates for the 2016 Kentucky Sire Stakes to be held at The Red Mile. At its September 23, 2015 meeting, the Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders’ Incentive Fund Advisory Board (“Advisory Board”) approved the 2016 Kentucky Sire Stakes purse distributions and proposed two legs at \$15,000 each with a \$10,000 split and finals of \$175,000.</p> <p>The Red Mile has proposed the following races dates for two and three-year olds: Leg 1 will be held on August 7, 2016 and Leg 2 on August 14, 2016. The Finals will be held on August 21, 2016.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 3 Approve payment to Kentucky Colt Association and County Fair Race Dates	10 – 11	<p>Ms. Eads stated that by letter received November 23, 2015, the Kentucky Colt Association (KCA) requested payment of the 2015 standardbred uncashed ticket money in the amount of \$56,425.99, less any claims received. Staff has confirmed the amount requested and approval is recommended.</p> <p>Ms. Eads presented the proposed races dates for the 2016 Kentucky County Fairs as set out in the KCA’s letter received on November 23, 2015. She noted that the dates requested are the usual and customary dates for the County Fair races and there will be no pari-mutuel wagering</p>	<p>Motion to approve by Commissioner Howard. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>

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		at seven of the eight County Fairs, except there would be pari-mutuel wagering at the 2016 Marion County Fair. Staff recommends approval.	
Tab 4 Approve Keeneland's Backside Improvement Fund request	11 – 12	<p>Mr. Guilfoil presented a request dated October 23, 2015 from Keeneland requesting approval for the following backside improvement projects:</p> <ol style="list-style-type: none"> 1. ½ shed row replacements, Barn #19; 2. Lighting upgrade, Barn #'s 29, 30, 38, and 39; 3. Electric heater replacements in barn tack rooms; 4. Dry valve replacements x2, Barn #'s 30, 38-40, and 42-49; 5. New gas replacements in barn tack rooms; and 6. Install storm pipe at Barn #'s 18 and 19. <p>Staff has confirmed that Keeneland has \$334,514.54 in available backside improvement funds. KHRC staff has inspected the areas in the request and has confirmed the improvements are necessary and recommends approval. Upon completion of the projects, KHRC staff will inspect the repair work and confirm completion. Written documentation of the completed projects, final photographs and copies of invoices will be maintained on file at the KHRC office.</p>	<p>Motion to approve by Commissioner Bonnie. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 5 Approve proposed amendments to 811 KAR 2:190: Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund	13– 15	<p>Ms. Eads presented the proposed amendments to 811 KAR 2:190 (Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian Development Fund).</p> <p>Ms. Eads introduced Richard Wilcke, a current member of the National Racing Committee of the American Quarter Horse Association (AQHA), and noted that Mr. Wilcke was instrumental in the amending process and worked very closely with KHRC staff on the proposed amendments.</p> <p>Ms. Eads noted that during the 2015 legislative session, KRS 230.445, was amended to include the Paint Horse and that the proposed amendments are necessary to comply with those amendments to the enabling statute. She also noted that since the inception of the Fund in 2011 no funds had been disbursed because there had been no eligible races at a Kentucky</p>	<p>Motion to approve by Commissioner Bonnie. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>

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		racetrack. Ms. Eads presented a summary of the proposed amendments and stated that the staff recommended approval.	
Tab 6 Approve Ellis Park's request to increase number of HHR Machines	15 – 16	Mr. Lamb presented a request dated November 24, 2015 from Ellis Park for approval to expand the number of historical horse racing terminals by 48, bringing the total number of approved terminals from 252 to 300. He noted that Ellis Park anticipates the increase will allow them to bring new titles to their guests and increase their handle. The Nitro machines have been tested by Gaming Laboratories International (GLI) and approved by the Commission. KHRC staff will conduct an inspection of the new terminals and game titles once they are in place and before being offered to the public. Staff recommends approval.	Motion to approve by Commissioner Jones. Second by Commissioner Yon. Motion carried with no objections or abstentions.
Tab 7 2016 ADW Conditions to Licensure	16 – 17	<p>Ms. Speckert presented the Conditions of Advance Deposit Account Wagering (ADW) Licensing for 2016 (Conditions). The Conditions are essentially the same as the 2015 Conditions with the only substantive amendment being to add the language in Paragraph 6 in order to enable the KHRC to more easily obtain the data that is required under KRS 230.260.</p> <p>Each ADW provider was provided a draft of the Conditions and no comments were received. Staff recommends approval.</p>	Motion to approve by Commissioner Lavin. Second by Commissioner Yon. Motion carried with no objections or abstentions.
Tab 8 2016 ADW License Applications	17 – 20	<p>Ms. Speckert presented the 2016 the advance deposit account wagering (ADW) license applications and noted that a representative from each ADW applicant was present to answer any questions that may arise. There are six (6) renewal applicants for 2015: AmWest Entertainment; Ebet Technologies; Lien Games Racing; TVG Network; TwinSpire and Xpressbet.</p> <p>Approval for licensure for 2016 is recommended for all six (6) applicants conditioned upon full compliance with all applicable rules, regulations and the 2016 Conditions.</p>	Motion to approve the 2016 ADW license applications for AmWest Entertainment; Ebet Technologies; Lien Games Racing; TVG Network; TwinSpire; and Xpressbet by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or

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		<p>In response to an inquiry by Commissioner Travis concerning pending civil litigation in which AmWest is involved, Ms. Speckert stated that the Commission has been provided notification that those matters have been settled and information about the settlement. She noted that the terms of the settlement are under seal with the court.</p>	<p>abstentions.</p>
<p>Tab 9 Turfway Park's Request to Offer Wagering on Historical Horse Races</p>	<p>20 – 25</p>	<p>On behalf of Turfway Park, Shannon Arvin with Stoll Keenon Ogden presented Turfway Park's application to offer wagering on historical horse races. She noted that the request was for 250 initial terminals and all games requested for approval today have previously been approved by the Commission. In response to an inquiry from Commissioner Lavin, Ms. Arvin stated that construction plans were underway and asked Mr. Suliman to address the timeframe for implementation. Mr. Suliman stated that as soon as selection of construction and design partners had been made that Turfway would be able to provide a more definitive timeframe for implementation.</p> <p>All required information has been submitted with the exception of the selection of a vendor; however, Turfway has requested approval of either Encore or RaceTech. The Commission has already approved the wagers and terminals of both vendors. All requested RaceTech wagers are based on ARCI Model Rule 004-155A (4)-(6) and all Encore wagers are based on ARCI Model Rule 004-105(T)(4) and pari-mutuel expert John Walzak has opined that wagers that fall within these Model Rules constitute pari-mutuel wagers on horse races. Satisfactory functionality reports from GLL are on file at the KHRC office.</p> <p>Staff recommends approval with the following conditions: 1) notification and staff approval of any changes in materials submitted in the application material; 2) final staff approval of the designated area including approval of all security equipment and procedures; 3) final staff approval that all applicable statutes, regulations, and conditions have</p>	<p>Motion to approve by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>

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		been complied with; 4) receipt of the terms in the agreement with the applicable horse men's organizations; and 5) final staff approval to open the designated area and begin offering wagering on historical horse races.	
Tab 10 Keeneland's application to establish a Quarter Horse Race Track (Cumberland Run) in Corbin and to Offering Wagering on Historical Horse Races	25 – 26 37	Chairman Beck reiterated that this agenda item would be deferred until last. Ms. Speckert updated the Commission on the disposition of the Appalachian Racing, LLC v. KHRC motions pending before the Court of Appeals that Chairman Beck addressed at the start of the meeting. She reported that the motion for intermediate relief which would have immediately dissolved the temporary restraining order of the Floyd Circuit Court was denied and that the writ of prohibition was still currently pending.	No action taken due to pending temporary restraining order and pending ruling by the Court of Appeals on the writ of prohibition.
Tab 11 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Regulations and Litigation	26 – 32 26 26 26 – 29 29 – 30 31 – 32	a. Ms. Borden presented the thoroughbred ruling report. She noted there were no updates to the report as provided. b. Mr. Williams presented the standardbred ruling report. He noted that there was one ruling that did not appear on the report yet and a suspension of one licensee for a fine that has not paid. c. Dr. Farmer presented the the veterinary division report for Churchill Downs, Kentucky Downs, Keeneland and the 2 days of Breeders' Cup racing at Keeneland. Dr. Scollay also reported on Breeders' Cup racing at Keeneland and commended the veterinary staff and independent laboratory for the success of their collaborative efforts. d. Mr. Lamb presented the October and November 2015 wagering on historical horse racing handle reports for Kentucky Downs, Ellis Park	No action taken. Informational items only.

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	32	<p>and the Red Mile. He noted that during October 2015 the historic racing handle was up, but down about 2.5% for November 2015. Keeneland had a positive handle for its regular meet plus additional money from Breeders' Cup and Churchill's regular meet handle was up approximately 9.9% over last year.</p> <p>e. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	
Other Business	32 33 33 – 35	<p>Ms. Speckert recognized and congratulated Ms. Borden upon her receipt of the 2015 Peter Peterson Award. This award is awarded each year by ROAP to stewards who have made important contributions to the thoroughbred and quarter horse racing industries.</p> <p>Chairman Beck introduced Mr. Johnsen. Mr. Johnsen presented a check in the amount of \$222,000 to the Kentucky Thoroughbred Breeders' Incentive Fund. Mr. Johnsen recognized and acknowledged the Kentucky Horsemen's Benevolent and Protective Association and the Commission for their contributions in making the presentation of the funds possible.</p> <p>Chairman Beck introduced and recognized Mr. Thompson and Keeneland for a very successful 2015 Breeders' Cup event. Mr. Thompson addressed the Commission and expressed Keeneland's appreciation.</p>	No action taken. Informational items only.
Executive Session	35 – 36 36	<p>Chairman Beck requested a motion to go into executive session pursuant to KRS 61.810(1)(j) to deliberate in its role as a judicial or quasi-judicial body regarding individual adjudication and to KRS 61.810(1)(c) to discuss proposed or pending litigation against or on behalf of the agency.</p> <p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> <p>Chairman Beck requested a motion to return to public session.</p>	<p>Motion by Commissioner Lavin. Second by Commissioner Yon.</p> <p>Motion by Commissioner Travis. Second by</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
	36 - 37	Upon return to public session, in the administrative action of <i>Harry Noble Wilson, Jr. v. Kentucky Horse Racing Commission</i> , the following motion was made by Commissioner Travis, "to adopt the recommended findings of fact, conclusions of law and recommended order of the hearing officer including the recommendation to affirm denial of Mr. Wilson's application for a 2014 license and to adopt the exceptions filed by the Kentucky Horse Racing Commission.	Commissioner Phillips. Motion carried with no objections or abstentions. Motion by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.
N/A	37 – 51	Chairman Beck presented a highlight of the significant accomplishments by the Commission during Governor Beshear's administration. Chairman Beck announced his resignation as chair and as a member of the Commission effective December 7, 2015 and expressed his gratitude to Governor Beshear and those who had contributed to the Commission during his tenure.	No action taken. Informational items only.
Adjournment	51	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Vice-Chairman Farmer. Second by Commissioner Lavin. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: February 19, 2016 at 1:30 PM

Place: Rolex Hospitality Room, Kentucky Horse Park, Lexington, KY

Members Present: Vice-Chairman Tracy Farmer; Commissioner Elizabeth Lavin; Commissioner Burr Travis; Commissioner Clay Patrick; Commissioner J. David Richardson, M.D.; Commissioner John Phillips; Commissioner Neil Howard; Commissioner Steve Stewart; Commissioner Jerry Yon, MD; Commissioner Frank Jones; and Commissioner David Ingordo

Ex-officio Members Present: Deputy Secretary Gail Russell, representing the Public Protection Cabinet; Deputy Secretary Regina Stivers, representing the Tourism, Arts and Heritage Cabinet; and General Counsel Caroline Baesler, representing the Cabinet of Economic Development

KHRC Staff Participating: Marc A. Guilfoil, Executive Director; Susan B. Speckert, General Counsel; Mary Scollay, DVM, Equine Medical Director; Greg Lamb, Director of Pari-Mutuel Wagering; Barbara Borden, Chief State Steward; and Jamie Eads, Director of Incentives and Development

Others Present/Participating: None

Meeting called to order and roll call performed by Vice-Chairman Farmer. A quorum was recognized.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
N/A	4	The Honorable Larry VanMeter, Kentucky Court of Appeals, administered the oath and swore in new commission member, David Ingordo.	No action taken.
Tab 1 Keeneland's Proposed 2016 Spring Meet Officials & Dates Preference System	5 – 7	Ms. Borden presented Keeneland's request dated February 1, 2016 for approval of its roster of racing officials and dates preference system for the Spring 2016 meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening. Kentucky Horsemen's Benevolent and Protective Association (KyHBPA) approval of the requested dates preference system has been confirmed.	Motion to approve by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>Ms. Borden noted a correction in Keeneland's letter. Where it is stated that star only entries will be accepted in 2-year old maiden races only, and that should read 3-year old maiden races.</p> <p>Staff recommends approval.</p>	
Tab 2 Churchill Downs' Proposed 2016 Spring Meet Officials & Dates Preference System	7 – 8	<p>Ms. Borden presented Churchill Downs' request dated February 2, 2016 for approval of its roster of racing officials and dates preference system for the Spring 2016 meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening. KyHBPA approval of the requested dates preference system has been confirmed.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 3 Thunder Ridge's Proposed 2016 Meet Officials	8 – 9	<p>Ms. Borden presented Thunder Ridge's request dated February 5, 2016 for approval of its roster of racing officials for the 2016 meet. All judges are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Travis. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 4 Keeneland's Spring Meet KTDF Allotment Request	9 – 10	<p>Ms. Eads presented Keeneland's KTDF purse structure request. By letter dated January 20, 2016, Keeneland requested approval of its KTDF purse structure for the 2016 Spring meet and the ability to payout KTDF purses on eligible horses through last place.</p> <p>Staff has confirmed that at the end of the 2015 Fall meet, Keeneland had a KTDF surplus of \$54,413.83. Keeneland projects to card KTDF purses in the range of \$800,000, which is based on a payout of approximately 75% of the amount carded</p>	<p>Motion to approve by Commissioner Phillips. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>and daily earnings of \$20,773.</p> <p>The KTDF Advisory Committee approved recommendation of Keeneland's request at its January 26, 2016 meeting. Approval is recommended.</p>	
<p>Tab 5 Churchill Downs' Spring Meet KTDF Allotment Request</p>	<p>10 – 11</p>	<p>Ms. Eads presented Churchill Downs' KTDF purse structure request. By letter dated January 26, 2016, Churchill Downs requested approval of its KTDF purse structure for the 2016 Spring/Summer meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Churchill Downs ended the Fall 2015 meet with a surplus of \$11,385.40. Churchill Downs projects to card KTDF purses in the range of \$1,000,000 to \$1,300,000, which is based on a payout of approximately 85% of the amount carded and daily earnings of \$27,915.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs' request at its January 26, 2016 meeting. Approval is recommended.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>
<p>Tab 6 Churchill Downs' Backside Improvement Fund Request</p>	<p>11 – 13</p>	<p>Ms. Eads presented Churchill Downs' request dated January 27, 2016 for approval of the expenditure of its backside improvement funds for the following projects:</p> <ol style="list-style-type: none"> 1) Backside paving (phase 2); 2) Track warning system; 3) Dormitory boiler improvements; 4) Dormitory locks; 5) Backside heating and A/C units; 6) Backside security camera; 7) Backside electrical maintenance; and 8) Pest control expenditures. 	<p>Motion to approve by Commissioner Yon. Second by Commissioner Richardson. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>KHRC staff inspected the proposed projects on February 1, 2016. Churchill Downs has provided a detailed description of each project, justification for the projects, photographs, and bids for each project.</p> <p>KHRC staff has confirmed a balance of \$477,103.90 in Churchill Downs' backside improvement fund. Upon completion of the project, KHRC staff will inspect the repair work and confirm completion. Copies of all invoices, photographs and communications will be kept on file at the KHRC office.</p> <p>Staff recommends approval.</p>	
<p>Tab 7 Funding Request by UK-VDL for Storage Freezers for Equine Sports Science Initiative</p>	<p>13 – 14</p>	<p>Dr. Scollay presented the Equine Sports Science Initiative (ESSI) at the University of Kentucky's request for funding from the Equine Drug Research Council (EDRC) for the purchase of 3 freezers. The freezers will be housed at the University of Kentucky Veterinary Diagnostic Laboratory and used for the sole purpose of storing samples from necropsies performed on horses sustaining injuries due to high speed exercise. The stored samples will be used for research to further knowledge on the causes (and thus prevention) of catastrophic musculoskeletal injuries in the equine athlete, and other research projects as they are identified.</p> <p>The EDRC unanimously approved recommendation of the ESSI request for funding at its December 9, 2015 meeting.</p>	<p>Motion to approve by Commissioner Lavin. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Tab 8 Funding Request for Research Proposal by Barry Ball, DVM, PhD: Sex Hormone Binding Globulin: a Biomarker of Anabolic Abuse	14 - 20	<p>Dr. Scollay presented a request from Dr. Barry Ball, University of Kentucky, for funding from the EDRC for a proposed research project entitled <i>Sex hormone binding globulin: a biomarker of anabolic abuse</i>. The proposed project would be a two-phase project. The first phase would develop an immune based test for sex hormone binding globulin which is believed to be an indicator, when elevated, of the administration of anabolic steroids or drugs having illicit anabolic effects. The second phase would be to apply to different populations of horses to validate the method and make sure that it is appropriately sensitive and specific. Funding of the second phase would be contingent upon successful completion of the first phase.</p> <p>The EDRC unanimously approved recommendation of funding for the proposed research project and recommended funding of phase two be contingent upon successful completion of phase one.</p>	<p>Motion to approve by Commissioner Richardson. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 9 Keeneland's Request to Offer a Multi-Track Pick Four Wager	20 – 21	<p>Mr. Lamb presented Keeneland's request dated February 9, 2016 for approval to offer a Pick Four wager based on two stakes races at Keeneland and two from Aqueduct. Keeneland will be the host track and Kentucky rules and takeout rate will be used. United Tote is prepared to handle the wager.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Yon. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		Representing the Tourism, Arts, and Heritage Cabinet was Deputy Secretary Regina Stivers.	
Executive Session	28	Vice Chairman Farmer requested a motion to go into executive session to discuss proposed or pending litigation against or on behalf of the public agency as permitted by KRS 61.810(1)(c). <u>EXECUTIVE SESSION</u>	Motion to go into executive session by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.
	28	Vice Chairman Farmer requested a motion to return to public session.	Motion to return to public session by Commissioner Yon. Second by Commissioner Howard. Motion carried with no objections or abstentions.
Adjournment	30	Vice Chairman Farmer requested a motion for adjournment.	Motion to adjourn by Commissioner Travis. Second by Commissioner Yon. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.



PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR

4063 IRON WORKS PKWY, BLDG. B

LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039

WEB SITE: HTTP://KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, Director, Division of Incentives & Development

DATE: March 11, 2016

SUBJECT: KTDF PURSE STRUCTURE - ELLIS PARK SUMMER MEET

On March 4, 2016, the KHRC received the attached letter from Ellis Park with its KTDF purse structure request for the upcoming 2016 summer meet.

Ellis Park proposed KTDF purses in the range of \$1,240,000. Ellis Park projections are based on a payout of approximately 95% of the amount carded and daily earnings of \$41,328.

The KTDF Advisory Committee met & reviewed the proposal on March 8, 2016 and approval is recommended.

COMMISSION ACTION

_____ Approved

_____ Deferred

_____ Denied





March 8, 2016

KTDF Advisory Committee of the
Kentucky Horse Racing Commission
4063 Iron Works Parkway
Building B
Lexington, KY 40511

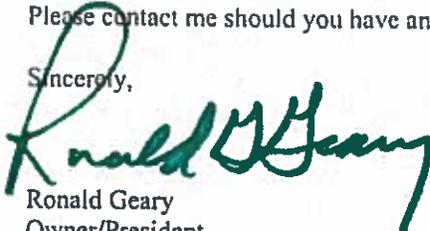
Committee Members:

Ellis Park has reviewed our KTDF data and with our projections in live race handle along with the Historical Racing handle and we propose to pay KTDF purses in the range of \$1,240,000 for our upcoming 2016 summer meet. We have based the range on the following information:

1. In our 2015 summer meet we offered approximately \$1,184,000 in KTDF purses and paid out \$1,125,000 in KTDF purses.
2. We are assuming a KTDF payout percentage of approximately 95%.
3. We are projecting daily earnings of \$41,328 for 2016, which is more than the \$32,905 earned in 2015.
4. Ellis Park will monitor the earnings and payouts on a daily basis and adjust these figures accordingly in our second condition book.

Please contact me should you have any questions or need additional information.

Sincerely,


Ronald Geary
Owner/President





PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, Director, Division of Incentives & Development

DATE: March 11, 2016

**SUBJECT: KTDF PURSE STRUCTURE – KENTUCKY DOWNS
SEPTEMBER MEET**

On March 4, 2016, the KHRC received the attached letter from Kentucky Downs with its KTDF purse structure request for the upcoming 2016 September meet.

Kentucky Downs proposed KTDF purses of approximately \$4,200,000 and up to \$75,000 in advertising. Kentucky Downs projections are based on earnings from wagers on historical horse racing. Kentucky Downs request for \$75,000 in advertising is pursuant to 810 KAR 1:090, section 3(7). Kentucky Downs has agreed to use a portion of the advertising dollars to advertise the entire racing circuit in Kentucky.

The KTDF Advisory Committee met & reviewed the proposal on March 8, 2016 and approval is recommended.

COMMISSION ACTION

_____ Approved

_____ Deferred

_____ Denied





KENTUCKY DOWNS

P.O. Box 405
Franklin, Kentucky 42135
270.586.7778
www.kentuckydowns.com

March 4, 2016

Dear Committee Member,

Based on the success of the Kentucky Downs 2015 live racing season and our projections for 2016, we request this committee's approval to offer approximately \$4.2 million and up to \$75,000 in advertising which will highlight the state's lucrative KTDF program.

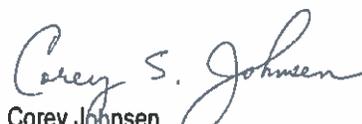
In 2015, Kentucky Downs began with a \$969,000 carryover from 2014. In 2016, that carryover was \$60,000. In 2015, we spent approximately 81% of the offered KTDF money. That was up from 74% in 2014. We continue to make progress and historical horse racing handle is up significantly which allows us to offer the same amount as last year, in spite of not having a \$969,000 "head start."

There were some discussions about asking for approval to move some KTDF funds to Ellis Park. But, all parties agreed that it would be best to move association purse money, so Ellis Park will receive \$1,350,000 from the Kentucky Downs purse fund, an increase of \$450,000 from 2015. This cooperative effort will strengthen the Kentucky circuit and keep quality Kentucky-breds at home.

We plan to pay KTDF money to every eligible starter as in the past.

Thank you for your continued support of Kentucky Downs, and we urge your approval of this plan.

Sincerely,


Corey Johnsen
President
Kentucky Downs





PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, Director, Division of Incentives & Development

DATE: March 11, 2016

**SUBJECT: KTDF PURSE STRUCTURE – CHURCHILL DOWNS
SEPTEMBER MEET**

On March 4, 2016 the KHRC received the attached letter from Churchill Downs with its KTDF purse structure request for the upcoming 2016 September meet.

Churchill Downs proposed KTDF purses in the range of \$150,000 - \$250,000. Churchill Downs projections are based on a payout of approximately 80% of the amount carded and daily earnings of \$12,850.

The KTDF Advisory Committee met & reviewed the proposal on March 8, 2016 and approval is recommended.

COMMISSION ACTION

- _____ Approved
- _____ Deferred
- _____ Denied





March 8, 2016

KTDF Advisory Committee of the
Kentucky Horse Racing Commission
4063 Iron Works Parkway
Building B
Lexington, Kentucky 40511



Committee Members:

Churchill Downs has reviewed KTDF data and requests to card KTDF purses in the range of \$150,000 to \$250,000 for the September Meet. Churchill Downs based this range on the following information:

1. Churchill Downs is assuming a negligible balance at the conclusion of the Spring 2016 meet as the intention is to pay out Spring KTDF purse earnings during the Spring meet.
2. The 2016 September Meet will consist of 11 race days, which is the same racing schedule as 2015. Churchill Downs projects average daily earnings of \$12,850 which is 2.5% lower than \$13,117 in 2015 due to anticipated handle declines consistent with industry trends.
3. During the 2015 September Meet, Churchill Downs began the meet with a larger balance from Spring and offered \$282,000 in KTDF purses and paid \$226,005 yielding an 80% payout ratio. For the September 2016 Meet, Churchill Downs is again estimating an 80% payout ratio.
4. Given the much longer lead time and added uncertainty on this request, Churchill Downs will update the Committee after the Spring Meet if the September offerings need to be outside of the stated range listed above.
5. To encourage participation, during the September Meet, Churchill Downs will continue to pay KTDF purses from first to last to all eligible horses.

Please contact either of us should you have any questions or need additional information.

Sincerely,

Drew Cantrell
Senior Director of Finance

Ben Huffman
Racing Secretary



PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, director, division of incentives & development
DATE: March 11, 2016
SUBJECT: Backside Improvement Fund: Churchill Downs, Inc.

On February 19, 2016, the Commission approved the following eight Backside Improvement Fund projects totaling \$275,586:

1. Churchill Downs backside paving (phase 2).
2. Churchill Downs track warning system.
3. Churchill Downs dormitory boiler improvements.
4. Churchill Downs dormitory locks.
5. Churchill Downs backside heating & A/C units.
6. Churchill Downs backside security camera.
7. Churchill Downs backside electrical maintenance.
8. Churchill Downs pest control expenditures.

On March 10, 2016, KHRC received the attached letter from Churchill Downs seeking permission from the Commission to approve one additional backside improvement project pursuant to 810 KAR 1:021.

9. Churchill Downs Pony Barn Sheds: \$4,240.00

Churchill Downs has included a description of the additional project, justification for the project as well as photographs and a bid. All documentation, including photographs & bids, remain on file at the Commission and can be made available upon request.

Churchill Downs has \$477,103.90 in the Backside Improvement Fund and KHRC staff inspected the proposed project. Upon completion of all the projects, KHRC staff will inspect

the repair work and confirm the improvements have been completed. All invoices, photographs and communication will be kept on file for Commission review.

Approval is recommended.

COMMISSION ACTION:

_____ Approved

_____ Deferred

_____ Denied

CHURCHILL DOWNS

INCORPORATED

Marc Guilfoil
Executive Director
Kentucky Horse Racing Commission
4063 Ironworks Parkway, Building B
Lexington, KY 40511



Re: **Updated Application for Approval of Backside Improvement Fund Projects**

Dear Marc,

We have previously submitted 2016 projects #1 thru #8 below and received approval –they are listed only for reference purposes. Project #9 (highlighted in red) is a new project that we have recently approved internally, contingent upon approval for the Backside Improvement Fund. It is a rather small project that should help improve conditions on the backside here at Churchill Downs.

1. Churchill Downs Backside Paving (Phase 2)	\$99,400.00
2. Churchill Downs Track Warning System	15,000.00
3. Churchill Downs Dormitory Boiler Improvements	32,000.00
4. Churchill Downs Dormitory Locks	5,000.00
5. Churchill Downs Backside Heating & A/C Units	25,000.00
6. Churchill Downs Backside Security Camera	42,480.00
7. Churchill Downs Backside Electrical Maintenance	16,706.00
8. Churchill Downs Pest Control Expenditures	40,000.00
9. Churchill Downs Pony Barn Sheds	4,240.00
	\$279,826.00

Project #9 – Pony Barn Sheds \$4,240.00

Justification: There is limited covered storage near the pony barns for straw and other items. Without adequate covered storage, tarps and ropes are used to project and keep straw dry from the elements. In addition to being fairly unsightly, this temporary situation is fairly laborious on a daily basis as items are added or removed in this area.

Scope of Work: As shown in the picture below, adequate space along the ends of the barn running parallel to 4th street was identified to locate two portable storage sheds. These sheds will improve the storage options available for this area of the backside and will make it easier to add or remove items from this storage location.



Itemized Cost Estimate: Multiple bids were reviewed, but we are planning to purchase and install two 10X16 storage barns from USA Portable Buildings (as quoted per the attached):



USA Portable
Buildings.pdf

If you have any questions, comments or concerns about this application please do not hesitate to contact me.

We are committed to maintaining the best possible environment for our backside residents (both human and animal). Their safety and security mandates that we make these necessary repairs and updates.

We look forward to the Commission's support.

With regards,

Mike Ziegler

Mike Ziegler, Executive Director of Racing
CHURCHILL DOWNS
600 N. Hurstbourne Parkway, Ste. 400
Louisville, KY 40222
Direct Dial: (502) 394-1137
Mobile: (859) 230-3533

RECEIVED

MAR 10 2016

Customer Order# or ID # Bldg

USA Portable Buildings

www.usaportablebuildings.com

PO Box 745

Shepherdsville, KY 40165

Phone: 502.921.0177 Fax: 502.921.0178

KENTUCKY HORSE RACING COMMISSION

Approximate Delivery Date

needs by 4/15/16

Location TMO

Repo - Y - KN

Sold By

Jenny

Doug Spaw

Name Churchill Downs

Phone 0-502-628-3848

Date 3-4-16

Address 700 Central Ave Louisville, Ky 40208

QTY.	DESCRIPTION		PRICE	AMOUNT
2	Size 10 x 16	Style Standard Metal	2199.00	4398.00
	Trim Color	Color		
	Shingle Color	Metal Color		
	Windows	Size		
	Shutters			
	Loft	_____ Feet		
	Shelves	_____ Feet		
	Ramp			
	Ridge Vent			
	Discount		⊖	398.00
	NOTE: Repos are sold "As is" - NO Returns			
	Loading Instructions			

RTO SALE:

RENT-TO OWN CO. _____

SALE PRICE _____

SECURITY DEPOSIT _____

MONTHLY RENT _____

SALES TAX _____

DOWN PAYMENT _____

TOTAL RECEIVED _____

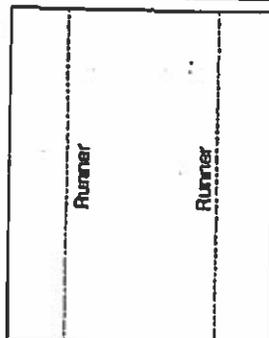


DIAGRAM OF BUILDING

SUBTOTAL 4000.00

TAX 240.00

TOTAL 4240.00

DEPOSIT

BALANCE

BLOCK ___ x 2.00

BALANCE

PAID IN FULL ON

Customer Agreement

Customer provides blocks to level. Gravel base is recommended. Be sure tree stumps, limbs and any other obstacles are removed prior to installation. We are not responsible for any ruts or yard damage on property. Down payment is required at time of contract, which will be kept by builder upon cancellation, after building is started. C.O.D. on balance upon delivery or completion of building. Customer is responsible to contact zoning for any required permits.

Thank you and we appreciate your business.

SIGNATURE OF BUYER _____

DATE _____



PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, Director, Division of Incentives & Development
DATE: March 11, 2016
SUBJECT: KMSHA Period IV Application Amendment

On March 23, 2015, the KHRC approved Kentucky Mountain Saddle Horse Association (KMSHA) Period IV application for participation in the Kentucky Horse Breeders' Incentive Fund (KHBIF) for 2015, 2016 & 2017. Included in the application was an *award distribution plan* that allocated points to exhibitors participating in approved shows.

On February 23, 2016, the KHRC received the following request from KMSHA regarding their *award distribution plan*. Specifically, the KMSHA is seeking approval from the Commission to amend their *award distribution plan* for the 2016 show season. The amendment seeks permission to apply double points to two horse shows in an effort to off-set the increased show rental rate.

KHRC staff confirms KMSHA has two events booked at the Kentucky Horse Park in 2016 and that the rental rate has increased. Additionally, other approved applicants offer similar award distribution plans, allowing for bonus points at certain shows throughout the year.

Staff recommends approval.

COMMISSION ACTION

_____ Approved
_____ Deferred
_____ Denied





3870 Cigar Ln, Lexington, Ky. 40511

Ph: 859 225-5674

February 23, 2016

RE: AMEND 2016-2017 Non Race Breeders Incentive Fund Programs
KMSHA of Kentucky Inc.

TO: The KY Non Race Breed Horse Commission

Ms. Jamie Eads :

The KY Mountain Saddle Horse Association an approved Period 4 Non-Race Breed, wishes the Race Horse Commission to agree to amend our current program.

1. By considering an option of offering "double points" at our two major shows to be held at the KY Horse Park scheduled for 2016: May 6 & 7 Spring Fling and Sept. 15,16,17 International Grand Championship Show.

The reasoning is because the Horse Park has increased its show rental rates substantially this season and our KMSHA Show Committee believes that we need a way to attract more Exhibitors away from the local Competition which would help warrant the increased costs.

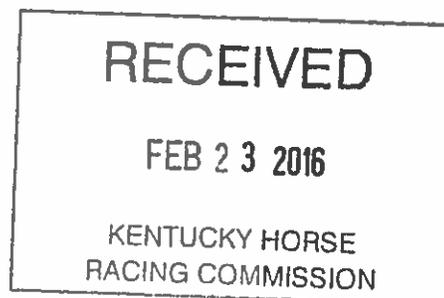
We would hate to have to drop the KHP as a regular venue, after conducting two shows there for the last 5 years and one constant show since 2005.

We thank you for your consideration in allowing us to amend our previous application for admittance to the KBIF Non Race Incentive Fund for Period 4- 2015-2017.

If there may be any other questions please don't hesitate to ask.

Best Regards,

Dave Stefanie- Executive Director
Kentucky Mountain Saddle Horse Association
KMSHA of KY INC (A Non-Profit Corp)



III. KENTUCKY MOUNTAIN SADDLE HORSE ASSOCIATION OF KENTUCKY (KMSHA-KY)

Application requirements:

1. Received on or prior to November 3, 2014. KMSHA-KY application was received on 10/27/14.
2. Award distribution plan & scoring method. Foals born prior to 2013 are eligible no matter where foal was born. Points are earned by showing and placing 1st – 3rd at AA Horse Shows & the International Grand Championship Show, Versatility Shows & Events and the KMSHA Futurity. Horse must compete in at least one-half of the classes offered each year in order for the points to count. At least 40% of the total KHBIF Monies will be allocated to the KMSHA Futurity, 10% to KY nominated sires, 25% to show mares/geldings and 25% to show/breeding stallions.
3. Identity of the scoring body. KMSHA is the official scoring body for the KMSHA-KY.
4. Rules of contest. On file with the division and available on www.kmshaofky.com.
 - a. Kentucky-bred: Beginning in 2013, horses must foal in KY, foaling mare must be bred to a KMSHA stallion & stallion must stand in KY.
5. Letter from national breed registry
 - a. Certifying that the Kentucky affiliate (the applicant) is the recognized representative in Kentucky of that breed: KMSHA certifies KMSHA KY is the official affiliate in Kentucky for the Mountain Saddle.
 - b. Certifying the number of horses twenty-five (25) years of age and younger in the breed residing in Kentucky. KMSHA certifies 14,756 KMSHA horses reside in Kentucky twenty-five years (25) of age and younger.
 - c. The registry is a closed breed registry with pure traceable bloodlines. KMSHA submitted a letter certifying KMSHA maintains a closed breed registry.

COMMITTEE ACTION

 X

Approved — March 23, 2015

Denied

Deferred

Commission Meeting

KMSHA of KY Inc. 2015-2017

Kentucky Mountain Saddle Horse of KY Inc. *Breeders Incentive Fund Program*

KMSHA/SMHA Non-Profit Horse Breed Associations

3870 Cigar Ln.

Lexington, KY 40324

859 225-KMSH (5674)

Fax 859 252-9639

Email: office@kmsaha.com

website: www.kmsaha.com

Nominating and Requirements:

Eligibility: all registered KMSHA horses born 2013 and prior are eligible no matter where they were born.

Starting 2014 and after; eligibility will be as follows:

1. Foals

- a. Must be born in Kentucky
- b. Sire must be Registered and Certified with KMSHA Registry. Dam must be bred to a Registered/Certified KMSHA Stallion standing in Kentucky
- d. Foal Nomination is a published fee. Foal is eligible to earn KBIF Futurity Fund money until it is 15 years of age.
- e. All earned money will be awarded to current owner according to the KMSHA registry at the time of submission each season to the KHBIF. Copy of any lease must be sent to KMSHA of KY and each season a current signed agreement must be on record with the KMSHA.

2. Mares

- a. Must foal in the State of KY in order for its offspring to be eligible.
- b. Must be registered and certified before the age of 4 with KMSHA.
- c. Nominations are an Annual fee. Mare is eligible to earn Incentive Fund money as long as it is nominated and showing in KMSHA AA sanctioned shows.
- d. All earned money will be awarded to current owner according to the KMSHA registry unless a horse is leased. Copy of any lease agreement must be on file with KMSHA of KY.

3. Stallions

- a. Must stand and breed in Kentucky for live cover. AI- Semen must be collected while Stallion stands in KY.
- b. Must be registered and certified in order to compete with KMSHA.
- c. Owner must fill Sales and Use Tax form 51A132 with the Kentucky Department of Revenue (form can be found at <http://205.204.134.17/kyforms/equine.aspx>).
- d. Stallions must be nominated every year. Breeders Incentive Fund money will be awarded to the breeding stallions of foals participating in KMSHA sanctioned shows during the term of the Fund.
- e. All earned money will be awarded to current owner according to the KMSHA registry unless a horse is leased. Copy of any lease must reside with the KMSHA.

Nomination Fees:

Stallions \$75.00/ per year

Breeding Stallions only/ \$50.00 per year

Mares \$50.00 / per year

Weanlings \$50.00 first time fee (If stallion is nominated)

(If stallion is not nominated)

Weanlings \$100.00, Yearlings and 2 Year olds \$150.00 Annual fee

Nomination Form: http://www.kmsaha.com/KBIF/forms/kbif_nomination_form.pdf

How to earn points:

Nominated horses will earn points by showing at AA sanctioned and affiliated KMSHA horse shows. All nominated horses that show will receive their earned points once they have completed their class. Every horse that shows must go through and pass DQP or equivalent inspection to earn points. Any horse that excuses himself or is excused by the show management will result in loss of their points. Nominated show horses may only show and receive points once per class. Multiple shows can result in multiple points if horse shows on different calendar days. Show results must be submitted by the Owner at end of show season and shows attended to be granted points. Mares and Stallions that are nominated will also earn points when their offspring show in Kentucky or other States that are qualified for AA Shows. Any owner who receives a Horse Protection Violation will forfeit their entire earnings for the current show season.

What shows are eligible for KMSHA of KY Incentive Fund.?

AA Horse shows that are affiliated and sanctioned with: National Kentucky Mountain Saddle Horse Association and KMSHA of KY Regional Shows will qualify.

Horse shows must be scheduled at least 60 days prior to show date and must notify and sanction with the KMSHA of KY. Included is the horse show date, location and time on their application and also web page for public to view.

Horse shows must have at least 50% of Mountain horse classes (other breed classes and lead line are not eligible)

Horse shows must pay prize money. Prize money must pay at least double the entry fee. Championships can be established for shows as long as its pays 50% of entry money with a minimum of \$15.00 entry fee per horse per class. It is up to the show management discretion on how Championships and prize money will be dispersed.

Classification of Competition by Division:

1. **AA KMSHA Horse Shows and the International Grand Championship Show.**
2. **Versatility Shows & Events, Cowboy Extreme Race, 3 Phase Event, Trail Obstacle, Working Western, Western Pleasure, Dressage, 4 Gait, Driving, Endurance, Competitive Trail/Cross-Country.**
3. **KMSHA Futurity.**

How AA Show class points are awarded:

Points are awarded according to placing in eligible classes and year end High Point standings. AA National KMSHA/SMHA horse show regular classes will be awarded according to table 1. (below). AA National Championship classes will be awarded according to table 2. (below). KMSHA/SMHA International Show class points will be awarded according to table 3. (below). International Championship and Grand Championship classes will be awarded according to table 4.

(below). Year end High Point placement points will be awarded according to table 5.

(below). You must compete in a class at least half of the times the class is offered (if the class is offered 4 times this year you must have shown in it at least 2 times) in order for your points to count.

1

AA National KMSHA/SMHA
Regular class

PLACE	POINTS
1	30
2	20
3	10
PARTICIPATION	3

2

AA National KMSHA/SMHA
CHAMPIONSHIP CLASSES

PLACE	POINTS
1	45
2	30
3	15
PARTICIPATION	5

3

INTERNATIONAL
Regular class

PLACE	POINTS
1	45
2	30
3	15
PARTICIPATION	5

4

INTERNATIONAL
CHAMPIONSHIP
AND GRAND CHAMPIONSHIPS

PLACE	POINTS
1	60
2	40
3	50
PARTICIPATION	7

5

How "Versatility" points are awarded:

You may accumulate points by competing in any of the following sanctioned events: **Versatility Show Program** at **AA National Shows** each season. Classes eligible- trail obstacle, western pleasure, driving and one regular class of your choice. Once you have competed in 3 of the offered classes the accumulated points in all of your Versatility classes will count towards that years KBIF **VERSATILITY** award. *"You must compete in 3 different categories below for your points to count for the year". Same horse, same rider in each show competition. No Exceptions.*

VERSATILITY

PLACE	POINTS
1	30
2	20
3	10
PARTICIPATION	3

How "Futurity" points are awarded:

The KMSHA/SMHA Futurity will be a one day event to be held annually during the KMSHA/SMHA International Grand Championship. The purpose of the Futurity is so that everyone can watch and follow each year the "future" development of the offspring of our truly wonderful breed of horses. The Futurity can help us all as a gauge, so we can follow the future of the breed from our "breed standard" viewpoint. Are we improving the characteristics of our breed? How are our breeding Stallions and Mares doing? Are we developing more mountain horse characteristics with our spotted offspring? This will be the most important competition of the year and so will the amount of KBIF points awarded. A minimum of 40% of the entire KBIF Fund will be dedicated for this event. All Stallions, Mares and their offspring must be nominated each year in advance of the Futurity. *At minimum, 40% of total KBIF Fund will go to "Kentucky bred" and Nominated horses shown in the annual KMSHA/SMHA FUTURITY.*

FUTURITY	
PLACE	POINTS
1	45
2	30
3	15
PARTICIPATION	5

Distributions of Annual Incentive Fund Points:

The total amount of the annual KBIF funds will first be divided by percentage as shown below in divisions 1, 2, 3 and 4.

The total earned points for each division will then be added together and divided into the complete funds allotted for that division, giving a "point value".

Your total number of points earned will then be multiplied by the "point value" giving you your total award. *(at this point, we do not know total dollar amount of KBIF Funds awarded to the KMSHA, so there is no dollar factor at this point.)*

With 100% being total Points to Nominated Horses

1. 10% to "Kentucky bred" Nominated Breeding Sires with nominated point winning offspring.
2. 25% to Show Mares/Geldings nominated and shown in AA Shows/Events and the KMSHA International Grand Championship
3. 25% to Show/Breeding Stallions nominated and shown in AA Shows/Events and the KMSHA International Grand Championship

4. 40% to "Kentucky bred" and Nominated horses shown in the annual KMSHA FUTURITY Note: Weanling class will be the highest recipients of (one and one half points) at the Futurity each year. (No Geldings)

The above POINTS EARNED will be converted to money earned, split accordingly and will be approved by the Kentucky Horse Racing Commission. Award checks will be distributed the following year from the Kentucky Department of Treasury. Award checks will only be distributed to owners when all program requirements have been met. Any owner not meeting the requirements will not receive their share until requirements are met. All Registration paperwork must be up to date. Transfers and Ownership must be current or risk losing all points earned for the entire season. All paperwork will be checked.

Change of Ownership:

Any nominated horse that has a change in ownership must:

1. Submit a change of ownership form to the KMSHA of KY.
2. Change owner with registry at KMSHA.

All earned money will be awarded to "current owner" as recorded in the KMSHA registry and as identified on the official Registration Certificate (see KMSHA's definition of "Owner" <http://www.kmsa.com>), unless a horse is leased. Copy of any lease must be sent to KMSHA of KY with application. Transfers of any horse(s) ownership must be up to date and recorded and all fee's paid to the KMSHA registry prior to submission to the KBIF. Funds will only be paid to the "designated owner" of each horse. No split funds will be paid to multiple owners. All funds are transferred with the horse in case of horse being sold during the season.

Submitting Show Records:

All Shows and Events managers are required to keep track of and submit a list of results for shows and events that they managed during the current show season.

It is the owner's responsibility to keep a record of all classes and shows attended. If shows are not documented, they will not be counted. All records must be turned in on or before November 15 to be eligible for incentive money. NO late submissions will be accepted.

"Any attempt in connection with the Kentucky Mountain Saddle Horse Breeders Incentive Fund to provide false or misleading information to KY breed affiliates or government officials, or to otherwise engage in fraudulent activity, shall result in appropriate disciplinary action by the Kentucky Mountain Saddle Horse Breeders Incentive Fund and the application of all administrative, civil and criminal penalties that may apply.

Deadlines: Deadline for Nomination of any show horse will be JUNE 30 each year. Any fee's paid for show horses after July 31st will count towards the following years show season. If you nominate a stallion that is a breeding sire only prior to July 31, you will receive 10% of his offspring winnings in their AA National, International, Versatility and Futurity classes. Stallions must be Nominated as both a **Breeding Stallion and a Show Stallion** and pay both fee's each season. **Breeding Stallions** only need to pay a single fee each season.

Nominated Stallions to be eligible to Show in the KMSHA/SMHA Futurity must be enrolled by October 1st each year. Any weanling born after the July 31st cutoff date and is planning on showing as a weanling, will have 90 days from date of birth to be nominated if they want to show in the current show season. January 1st will be the official age change for all horses being nominated.

All forms and applications can be found on [www.KMSHA .com](http://www.KMSHA.com)

Only The KMSHA of KY Inc. along with approval of the Kentucky Horse Racing Commission (KHRC) reserves the right to alter the conditions of all or part of the Kentucky Mountain Saddle Horse Breeders Incentive Fund.

"Any attempt in connection with the Kentucky Mountain Saddle Horse Breeders Incentive Fund to provide false or misleading information to KY breed affiliates or government officials, or to otherwise engage in fraudulent activity, shall result in appropriate disciplinary action by the Kentucky Mountain Saddle Horse Breeders Incentive Fund and the application of all administrative, civil and criminal penalties that may apply.

Note: All decisions based upon points are considered final by the KMSHA of KY. Review may take place if requested by formal notice but no later than Oct. 31st of each year.



PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR

4063 IRON WORKS PKWY, BLDG. B

LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039

WEB SITE: [HTTP://KHRC.KY.GOV](http://khrc.ky.gov)

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, Director, Division of Incentives & Development

DATE: March 11, 2016

SUBJECT: MPHA Period IV Application Amendment

On January 15, 2015, the KHRC approved Mountain Pleasure Horse Association (MPHA) Period IV application for participation in the Kentucky Horse Breeders' Incentive Fund (KHBIF) for 2015, 2016 & 2017. Included in the application was an *award distribution plan* that allocated 5% of the total funds back to MPHA. KHBIF pays award winners the year after the points are earned; points earned in 2015 are paid in 2016.

MPHA submitted the list of award winners, including the 5% to MPHA, on February 23, 2016. KHRC staff requested MPHA amend their *award distribution plan* so that 100% of the funds allocated are disbursed to the participants. On March 10, 2016, MPHA submitted an amended *award distribution plan*.

KHRC staff confirms the new *award distribution plan* is in accordance with 811 KAR 2:120.

Staff recommends approval.

COMMISSION ACTION

- _____ Approved
- _____ Deferred
- _____ Denied



Eads, Jamie (PPC)

From: Robin L. Little <rockinrfarm@hotmail.com>
Sent: Wednesday, February 24, 2016 9:22 AM
To: Eads, Jamie (PPC)
Subject: RE: MPHA 2015 KBIF winners spreadsheet

No problem, Jamie!

Just wanted to be sure I had done my part before I "check out" for two weeks or so..lol. I SHOULD be back to work by the 15th if all goes well.

You can tell your legal folks that the MPHA Board of Directors approved the change for the 5% distribution to go to the winning horse as well, and we apologize for the confusion. As this was our first year, we didn't realize, but we'll certainly do better in 2017!

Thanks so much!!

Robin

Rockin' R Farm

From: Jamie.Eads@ky.gov
To: rockinrfarm@hotmail.com
CC: mphareg@ymail.com; Drew.Conners@ky.gov
Subject: RE: MPHA 2015 KBIF winners spreadsheet
Date: Wed, 24 Feb 2016 14:06:42 +0000

Hi Robin—

Apologies for my delay, I appreciate you wrapping this up so quickly. I need some more time to review & discuss the awards internally. I have some concerns with the distributions. For example, you & I verbally made the change of 5% (which was necessary due to the regulation); however, I need to clarify with my legal if I am able to disperse the funds prior to gaining Commission approval. This Commission will meet March 22. So as not to disrupt your schedule, once I have clearance & confirmation from legal, Drew & I will mail the claim forms from this office and notify you once we have done so. This way you can focus on the surgery and getting healthy!

I will be in touch as soon as I have confirmation and the award claim forms have mailed.

Best of luck with the surgery!

Best wishes,

Jamie

From: Robin L. Little [<mailto:rockinrfarm@hotmail.com>]

Sent: Tuesday, February 23, 2016 8:46 AM

To: Eads, Jamie (PPC); Conners, Drew (PPC)

Cc: MPHA Registration; Robin L. Little

Subject: MPHA 2015 KBIF winners spreadsheet

Morning Jamie & Drew!

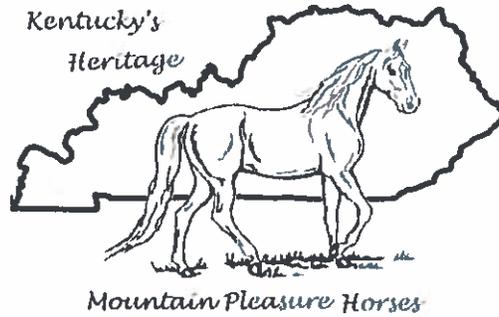
I'm just checking in to make sure the last KBIF winner's spreadsheet I emailed you was good-to-go?? I'm scheduled for surgery March 1st & will be "off" for at least a few weeks..just wanted to make sure you had everything from me before I go in!

Thanks so much for your help!!

Robin Little-Basil

President - MPHA

Rockin' R Farm



Mountain Pleasure Horse Association

P.O. Box 33, Wellington, Ky. 40387

606-768-3847

mountainpleasurehorseassociation.org

Award Distribution Plan for Mountain Pleasure Horse Breeders Incentive Fund 2015-2018

How to earn points and distribution of funds:

Nominated, purebred Mountain Pleasure horses will earn points by competing in eligible, ACTHA (American Competitive Trail Horse Association) or MPHA (Mountain Pleasure Horse Association) affiliated competitive trail or obstacle challenge classes in Kentucky and the United States. Points and distribution of funds will be determined using the following scales:

Place:	Points:	Distribution of Funds: <i>New</i>
1	200	With 100% being total money 1. 10% to Sire standing in KY of participating horse 2. 10% to Dam of participating horse 3. 80% to participating horses foaled in Kentucky * In the event Sire or Dam is deceased, that % will go directly to the Owner of the participating horse
2	175	
3	150	
4	125	
5	100	
6	75	
7	50	
8	25	
9	15	
10	10	
participation	5	

At the end of the season (Jan 1st-Nov1st), the top five scores of each participant from approved events will be totaled for the final, end of the year, score. The top 10 point total winners from each of the two divisions (youth 7-15 yrs and open 16+ yrs) will be eligible for awards. In the event of a tie, ACTHA scoring (including pluses) will determine the final ranking. The total award money pool will be distributed 70% to the open division and 30% to the youth division. Total \$\$/division will be divided by the sum of the points/division, yielding a dollar per point value.

Example:

\$1000 total KBIF award \$\$.

\$1000.00 - 70% open = \$700 30% youth = \$300

Total points for open division to 10 places = 1000

\$700/1000 points = \$0.70 point

If high point open winner had 800 points x \$0.70/point = \$560.00

The KBIF \$\$ division would be the following:

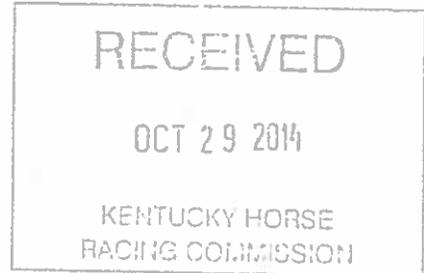
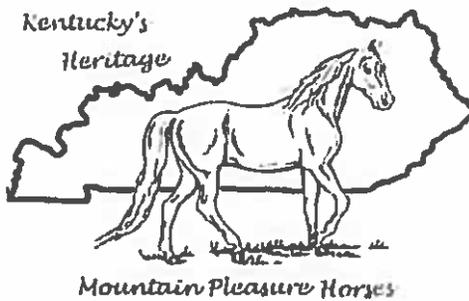
10% stallion (sire) owner - \$56.00

10% mare(dam)owner- \$56.00

80% entrant horse owner - \$448.00



The MPHA (Mountain Pleasure Horse Association) has partnered with ACTHA (American Competitive Trail Horse Association) to provide a minimum of eight (8) Competitive Trail Challenge (CTC) and/or ACTHA Obstacle Challenge (AOC) events in Kentucky for Mountain Pleasure Horses to compete for award points. These events will be Judged by certified ACTHA Judges and will follow ACTHA's most current event rules in print. The MPHA will provide a link to these rules on the MPHA website.



Mountain Pleasure Horse Association

P.O. Box 33, Wellington, Ky. 40387

606-768-3847

mountainpleasurehorseassociation.org

Award Distribution Plan for Mountain Pleasure Horse Breeders Incentive Fund 2015-2018

How to earn points and distribution of funds:

Nominated, purebred Mountain Pleasure horses will earn points by competing in eligible, ACTHA (American Competitive Trail Horse Association) or MPHA (Mountain Pleasure Horse Association) affiliated competitive trail or obstacle challenge classes in Kentucky and the United States. Points and distribution of funds will be determined using the following scales:

Place:	Points:
1	200
2	175
3	150
4	125
5	100
6	75
7	50
8	25
9	15
10	10
participation	5

Distribution of Funds:
With 100% being total money
1. 5% held by MPHA for CTC/AOC
2. 10% to Sire standing in KY of participating horse
3. 10% to Dam of participating horse
4. 75% to participating horses foaled in Kentucky
* In the event Sire or Dam is deceased, that % will go directly to the Owner of the participating horse

At the end of the season (Jan 1st-Nov1st), the top five scores of each participant from approved events will be totaled for the final, end of the year, score. The top 10 point total winners from each of the two divisions (youth 7-15 yrs and open 16+ yrs) will be eligible for awards. In the event of a tie, ACTHA scoring (including pluses) will determine the final ranking. The total award money pool will be distributed 70% to the open division and 30% to the youth division. 5% of the total award money will be taken for the association (MPHA) for Breeders Fund competitive trail challenge/obstacle challenge classes. Total \$\$/division will be divided by the sum of the points/division, yielding a dollar per point value.

Example:

\$1000 total KBIF award \$\$.

\$1000.00 - 70% open = \$700 30% youth = \$300

Total points for open division to 10 places = 1000

\$700/1000 points = \$0.70 point

If high point open winner had 800 points x \$0.70/point = \$560.00

The KBIF \$\$ division would be the following:

5% MPHA for CTC/AOC - \$28.00

10% stallion (sire) owner - \$56.00

10% mare(dam)owner- \$56.00

75% entrant horse owner - \$420.00

The MPHA (Mountain Pleasure Horse Association) has partnered with ACTHA (American Competitive Trail Horse Association) to provide a minimum of eight (8) Competitive Trail Challenge (CTC) and/or ACTHA Obstacle Challenge (AOC) events in Kentucky for Mountain Pleasure Horses to compete for award points. These events will be Judged by certified ACTHA Judges and will follow ACTHA's most current event rules in print. The MPHA will provide a link to these rules on the MPHA website.





**STOLL
KEENON
OGDEN**

PLLC

300 WEST VINE STREET
SUITE 2100
LEXINGTON, KY 40507-1801
MAIN: (859) 231-3000
FAX: (859) 253-1093

SHANNON B. ARVIN
DIRECT DIAL: (859) 231-3616
DIRECT FAX: (859) 253-1093
shannon.arvin@skofirm.com

March 14, 2016

Via Hand Delivery

Susan Speckert, Esq.
General Counsel
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Bldg. B
Lexington, Kentucky 40511

Dear Susan:

Enclosed please find materials regarding wagering at the Kentucky Horse Park. We will be forwarding you the signed lease with the Kentucky Horse Park, which is in the same form as in prior years, as well as the consents from The Red Mile. If you need anything further, please let me know.

Many thanks for your assistance.

Best regards,

Shannon B. Arvin

/ssr
Encs.

010210.003849/4488939.2



Keeneland Association, Inc.
4201 Versailles Road
P.O. Box 1690
Lexington, KY 40588-1690
859 254-3412 Tel.
800 456-3412
859 288-4348 Fax
www.keeneland.com

March 11, 2016

HAND DELIVERED

Mr. Marc Guilfoil
Executive Director
Kentucky Horse Racing Commission
4063 Ironworks Parkway, Building B
Lexington, Kentucky 40511

RE: Application for Approval to Offer Pari-Mutuel Wagering
at the Kentucky Horse Park on May 6-7, 2016

Dear Mr. Guilfoil and Members of the Commission:

Each year on Kentucky Oaks Day and Kentucky Derby Day, the world focuses on Kentucky and its signature races. Each year on those days, Keeneland Association, Inc. ("Keeneland") strives to offer patrons the opportunity to wager on Churchill Downs' races in a manner that does not frustrate the patrons by causing them to wait in long lines to place a wager, and inconvenience the community as a result of traffic complications from the long lines. To improve the situation and offer better services to patrons and to the community, Keeneland proposes to offer pari-mutuel wagering on Kentucky Oaks Day and Kentucky Derby Day at the Kentucky Horse Park, in addition to continuing to offer pari-mutuel wagering at Keeneland on Versailles Road, as was done on Kentucky Oaks Day and Kentucky Derby Day in 2012, 2013, 2014 and 2015.

Keeneland is an association duly licensed by the Kentucky Horse Racing Commission ("Commission") to conduct horse racing and offer pari-mutuel wagering thereon. Pursuant to this license, Keeneland is permitted to conduct pari-mutuel wagering only upon its "licensed premises." KRS 230.361.

Keeneland's current "licensed premises" are as described in its License to Conduct Live Horse Racing, Simulcasting, and Pari-Mutuel Racing. Keeneland desires to modify the description of its "licensed premises" to include certain locations at the Kentucky Horse Park on May 6-7, 2016, and seeks approval of the Commission in order to do so. A copy of the letter requesting amendment of "Section P. LOCATION AND PHYSICAL PLANT" is attached hereto as Exhibit A and incorporated by this reference. As noted in the letter, the Leased Premises includes the parking lot located between War Admiral Boulevard and the Man O'War Polo Field on the premises of the Kentucky Horse Park, as further identified on the map attached to the letter.

Kentucky law contemplates that property that is not contiguous to the track premises may be included under the definition of "track." KRS 230.210(21). In 2004, the General Assembly broadened the definition of "track," effective July 13, 2004, as follows:

“Track” means any association duly licensed by the Kentucky Horse Racing Commission to conduct horse racing. “Track” shall include any facility or real property that is owned, leased, or purchased by a track within the same geographic area within a sixty (60) mile radius of a track but not contiguous to track premises, upon racing commission approval, and provided the noncontiguous property is not within a sixty (60) mile radius of another licensed track premise where live racing is conducted and not within a forty (40) mile radius of a simulcast facility, unless any affected track or simulcast facility agrees in writing to permit a noncontiguous facility within the protected geographic area[.]

KRS 230.210(21). As the statutory definition makes clear, the Commission has the authority to approve a location not contiguous to the track as part of the “track” and therefore, part of the licensed premises, provided it meets the following three requirements:

1. Keeneland owns or leases the real property where the track is located;
2. The property that is not contiguous to the track premises is located within sixty (60) miles of Keeneland; and
3. The noncontiguous property is not located within a sixty (60) mile radius of another licensed track premise where live racing is conducted and not within a forty (40) mile radius of a simulcast facility, unless any affected track or simulcast facility agrees in writing to permit a noncontiguous facility within the protected geographic area.

Keeneland has met these requirements:

1. Keeneland has agreed to lease certain locations at the Kentucky Horse Park premises for the following dates: May 2, 2016 through May 9, 2016;
2. Keeneland is located less than fifteen (15) miles from the Kentucky Horse Park; and
3. The Red Mile has provided written approval for the Kentucky Horse Park to be included as part of Keeneland’s “licensed premises” on May 6 and May 7, 2016.¹

Moreover, the request made herein would be consistent with the General Assembly’s restriction on pari-mutuel wagering to licensed premises of licensed persons or associations:

(1) The racing commission shall promulgate administrative regulations governing and regulating mutuel wagering on horse races under what is known as the pari-mutuel system of wagering. The wagering shall be conducted only by a person licensed under this chapter to conduct a race meeting and only upon licensed premises. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the authority. The authority shall not require any particular make of equipment.

¹ The Red Mile is the only licensed track conducting live racing within a sixty (60) mile radius of Keeneland. As there are no known simulcast facilities located within a forty (40) mile radius of Keeneland, there are no affected simulcast facility approvals required in this case.

KRS 230.361(1). Once the definition of Keeneland’s “licensed premises” is approved, Keeneland, an association licensed to conduct pari-mutuel wagering on Thoroughbred horse races, would be offering pari-mutuel wagering upon licensed premises on May 6-7, 2016, which includes the Kentucky Horse Park for those days.

Pursuant to KRS 230.361, the Commission has promulgated administrative regulations that regulate the pari-mutuel system of wagering in Kentucky. These regulations include 810 KAR 1:011 - Pari-mutuel wagering – which establishes the requirements for the operation of pari-mutuel wagering under Kentucky law. Of particular concern with respect to the subject request, Section 9 contains multiple requirements with respect to the sale of pari-mutuel tickets and security, stated below in relevant part:

Section 9. Sale of Pari-Mutuel Tickets on Live Horse Races.

...

(2) Pari-mutuel tickets on live horse races shall not be sold except by a licensed association or a simulcast facility authorized by KRS 230.380.

(3) Pari-mutuel tickets on a live horse race shall only be sold at regular ticket windows, self-service totalizator machines, by mobile pari-mutuel tellers with hand-held totalizator devices, or by any other method approved in writing by the commission prior to being offered to the public. At least one (1) regular ticket window shall be made accessible to handicapped patrons.

...

(5) A pari-mutuel wager shall not be made on a race after the totalizator has been locked for that race.

(6) Any claim by a patron that he or she has been issued a pari-mutuel ticket other than that which was requested shall be made before the patron has left the ticket window or before the mobile teller has initiated a transaction with another patron. A claim for an incorrect ticket shall not be honored after the totalizator has been locked.

...

Section 12 of 810 KAR 1:011 contains the further security concern regarding a minor wagering:

Section 12. Minors Prohibited from Wagering. A minor shall not be permitted by any licensed association or simulcast facility to purchase or cash a pari-mutuel ticket.

810 KAR 1:011.

Keeneland has complied with these requirements at its currently licensed premises, including in its implementation of the drive-through wagering currently offered at Keeneland, and would follow the

Kentucky Horse Racing Commission
March 11, 2016
Page 4

same protocols and observe the same security measures with respect to the wagering at the Kentucky Horse Park on Kentucky Oaks Day and Kentucky Derby Day.

Keeneland presents an opportunity to improve services offered to horse racing fans on two important days of the year when the world pays attention to Thoroughbred racing, as Keeneland has in prior years. Approval of Keeneland's request will enhance the safety of the community by alleviating traffic congestion, which has posed a real problem on Kentucky Oaks Day and Kentucky Derby Day in past years, and certainly will again this year unless we take steps to ameliorate the problem. Keeneland respectfully requests that the Commission grant its request as set forth herein, and further requests that the Commission consider its request at its March 2016 meeting.

Very truly yours,



Vince Gabbert
Vice President and Chief Operating Officer

Enclosures

010210.003849/4488938.2



Keeneland Association, Inc.
4201 Versailles Road
P.O. Box 1690
Lexington, KY 40588-1690
859 254-3412 Tel.
800 456-3412
859 288-4348 Fax
www.keeneland.com

March 11, 2016

Mr. Marc A. Guilfoil
Executive Director
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, Kentucky 40511

Dear Marc:

Keeneland Association, Inc. respectfully seeks to amend the legal site description as submitted in Section P, Question 2 of our 2016 Renewal Application for License to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering. The amended description includes the premises known as The Kentucky Horse Park located at 4089 Iron Works Pike, Lexington, Kentucky 40511 for the dates May 6 and 7, 2016. A map of the premises is attached hereto, as well as a legal site description of the premises.

We appreciate your consideration and are happy to provide any further information you should need.

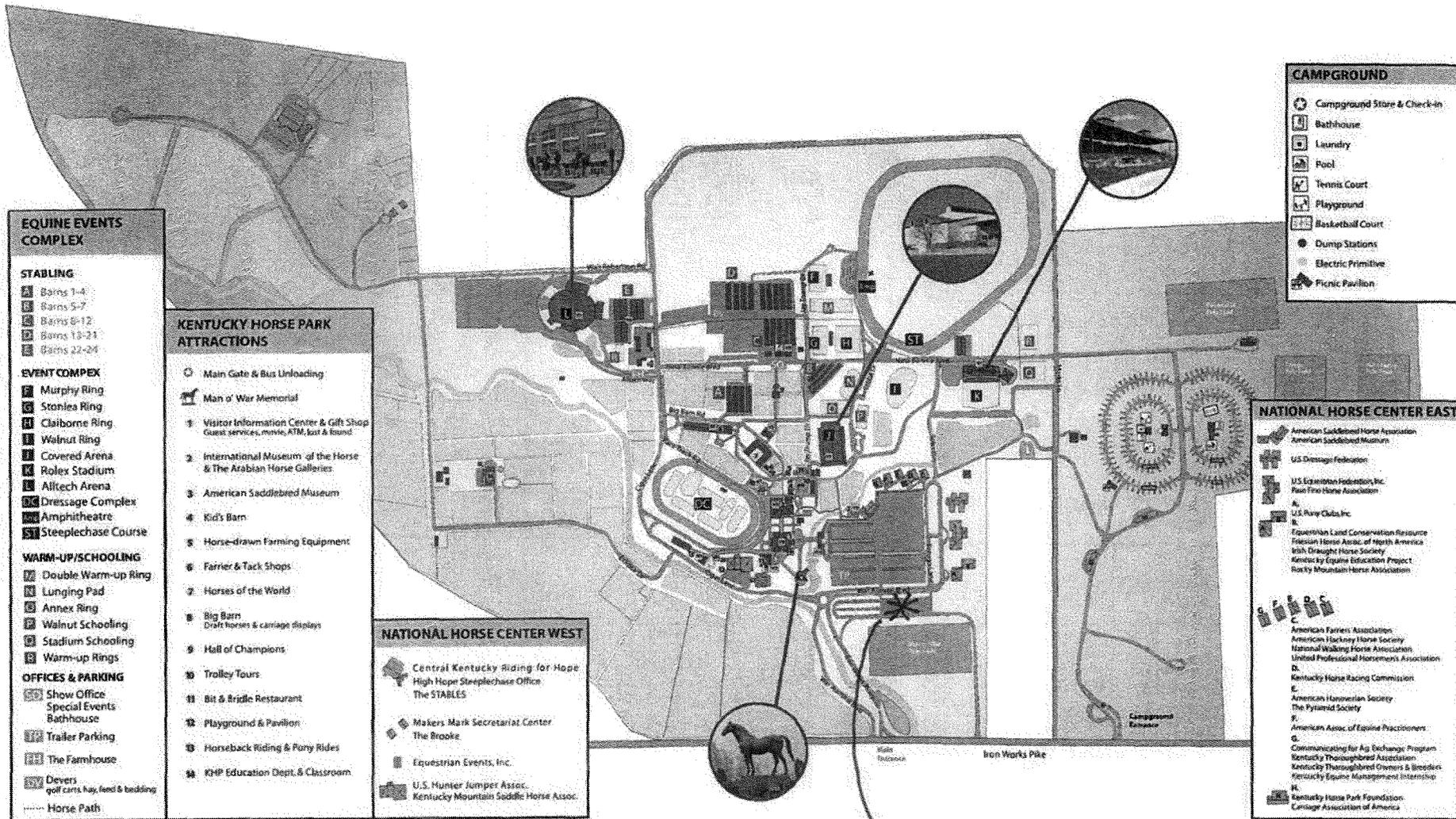
Sincerely,

Vince Gabbert
Vice President and Chief Operating Officer

EXHIBIT A

WRITTEN DESCRIPTION OF LEASED PREMISES:

That certain parking lot located immediately adjacent to War Admiral Boulevard and the polo field as further identified on the attached map.



- EQUINE EVENTS COMPLEX**
- STABLING**
- 1-4 Barns 1-4
 - 5-7 Barns 5-7
 - 8-12 Barns 8-12
 - 13-21 Barns 13-21
 - 22-24 Barns 22-24
- EVENT COMPLEX**
- 25 Murphy Ring
 - 26 Stonlea Ring
 - 27 Claiborne Ring
 - 28 Walnut Ring
 - 29 Covered Arena
 - 30 Rolex Stadium
 - 31 Alltech Arena
 - 32 Dressage Complex
 - 33 Amphitheatre
 - 34 Steeplechase Course
- WARM-UP/SCHOOLING**
- 35 Double Warm-up Ring
 - 36 Lunging Pad
 - 37 Annex Ring
 - 38 Walnut Schooling
 - 39 Stadium Schooling
 - 40 Warm-up Rings
- OFFICES & PARKING**
- 41 Show Office
 - 42 Special Events
 - 43 Bathhouse
 - 44 Trailer Parking
 - 45 The Farmhouse
 - 46 Devers golf carts, hay, feed & bedding
- Horse Path

- KENTUCKY HORSE PARK ATTRACTIONS**
- 1 Main Gate & Bus Unloading
 - 2 Man o' War Memorial
 - 3 Visitor Information Center & Gift Shop
Guest services, movie, ATM, lost & found
 - 4 International Museum of the Horse & The Arabian Horse Galleries
 - 5 American Saddlebred Museum
 - 6 Kid's Barn
 - 7 Horse-drawn Farming Equipment
 - 8 Farrier & Tack Shops
 - 9 Horses of the World
 - 10 Big Barn
Draft horses & carriage displays
 - 11 Hall of Champions
 - 12 Trolley Tours
 - 13 Bit & Bridle Restaurant
 - 14 Playground & Pavilion
 - 15 Horseback Riding & Pony Rides
 - 16 KHP Education Dept. & Classroom

- NATIONAL HORSE CENTER WEST**
- 17 Central Kentucky Riding for Hope
 - 18 High Hope Steeplechase Office
 - 19 The STABLES
 - 20 Makers Mark Secretariat Center
 - 21 The Brooke
 - 22 Equestrian Events, Inc.
 - 23 U.S. Hunter Jumper Assoc.
 - 24 Kentucky Mountain Saddle Horse Assoc.

- CAMPGROUND**
- 25 Campground Store & Check-in
 - 26 Bathhouse
 - 27 Laundry
 - 28 Pool
 - 29 Tennis Court
 - 30 Playground
 - 31 Basketball Court
 - 32 Dump Stations
 - 33 Electric Primitive
 - 34 Picnic Pavilion

- NATIONAL HORSE CENTER EAST**
- 35 American Saddlebred Horse Association
 - 36 American Saddlebred Museum
 - 37 U.S. Dressage Federation
 - 38 U.S. Equestrian Federation, Inc.
 - 39 Purebred Horse Association
 - 40 U.S. Pony Clubs, Inc.
 - 41 Equestrian Land Conservation Resource
 - 42 Friesian Horse Assoc. of North America
 - 43 Irish Draught Horse Society
 - 44 Kentucky Equine Education Project
 - 45 Rocky Mountain Horse Association
 - 46 American Farriers Association
 - 47 American Hackney Horse Society
 - 48 National Walking Horse Association
 - 49 United Professional Horsemen's Association
 - 50 Kentucky Horse Racing Commission
 - 51 American Hanoverian Society
 - 52 The Pyralis Society
 - 53 American Assoc. of Equine Practitioners
 - 54 Communicating for Ag Exchange Program
 - 55 Kentucky Thoroughbred Association
 - 56 Kentucky Thoroughbred Owners & Breeders
 - 57 Kentucky Equine Management Internship
 - 58 Kentucky Horse Park Foundation
 - 59 Carriage Association of America

wagering

Exhibit "A"



MATTHEW G. BEVIN
GOVERNOR

DAVID A. DICKERSON
SECRETARY

PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

TO: COMMISSION MEMBERS

FROM: Dr. Mary Scollay
Equine Medical Director

DATE: March 22, 2016

SUBJECT: Renewal of Rapid Response contract with LGC Science; Lexington, KY

The Rapid Response contract with LGC Science expires on June 30, 2016. The Equine Drug Research Council unanimously approved renewing the contract at its meeting held on March 11, 2016.

Attached please find a marked version of the current contract with LGC for a renewal period of two years. The terms of the contract otherwise are unchanged, with a maximum of \$125,000 per year available for tactical research into emerging threats. Any money not spent reverts to the EDRC. The process for authorization of expenditure of Rapid Response funds is unchanged.

Approval is recommended.

COMMISSION ACTION

_____ Approved

_____ Deferred

_____ Denied





Commonwealth of Kentucky

CONTRACT

Show Doc ID number on all packages, invoices and correspondence.

Doc Description: Rapid Response Substance Testing	
Doc ID No: PON2 374 1400003669 1	Procurement Folder: 3428215
Procurement Type: Personal Service Contract	
Administered By: Amber Hobbs	Cited Authority: FAP111-09-00-12
Telephone: 859-246-2040	Issued By: Amber Hobbs

LGC Science, Inc.
 1745 Alysheba Way, Suite 160
 Lexington KY 40509
 US

1	Rapid Response Substance Testing	0.00	0.00000	250,000.00	250,000.00
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Extended Description

The Kentucky Horse Racing Commission (KHRC) requires the ability, on a recurring basis, to rapidly seek laboratory research and testing services for the specific purpose of determining the presence of illicit drugs and other substances that are discovered to be new and emerging threats to the safety of the race horse, and which are believed to pose an immediate threat to the integrity of horse racing in Kentucky.

~~August 15, 2014 to June 30, 2016~~ **July 1, 2016 to June 30, 2018**

279885 KENTUCKY RACING COMMISSION 4063 IRON WORKS PARKWAY BUILDING B LEXINGTON KY 40511 US	279885 KENTUCKY RACING COMMISSION 4063 IRON WORKS PARKWAY BUILDING B LEXINGTON KY 40511 US
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250,000.00

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**PERSONAL SERVICES CONTRACT
FOR RAPID RESPONSE SUBSTANCE TESTING PROGRAM
BETWEEN
THE COMMONWEALTH OF KENTUCKY
KENTUCKY HORSE RACING COMMISSION
AND
LGC SCIENCE, INC.**

This Personal Service Contract ("PSC" or the "Contract") is entered into, by and between the Commonwealth of Kentucky, Kentucky Horse Racing Commission (the "KHRC," the "State Agency," or the "Commonwealth") and LGC Science, Inc., ("LGC" or the "Contractor") to establish a Contract for rapidly seeking laboratory research and testing services for the specific purpose of determining the presence of illicit drugs and other substances that are discovered to be new and emerging threats to the safety of the race horse, and which are believed to pose an immediate threat to the integrity of horse racing in Kentucky.

July 1, 2016

This PSC is effective ~~August 15, 2014~~ (the "Effective Date") and expires on ~~June 30, 2016~~ **June 30, 2018**

LGC and the KHRC agree to the following:

I. Scope of Work

The KHRC requires the ability, on a recurring basis, to rapidly seek laboratory research and testing services for the specific purpose of determining the presence of illicit drugs and other substances that are discovered to be new and emerging threats to the safety of the race horse, and which are believed to pose an immediate threat to the integrity of horse racing in Kentucky.

As described in Exhibit A and Exhibit B, which are hereby incorporated by reference into this PSC as if set forth fully herein, once a specific threat is identified, LGC will develop a specific research approach and submit a proposal that will include a clearly defined scope of work, pricing and a timeline (all proposals funded pursuant to this Contract collectively referred to as the Project). LGC agrees to use commercially reasonable efforts to perform the work specifically described in any proposal submitted pursuant to this PSC. Such proposals shall be incorporated by reference into this PSC as if fully set forth herein. Failure to complete any portion of the work described in any proposal incorporated by reference and failure to meet any obligations set forth in this

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PSC or any Exhibits shall be considered a material breach of the terms of this PSC, save where such failure is due in whole or in part to KHRC's negligence, willful act, default, or material breach of its obligations under this PSC.

II. Period of Performance

June 30, 2018

The period of performance shall commence on the Effective Date and end on ~~June 30, 2016~~, unless canceled in accordance with the provisions of Article IX. LGC shall notify the KHRC as soon as possible of any circumstance that may contribute to a failure to perform the Project within the period of performance set forth herein, even if such reason is beyond the control and without fault or negligence of LGC.

III. Consideration and Billing Instructions

Pursuant to KRS 230.265 and KRS 138.510, the maximum total amount of the Contract shall be two hundred fifty thousand dollars (\$250,000). Each proposal shall contain a pricing schedule that includes a payment timeline. LGCs shall be paid per approved proposal as agreed, as described more fully in Exhibit A and Exhibit B and the specific proposal. Subject to the Funding Out provision of Section 010.25, the KHRC shall disburse the funds to HFL as agreed and upon receipt of the invoice form as required under Section 010.45 of this PSC. LGC is required to cover the costs of the Project as they are incurred and the KHRC is only obligated to make payment as agreed.

Payment shall be made payable to LGC Science, Inc. and mailed to:

LGC Science, Inc.
~~c/o Pierre Barakat~~ **Lorie Bishop**
 1745 Alysheba Way
 Lexington, KY 40509
 IRS Tax ID#: 80-0468842

IV. Designated Representatives

KHRC
Dr. Mary Scollay
4063 Ironworks Pkwy. Building B
Lexington, Kentucky 40511

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(859) 246-2040

LGC
Dr. Rick Sams
1745 Alysheba Way
Lexington, KY 40509
(859) 721-0180

V. Proprietary or Confidential Information

LGC agrees to abide by the terms of the confidentiality provisions contained in Exhibit B.

VI. Changes and Modifications

LGC shall notify the KHRC as soon as possible of any event or circumstance that could require a modification to the Project or to this PSC, even if such circumstance is beyond the control and without fault or negligence of LGC. Any changes to the Project or to this PSC shall be mutually agreed upon in advance of the implementation of such modification(s) and shall be made in writing and executed by both parties to indicate acceptance of the modification(s).

VII. Assignment and Subcontracts

Neither performance nor payment involving the whole or any part of the Project or this PSC may be assigned, subcontracted, transferred, or otherwise given or imposed on any other party by LGC without the prior written consent of the KHRC.

VIII. Entire Agreement

This PSC is intended by the parties as a final written expression of their agreement and supersedes and replaces any prior oral or written agreement. Any terms or conditions inconsistent with or in addition to terms and conditions herein contained shall be void and of no effect unless specifically agreed to in writing and signed by both parties.

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IX. PSC Standard Terms and Conditions

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Effective Date:

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC").

Payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Renewals:

Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

LRC Policies:

Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage (<http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>) and would impact any contract established under KRS 45A.690 et seq., where applicable.

Choice of Law and Forum:

All questions as to the execution, validity, interpretation, construction and performance

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of this agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Cancellation:

The state agency shall have the right to terminate and cancel this agreement at any time not to exceed thirty (30) days' written notice served on the contractor by registered or certified mail.

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days written notice of termination of the contract.

Reduction in Contract Worker Hours

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

Authorized to do Business in Kentucky:

The contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity.

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid

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or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Businesses can register with the Secretary of State at <https://secure.kentucky.gov/sos/ftbr/welcome.aspx>.

Invoices for fees:

The contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website:

<http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel expenses, if authorized:

The contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of the contract.

Other expenses, if authorized herein:

The contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of the contract.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if

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requested by state government.

Invoicing for fee: the contractor's fee shall be original invoice(s) and shall be documented by the contractor. The invoice(s) must conform to the method described in the specifications of the contract.

Invoicing for travel expenses: the contractor must follow instructions described in the specifications of the contract. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Invoicing for miscellaneous expenses: the contractor must follow instructions prescribed in the specifications of the contract. Expenses submitted shall be documented by original or certified copies.

Purchasing and specifications:

The contractor certifies that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles:

The contractor certifies that he is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

Campaign finance:

The contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

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Access to Records:

The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

In the event of a dispute between the contractor and the contracting agency, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order 11-004. (See attachment)

Protest

Pursuant to KRS 45A.285, The Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective Vendors in connection with the solicitation or selection for award of a Master Agreement or Contract.

Any actual or prospective Vendor, who is aggrieved in connection with the solicitation or selection for award of a Master Agreement or Contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and in any event within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed filed with the Secretary of the Finance and Administration Cabinet by personal delivery, U.S. mail, or by a private express mail service. The Secretary of the Finance and Administration Cabinet shall not accept a protest submitted by electronic transmission, including facsimile transmission or electronic mail.

Lori H. Flanery, Secretary

William M. Landrum, III

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Commonwealth of Kentucky
 Finance and Administration Cabinet
 Room 383, New Capitol Annex
 702 Capitol Avenue
 Frankfort, KY 40601

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

Social security: (check one)

_____ the parties are cognizant that the state is not liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

_____ the parties are cognizant that the state is liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

Violation of tax and employment laws:

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the

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contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

_____ The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ the contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

Discrimination:

Discrimination (because of race, religion, color, national origin, sex, age, or disability) prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, age or disability.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments

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under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

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FINANCE AND ADMINISTRATION CABINET

Vendor Document Disclosure

WHEREAS, in order to promote accountability and transparency in governmental operations, the Finance and Administration Cabinet believes that a mechanism should be created which would provide for review and assistance to an Executive Branch agency if said agency cannot obtain access to documents that it deems necessary to conduct a review of the records of a private vendor that holds a contract to provide goods and/or services to the Commonwealth; and

WHEREAS, in order to promote accountability and transparency in governmental operations, the Finance and Administration Cabinet believes that a mechanism should be created which would provide for review and assistance to an Executive Branch agency if said agency cannot obtain access to documents that it deems necessary during the course of an audit, investigation or any other inquiry by an Executive Branch agency that involves the review of documents; and

WHEREAS, KRS 42.014 and KRS 12.270 authorizes the Secretary of the Finance and Administration Cabinet to establish the internal organization and assignment of functions which are not established by statute relating to the Finance and Administration Cabinet; further, KRS Chapter 45A.050 and 45A.230 authorizes the Secretary of the Finance and Administration Cabinet to procure, manage and control all supplies and services that are procured by the Commonwealth and to intervene in controversies among vendors and state agencies; and

NOW, THEREFORE, pursuant to the authority vested in me by KRS 42.014, KRS 12.270, KRS 45A.050, and 45A.230, I, **Lon H. Flaney**, Secretary of the Finance and Administration Cabinet, do hereby order and direct the following:

William M. Landrum, III

Upon the request of an Executive Branch agency, the Finance and Administration Cabinet ("FAC") shall formally review any dispute arising where the agency has requested documents from a private vendor that holds a state contract and the vendor has refused access to said documents under a claim that said documents are not directly pertinent or relevant to the agency's inquiry upon which the document request was predicated.

Upon the request of an Executive Branch agency, the FAC shall formally

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review any situation where the agency has requested documents that the agency deems necessary to conduct audits, investigations or any other formal inquiry where a dispute has arisen as to what documents are necessary to conclude the inquiry.

Upon receipt of a request by a state agency pursuant to Sections I & II, the FAC shall consider the request from the Executive Branch agency and the position of the vendor or party opposing the disclosure of the documents, applying any and all relevant law to the facts and circumstances of the matter in controversy. After FAC's review is complete, FAC shall issue a Determination which sets out FAC's position as to what documents and/or records, if any, should be disclosed to the requesting agency. The Determination shall be issued within 30 days of receipt of the request from the agency. This time period may be extended for good cause.

IV. the Determination concludes that documents are being wrongfully withheld by the private vendor or other party opposing the disclosure from the state agency, the private vendor shall immediately comply with the FAC's Determination. Should the private vendor or other party refuse to comply with FAC's Determination, then the FAC, in concert with the requesting agency, shall effectuate any and all options that it possesses to obtain the documents in question, including, but not limited to, jointly initiating an action in the appropriate court for relief.

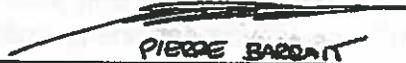
Any provisions of any prior Order that conflicts with the provisions of this Order shall be deemed null and void.

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X. Approvals

This PSC is subject to the terms and conditions as stated. By affixing signatures below, the parties agree that electronic approvals may serve as electronic signatures. In addition, the parties verify that they are authorized to bind this PSC between parties and that they accept the terms of this PSC.

1st Party: The Contractor



 LGC Sport Science, Inc. Date 30 July 2014

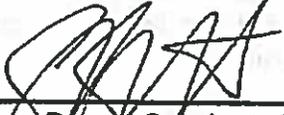
2nd Party: The Commonwealth

Marc A. Guilfoil



 John F. Ward, Executive Director Date Aug 4 2014
 Kentucky Horse Racing Commission

Approved as to form and legality:



 Susan Bryson Speckert, General Counsel Date 8/5/14

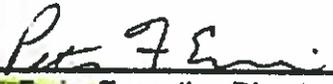
David Dickerson



 Latry Bond, Secretary Date 8-6-14
 Public Protection Cabinet

Approved as to form and legality:

Barry Dunn



 Peter Ervin, Executive Director Date Aug 5, 2014
 Public Protection Cabinet, Office of Legal Services

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SECRETARY'S ORDER
11-004

FINANCE AND ADMINISTRATION CABINET

Vendor Document Disclosure

WHEREAS, in order to promote accountability and transparency in governmental operations, the Finance and Administration Cabinet believes that a mechanism should be created which would provide for review and assistance to an Executive Branch agency if said agency cannot obtain access to documents that it deems necessary to conduct a review of the records of a private vendor that holds a contract to provide goods and/or services to the Commonwealth; and

WHEREAS, in order to promote accountability and transparency in governmental operations, the Finance and Administration Cabinet believes that a mechanism should be created which would provide for review and assistance to an Executive Branch agency if said agency cannot obtain access to documents that it deems necessary during the course of an audit, investigation or any other inquiry by an Executive Branch agency that involves the review of documents; and

WHEREAS, KRS 42.014 and KRS 12.270 authorizes the Secretary of the Finance and Administration Cabinet to establish the internal organization and assignment of functions which are not established by statute relating to the Finance and Administration Cabinet; further, KRS Chapter 45A.050 and 45A.230 authorizes the Secretary of the Finance and Administration Cabinet to procure, manage and control all supplies and services that are procured by the Commonwealth and to intervene in controversies among vendors and state agencies; and

NOW, THEREFORE, pursuant to the authority vested in me by KRS 42.014, KRS 12.270, KRS 45A.050, and 45A.230, I, **Lori H. Flanery**, Secretary of the Finance and Administration Cabinet, do hereby order and direct the following:

William M. Landrum, III

- I. Upon the request of an Executive Branch agency, the Finance and Administration Cabinet ("FAC") shall formally review any dispute arising where the agency has requested documents from a private vendor that holds a state contract and the vendor has refused access to said documents under a claim that said documents are not directly pertinent or relevant to the agency's inquiry upon which the document request was predicated.
- II. Upon the request of an Executive Branch agency, the FAC shall formally review any situation where the agency has requested documents that the agency deems necessary to conduct audits, investigations or any other formal inquiry where a dispute has arisen as to what documents are necessary to conclude the inquiry.

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- III. Upon receipt of a request by a state agency pursuant to Sections I & II, the FAC shall consider the request from the Executive Branch agency and the position of the vendor or party opposing the disclosure of the documents, applying any and all relevant law to the facts and circumstances of the matter in controversy. After FAC's review is complete, FAC shall issue a Determination which sets out FAC's position as to what documents and/or records, if any, should be disclosed to the requesting agency. The Determination shall be issued within 30 days of receipt of the request from the agency. This time period may be extended for good cause.
- IV. If the Determination concludes that documents are being wrongfully withheld by the private vendor or other party opposing the disclosure from the state agency, the private vendor shall immediately comply with the FAC's Determination. Should the private vendor or other party refuse to comply with FAC's Determination, then the FAC, in concert with the requesting agency, shall effectuate any and all options that it possesses to obtain the documents in question, including, but not limited to, jointly initiating an action in the appropriate court for relief.
- V. Any provisions of any prior Order that conflicts with the provisions of this Order shall be deemed null and void.

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Rapid Response Substance Testing Program

Exhibit A

Kentucky Horse Racing Commission Protocol

Kentucky Revised Statute 230.225(5) provides that the Commission shall be responsible for "[d]eveloping programs and procedures that will aggressively fulfill its oversight and regulatory role on such matters as medical practices and integrity issues," and "[d]eveloping and supporting programs which ensure that Kentucky remains in the forefront of equine research." The General Assembly created the EDRC to advise the Commission on drug research and testing issues and enable the Commission to fulfill its statutory mandate. KRS 230.265(2)(c) provides that the EDRC shall "advise the racing commission and make recommendations for establishing an effective drug regulatory policy for Kentucky racing."

The EDRC approved the Rapid Response Substance Testing Program ("Program") described below at its public meeting held on June 12, 2013. The KHRC approved the Program at its public meeting held on July 17, 2013. The EDRC approved to extend the contract on ~~June 17, 2014~~. The KHRC approved to extend the contract on ~~July 16, 2014~~. The Program will allow the KHRC to fulfill its statutory mandate by funding substance testing and research to gather intelligence, identify and develop analytic methodologies to detect emergent threats.

March 11, 2016

March 22, 2016

The purpose of the Program is to respond quickly and efficiently to credible information concerning the illicit use of substances or other threats to the integrity of Kentucky's substance regulation policy.

Upon receipt of such information, the KHRC will initiate an investigation that may include substance testing and/or other research by LGC Science, Inc. (LGC). The testing and/or research will provide the KHRC with information necessary to better and more effectively regulate substances in Kentucky. Because the testing and/or research will contribute directly to the KHRC's substance regulatory policy, the Program shall be overseen by and funded through the EDRC.

In order for the Program to work effectively, the KHRC needs to be able to initiate the necessary investigation and substance testing and/or research in a timely manner. However, before any EDRC funds will be used, a preliminary investigation will be conducted. The decision to initiate any testing or research will be made by the Executive Director of the KHRC in consultation with the Chair of the EDRC. In addition, the Chair of the KHRC will be consulted prior to any funds being expended. The EDRC will receive a regular report on all expenditures and a report on the results of a particular

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investigation when the investigation is complete.

June 30, 2018

The contract will expire at the end of the current biennium, **June 30, 2016**. The maximum amount of funds proposed under the Program is \$250,000 per year, to be expended per testing or research project as outlined below. The funds shall remain in the trust and revolving fund created pursuant to KRS 138.510(1)(c)(6) unless and until expended pursuant to the contract and the Program.

Following is an outline of the protocol that shall be followed to initiate funding a project under the Program:

1. The Equine Medical Director (EMD) receives information regarding the illicit use of a particular substance or another threat to the integrity of Kentucky's substance regulation policy from sources such as other regulatory veterinarians, practicing veterinarians, horsemen, international intelligence sharing groups and the official KHRC laboratory chemist.
2. Based on the facts of the particular case, the EMD will initiate a preliminary investigation that will not require the use of EDRC funds. Depending upon the facts of the particular case, the investigation may include determining:
 - Whether the threat is local, regional, national or international;
 - Whether the threat is specific to horse racing or also applicable to other equine sports;
 - Whether the threat is new or re-emergent. If re-emergent, the previous history associated with the threat will be researched;
 - Whether the threat is currently under investigation in any other jurisdictions. If so, the nature of the investigation, its progress to date, and whether the investigation is relevant to Kentucky's needs, will be considered. Opportunities for information sharing and collaboration with other jurisdictions will be identified;
 - Whether alternative or additional testing and analysis is likely to provide the KHRC additional support in enforcing its medication regulation, 810 KAR 1:018; and
 - Whether additional intelligence (i.e. surveillance, barn or vehicle inspection) would be beneficial prior to initiating testing and/or research with EDRC funds.

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(1) This list is intended to be illustrative, not exhaustive.

3. The EMD contacts the Laboratory Director to discuss testing and sampling options (including timing of sample collection and preferred matrix for analysis) and factors that could affect the interpretation of testing results.

To request that the Laboratory Director prepare a proposal (to include scope of analysis, justification for scope, or description of test to be developed, proposed timeline, and pricing). See Exhibit B.

4. The EMD meets with the Executive Director and the Chair of the EDRC to discuss the results of the preliminary investigation, review the laboratory proposal, and/or consider alternative methods of intelligence gathering.
5. In consultation with the Chair of the EDRC, the Executive Director makes a preliminary decision whether to approve the proposal and authorize the use of EDRC funds.
6. In consultation with the Chair of the KHRC, the Executive Director makes a final decision whether to approve the proposal and authorize the use of EDRC funds.
7. If the Executive Director authorizes the use of EDRC funds, the EMD advises the Laboratory Director to commence work in accordance with the proposal.
8. The EMD will provide a report on expenditures made pursuant to the Program at regularly scheduled EDRC meetings.
9. The EMD will provide a report on any investigation involving EDRC funds when the investigation is complete.

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**Rapid Response Substance Testing Program
Exhibit B**

LGC Science, Inc. Protocol

1. Prior to approval by the Executive Director as outlined in Exhibit A, LGC shall submit a detailed proposal outlining the research and/or testing to be performed. The proposal shall include a scope of analysis, justification for the scope of analysis, a description of project deliverables, a timeline, pricing and any other necessary information. The proposal shall also include any other applicable obligations of the parties. The KHRC may request any additional information it deems necessary in its sole discretion to determine whether to approve a particular project. The KHRC has the sole discretion to determine if a particular project should be approved. Prior to performance of any analysis, LGC and the KHRC shall agree upon a fee schedule relevant to the particular project.
2. For each particular project, the proposal, including any exhibits or attachments, and other documents so designated, shall form a binding agreement between and among the parties and shall be incorporated by reference into this PSC as if set forth fully herein.
3. Once a proposal is approved, LGC shall not modify or in any way amend the project contained within the proposal without the prior written consent of the KHRC.
4. LGC shall maintain detailed records with respect to any project approved by the KHRC pursuant to this PSC and shall make such records available to the KHRC upon request.
5. In the event that any project involves testing of samples, LGC and the KHRC may agree to incorporate by reference into this PSC certain relevant provisions of the "Memorandum of Understanding between the Commonwealth of Kentucky, Kentucky Horse Racing Commission, and LGC Sport Science, Inc. and Quotient Bioscience Group Limited and Quotient Bioresearch Limited," as amended by the "Addendum to Memorandum of Understanding between the Commonwealth of Kentucky, Kentucky Horse Racing Commission LGC Science, Inc. and Quotient Bioscience Group Limited and Quotient Bioresearch Limited," and the "Second Addendum to Memorandum of Understanding between the Commonwealth of Kentucky, Kentucky Horse Racing Commission and LGC Science, Inc. and LGC Science Group, Ltd."

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6. LGC shall cooperate fully with the KHRC in order to facilitate the obligations set out in this PSC, including but not limited to allowing the KHRC to inspect all records pertaining to this PSC at any time during business hours.

7. LGC shall provide any necessary litigation support, including but not limited to providing qualified personnel to testify as an expert witness or otherwise before the KHRC, its stewards or judges, or in any administrative, civil, criminal, or any other proceeding when requested to do so by the KHRC. The KHRC will use its best efforts not to disrupt the day-to-day operations of LGC.

8. LGC shall provide qualified personnel to attend and participate in Equine Drug Research Council meetings, KHRC meetings, and other meetings when requested to do so by the KHRC. The KHRC will use its best efforts not to disrupt the day-to-day operations of LGC.

9. LGC agrees that any and all data, communications, records, documents, results or any other information whatsoever in any format related to the subject matter of this PSC or any project undertaken pursuant to this PSC shall be treated as confidential, and LGC shall limit access to same to its employees on a need-to-know basis. LGC shall instruct those employees to use the same degree of care as used with the LGC's own confidential information.

10. Except as required by law, LGC shall not engage in conversations, disclose any data, communications, records, documents, results or any other information whatsoever in any format, or respond to queries from any individual, entity or association related to the subject matter of this PSC or any project undertaken pursuant to this PSC without the prior written consent of the KHRC. The KHRC shall respond within five (5) business days of receipt of such a request from the Laboratory.

11. LGC agrees that any and all data and results of any project undertaken pursuant to this PSC shall be wholly owned by the KHRC and shall not be published, disclosed or otherwise distributed by LGC without the prior written consent of the KHRC.

March 17, 2016

Marc Guilfoil
Executive Director
Kentucky Horse Racing Commission
Via e-Mail: marc.guilfoil@ky.gov

Dear Mr. Guilfoil,

Churchill Downs is seeking approval from the Kentucky Racing Commission to:

- A. Approve that the regular \$2 Pick 6 carryover (if it carries over from Derby Day) would transition to a carryover in the Single 6 on Thursday, May 12th.
 - a. Both versions of the Pick 6 have previously been approved by the Commission.
- B. Should the commission approve Section A above, Churchill Downs would request that *810 KAR 1:140, Section 12. Pick-6, Subsection (9)(a)* be applied. This gives permission to Churchill Downs to designate a capped carryover for the Pick 6 Pool.
 - a. Churchill requests a cap of 50% of the Derby Day carryover, which would be paid out in addition to all of the money wagered in the Single 6 pool on May 12, 2016.
 - i. In the event of a single winning Single 6 wager the entire pool from Thursday plus the entire Derby Day carryover would be paid out to that single winner.
 - ii. The cap shall only apply to Thursday, May 12, 2016. Any remaining carryover from that date forward shall become a normal daily carryover.
- C. Should the commission approve Section B above, Churchill would request that rule *810 KAR 1:140, Section 12. Pick-6, Subsection (10)* be applied which allows Churchill to designate a "specific performance" day to assign a carryover.
 - a. Churchill requests that Thursday, May 12th be designated for a mandatory payout of all monies over the capped amount of the Pick-6 carryover.

To Recap:

Derby Day would feature a \$2 Pick 6 subjected to the traditional Pick 6 rules and fees. Should a carryover from Derby Day occur, the carryover from that day would transition into a \$.20 Single 6 wager. That Single 6 wager will feature a mandatory payout of 50% of the carryover from Derby Day and all of the money wagered into the pool that day. On Friday, post the mandatory payout, the remaining 50% of the Derby Day carryover would become the jackpot prize for that day's pool and the wager would be subjected to the \$.20 Single 6 rules for the duration of the meet.

Churchill Downs also requests to change the Lucky 7 rules to mimic the Single 6 rules from the Fall Meeting.

Please contact me with any questions,

Michael Ziegler
Executive Director of Racing
Churchill Downs, Inc.
Mobile – (859) 230-3533
Office – (502) 394-1137



MATTHEW G. BEVIN
GOVERNOR

DAVID DICKERSON
SECRETARY

PUBLIC PROTECTION CABINET

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR

4063 IRONWORKS PKWY, BLDG. B

LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039

WEB SITE: WWW.KHRC.KY.GOV

TO: COMMISSION MEMBERS
FROM: Staff
DATE: February 9, 2016
SUBJECT: Kentucky Request for Jockey7 Wager

In a letter dated March 15, 2016, Kentucky Downs requested permission to offer a Jockey7 wager based on the number of points a jockey accumulates in 7 races. Win, Place, Show, Exacta and Trifecta wagering will be offered based on KHRC regulations. The staff would recommend approval with the provision that the wager will not be put into play until it has undergone a pre-meet test to ensure accuracy of tracing points accumulated and dollar amounts accumulated where needed in Dead Heat situations.

COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred



KENTUCKY DOWNS

P.O. Box 405
Franklin, Kentucky 42135
270.586.7778
www.kentuckydowns.com

March 15, 2016

**Marc A. Guilfoil, Executive Director
Kentucky Horse Racing Commission
4603 Iron Works Parkway, Building B
Lexington, KY 40511**

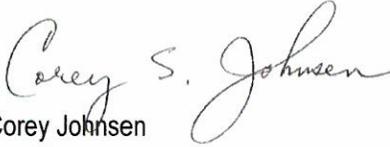
Dear Marc,

Kentucky Downs requests Kentucky Horse Racing Commission approval for the Jockey7 special wager. We propose to offer the wager on each of our 2016 live race days: Sept. 3, 8, 10, 11 and 15. The Jockey7 will be offered on the last seven races on the scheduled 10 race cards. It is a separate pool bet and will feature win, place, show, exacta and trifecta wagering. Although the focus will be on jockeys, fans will actually be wagering on groupings of horses which will represent the scheduled mounts for one or more jockeys competing in the last seven races. Winning wagers will be determined by points earned over the seven races.

The actual calculation of the winning payoffs will be handled by the totalizator system, like any other win, place, show, exacta or trifecta wager. The Jockey7 wager will be designated Race #11, although it will close when the horses first enter the starting gate for the third race. The points earned by each entrant will be updated after each race by the placing judges and the association mutuels department. That simple calculation will be done independently and then compared to insure accuracy. After the seven races, the Presiding Steward will verify the results and then communicate the official order of finish to the mutuels department. The final results of Race #11 will be made official approximately 10 minutes after the tenth race is declared official. The winning numbers and payoffs will be communicated to the public in the same manner as any other race result.

I have worked closely with Greg Lamb, KHRC Director of Pari-mutuel wagering. We have fine-tuned the rules and procedures to eliminate any misunderstandings. I have included the rules for the wager for your approval.

Sincerely,


Corey Johnson
President



KENTUCKY DOWNS

P.O. Box 405
Franklin, Kentucky 42135
270.586.7778
www.kentuckydowns.com

JOCKEY7 SPECIAL WAGER RULES

- (A) The Jockey7 exotic wager consists of separate betting pools with winning wagers defined by points accumulated over seven races.
- (B) The wagering menu for the Jockey7 Wager will consist of Win, Place, Show, Exacta and Trifecta wagering and payouts will be governed by KAR 1:140 and these rules.
- (C) A grouping of horses will be assigned a betting number by the Association. Each group of horses will represent the scheduled mounts for one of more jockeys competing in the last seven (7) races of a program.
- (D) Should a rider in the Jockey7 be unable to fulfill his/her riding obligations on each of the scheduled mounts, the wager will remain in effect, with the patron keeping the same group of horses but with substitute rider(s).
- (E) The following point system shall be used:
- 1st Place Finish: 25 points
 - 2nd Place Finish: 12 points
 - 3rd Place Finish: 9 points
 - 4th Place Finish: 5 points
 - Late Scratch: 1 point
 - Horse declared a non-starter: 1 point
- (F) Coupled entries will share any points earned by one or more entrants. The total points earned by a coupled entry will be divided by the number of starting horses in that entry and equally allotted to the original betting number.
- (G) In the event of a disqualification of a horse by the Stewards in any of the races comprising the Jockey7 Wager, the horse will receive the points (if any) of the final order or finish determined by the Stewards.
- (H) In the event of a Deadheat (for 1st through 4th place) in a race included in the Jockey7 Wager, the point totals for the finish positions involved will be equally divided between the horses involved in the Deadheat.
- (1) A Deadheat for 1st place between two horses in a race would assign 18.5 points to each entry, calculated as 25 points for 1st place plus 12 points for 2nd place divided by 2.
 - (2) A Deadheat for 2nd place between two horses in a race would assign 10.5 points for each entry, calculated as 12 points for 2nd place plus 9 points for 3rd place divided by 2.
 - (3) A Deadheat for 3rd place between two horses in a race would assign 7 points to each entry, calculated as 9 points for 3rd plus 5 points for 4th place divided by 2.



KENTUCKY DOWNS

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Franklin, Kentucky 42135
270.586.7778
www.kentuckydowns.com

- (I) After each race that is part of the Jockey7 Wager is declared official, the presiding Steward or Commission appointee such as the placing judges and association mutuels department shall credit the proper amount of points to each entrant finishing 1st through 4th place and any late scratches or non-starters.
- (J) In the event of a tie in the final points, the total \$2 Win, Place, Show payoffs for each entry in every race in the Jockey7 Wager will serve as the tiebreaker. If a tie still exists, the finish will be determined by which entry has the most wins. If a tie still exists, the Jockey7 Wager will be a Deadheat.
- (K) After the seventh race in the Jockey7 Wager, the presiding Steward shall enter the final order of finish determined by the final points and tiebreakers.
- (L) In the event any race in the Jockey7 race is cancelled, the entire wager shall be refunded.
- (M) Should circumstances occur which are not foreseen, questions arising shall be resolved in accordance with general pari-mutuel practice and at the reasonable discretion of Kentucky Downs, with the agreement of the stewards and KHRC.

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)
					PENALTY CLASS	WRITTEN WARNING		
16-0001	1/1/2016	12/27/2015	Carlos Villasana	Careless riding				Suspended 3 racing days (January 2, January 3 and January 7, 2016)
16-0002	1/7/2016	1/2/2016 & 1/3/2016	Robert Joe Woodard	Failure to conduct business in a proper manner		\$ 500	Paid	
16-0003	1/8/2016	12/11/2015	Charlie Lawson	Flunixin 23.3 ng/ml (Sample #0086280)	C	\$ 250	Paid	
16-0004	1/9/2016	1/7/2016	Dick Cardenas	Careless riding				Suspended 3 days (January 15 -January 17, 2016, inclusive)
16-0005	1/17/2016	11/28/2015	Neil J. Howard	Phenylbutazone 13 ug/ml (Sample #0086018)	C	\$ 1,000	Paid	Suspended 5 days (January 25 -January 29, 2016, inclusive). DREAM DANCE disqualified and all purse money forfeited.
16-0006	1/22/2016	11/28/2015	James L. Stone (Owner)	Phenylbutazone 13 ug/ml (Sample #0086018)	C			DREAM DANCE disqualified and purse redistributed. All purse monies must be returned to the association.
16-0007	1/24/2016	11/2/2015	Dr. John M. Watt	Treatment Error		\$ 1,000	Paid	Suspended 5 days (January 27 -January 31, 2016, inclusive).
16-0008	1/29/2016	1/24/2016	Julie Burke	Careless riding				Suspended 3 days (February 4 -February 6, 2016, inclusive)

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)
16-0009	1/29/2016	12/31/2015	Henry D. Miller, Jr.	Hydrocortisone Succinate (Sample #0082599)	C	\$ 750	Paid	Suspended 5 days (January 30 -February 3, 2016, inclusive). ZENZELDA disqualified and all purse money forfeited.
16-0010	1/29/2016	12/31/2015	Henry D. Miller, Jr. (Owner)	Hydrocortisone Succinate (Sample #0082599)	C			ZENZELDA disqualified and purse redistributed. All purse monies must be returned to the association.
16-0011	2/5/2016	1/31/2016	Albin Jimenez	Disorderly conduct and lapse in good judgement		\$ 500	Paid	Fined for an incident that occurred in the winners' circle at Turfway Park
16-0012	2/6/2016	1/14/2016	Olivo I. Inirio	Multiple NSAIDS (Sample #81888)	NSAIDS	\$ 250	Not Paid	Suspended 5 days (February 13-February 17, 2016, inclusive)
16-0013	2/12/2016	1/1/2016	Tammi S. Faber	Hydrocortisone Succinate (Sample #0082632)	C	\$ 500	Not Paid	Suspended 5 days (February 13 -February 17, 2016, inclusive). ALREADY RED disqualified and all purse money forfeited.
16-0014	2/12/2016	1/1/2016	Tammi S. Faber (Owner)	Hydrocortisone Succinate (Sample #0082632)	C			ALREADY RED disqualified and purse redistributed. All purse monies must be returned to the association.

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)
16-0015	2/20/2016	1/28/2016	David K. Cook	Multiple NSAIDS (Sample #83621)	NSAIDS	\$ 250	Paid	Suspended 5 days (February 27-March 2, 2016, inclusive)
16-0016	2/20/2016	1/23/2016	Olivo I. Inirio	Phenylbutazone 3.1 ug/ml (Sample #0083557) (2nd offense in 365 days)	C	\$ 500	Not Paid	
16-0017	8/1/1998	2/21/2016	Alvin Alex	Restored to good standing after hearing before the Board of Stewards and Ellis Park ejection lifted				
16-0018	3/4/2016	2/7/2016	Vickie L. Foley	Phenylbutazone 2.6 ug/ml (Sample #0096382)	C	\$ 250	Not Paid	
16-0019	3/6/2016	2/5/2016	William R. Helmbrecht	Methylprednisolone 244 pg/ml (Sample #96313)	C	\$ 500	Not Paid	Suspended 5 days (March 14 -March 18, 2016, inclusive). THE RIGHT THING disqualified and all purse money forfeited.
16-0020	3/6/2016	2/5/2016	Jon Jazdzewski (Owner)	Methylprednisolone 244 pg/ml (Sample #96313)	C			THE RIGHT THING disqualified and purse redistributed. All purse monies must be returned to the association.

2016 STANDARD BRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)	Stewards Notes	
J2016-001	01/07/16	01/07/16	Arthur E. Gregory, Jr	Restored to good standing as of 1/7/2016						
J2016-002	01/14/16	01/14/16	Daniel N. Noble	Restored to good standing as of 1/14/2016						

Race-related Fatal Injury Occurrence over Time—All Kentucky racetracks

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts	
2007	2	1	5	2	4	3	4	2	3	5	4	5	40	23,180	1.73
2008	3	0	5	2	3	2	1	2	3	3	4	8	36	22,278	1.62
2009	3	5	1	2	4	1	2	4	3	3	2	3	33	20,143	1.64
2010	2	1	2*	1**	0	3	4	2	1	2	7	1	26	18,167	1.43
2011	2	2	1	1	2	5	1	3	2/1**	4	3	1	27	18,258	1.47
2012	0	0	1	2	8	2	0	2	0/3 [#]	3/1**	5	3	26/30	17,513	1.48
2013	2	2	0	0	1	2	1	5	4	1	1	4	23	16,242	1.41
2014	2	2	0	0	3	0	1	1	1	3	3	0	16	14,460	1.11
2015	3	1	1	0	3	3	1	2	3	3	3	1	24	15,196	1.57
2016	0	1													

* Fatality related to racing accident subsequent to equipment failure

** Fatality not musculoskeletal origin

Fatalities were race, but not exercise, related. (Examples: gate, paddock or post parade trauma)

HISTORICAL HORSE RACING - February 2016

	Kentucky Downs		Ellis Park		KRM		All Locations
Total Wagered.....	\$ 37,743,705.05	\$	6,509,074.75	\$	18,423,597.10	\$	62,676,376.90
Total Commission.....	\$ 3,037,057.71	\$	509,920.32	\$	1,384,671.18	\$	4,931,649.21
Net Track Commission..... (Total Commission minus the Ky Excise Tax)	\$ 2,470,902.13	\$	412,284.20	\$	1,108,317.23	\$	3,991,503.56
Ky Excise Tax..... (Excise Tax is 1.5% of the total wagered) (KRS 138.510)	\$ 566,155.58	\$	97,636.12	\$	276,353.96	\$	940,145.65
Thoroughbred Development Fund..... (See Note 1)	\$ 283,077.79	\$	48,818.06	\$	69,088.49	\$	400,984.34
Standardbred Development Fund..... (See Note 2)				\$	92,117.99	\$	92,117.99
Equine Industry Program..... (.2% of the total wagered) (Note 3)	\$ 6,829.04	\$	1,756.11	\$	3,691.53	\$	12,276.68
Equine Drug Research..... (.1% of the total wagered) (Note 4)	\$ 648.86	\$	147.98	\$	341.50	\$	1,138.34
Higher Education Fund..... (.1% of the total wagered) (Note 4)	\$ 648.86	\$	147.98	\$	341.50	\$	1,138.34
General Fund.....	\$ 274,951.04	\$	46,765.98	\$	110,772.95	\$	432,489.97
Returned to the Public.....	\$ 34,542,983.17	\$	5,997,022.84	\$	17,095,890.89	\$	57,635,896.90

Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

HISTORICAL HORSE RACING - Calendar Year 2016

All Data through 2/29/16

	Kentucky Downs		Ellis Park		KRM		All Locations
Total Wagered.....	\$ 70,557,396.80	\$	11,753,052.25	\$	32,944,136.70	\$	115,254,585.75
Total Commission.....	\$ 5,641,429.22	\$	920,944.32	\$	2,491,093.44	\$	9,053,466.98
Net Track Commission.....	\$ 4,583,068.27	\$	744,648.54	\$	1,996,931.39	\$	7,324,648.19
<i>(Total Commission minus the Ky Excise Tax)</i>							
Ky Excise Tax.....	\$ 1,058,360.95	\$	176,295.78	\$	494,162.05	\$	1,728,818.79
<i>(Excise Tax is 1.5% of the total wagered) (KRS 138.510)</i>							
Thoroughbred Development Fund.....	\$ 529,180.48	\$	88,147.89	\$	123,540.51	\$	740,868.88
<i>(See Note 1)</i>							
Standardbred Development Fund.....				\$	164,720.68	\$	164,720.68
<i>(See Note 2)</i>							
Equine Industry Program.....	\$ 72,456.42	\$	12,244.07	\$	32,732.61	\$	117,433.10
<i>(.2% of the total wagered) (Note 3)</i>							
Equine Drug Research.....	\$ 33,462.55	\$	5,391.96	\$	14,862.04	\$	53,716.55
<i>(.1% of the total wagered) (Note 4)</i>							
Higher Education Fund.....	\$ 33,462.55	\$	5,391.96	\$	14,862.04	\$	53,716.55
<i>(.1% of the total wagered) (Note 4)</i>							
General Fund.....	\$ 389,798.96	\$	65,119.90	\$	143,444.16	\$	598,363.03
Returned to the Public.....	\$ 64,861,256.28	\$	10,844,464.93	\$	30,462,047.83	\$	106,167,769.04

Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

HISTORICAL HORSE RACING - Wagers Since Inception

All Data through 2/29/16

	Kentucky Downs Opened 9/1/11	Ellis Park Opened 8/31/12	KRM Opened 9/8/15	All Locations Since Inception
Total Wagered.....	\$ 1,256,541,393.80	\$ 147,634,917.35	\$ 74,416,630.10	\$ 1,478,592,941.25
Total Commission.....	\$ 99,080,458.48	\$ 11,462,901.84	\$ 5,713,625.06	\$ 116,256,985.38
Net Track Commission..... (Total Commission minus the Ky Excise Tax)	\$ 80,232,337.57	\$ 9,248,378.08	\$ 4,597,375.61	\$ 94,078,091.26
Ky Excise Tax..... (Excise Tax is 1.5% of the total wagered) (KRS 138.510)	\$ 18,848,120.91	\$ 2,214,523.76	\$ 1,116,249.45	\$ 22,178,894.12
Thoroughbred Development Fund..... (See Note 1)	\$ 9,424,203.17	\$ 1,107,238.00	\$ 279,065.60	\$ 10,810,506.77
Standardbred Development Fund..... (See Note 2)			\$ 370,976.43	\$ 370,976.43
Equine Industry Program..... (.2% of the total wagered) (Note 3)	\$ 2,444,462.48	\$ 284,007.80	\$ 115,677.60	\$ 2,844,147.87
Equine Drug Research..... (.1% of the total wagered) (Note 4)	\$ 1,219,446.55	\$ 141,273.82	\$ 56,334.53	\$ 1,417,054.90
Higher Education Fund..... (.1% of the total wagered) (Note 4)	\$ 1,219,446.55	\$ 141,273.82	\$ 56,334.53	\$ 1,417,054.90
General Fund.....	\$ 4,540,742.95	\$ 540,730.31	\$ 236,758.35	\$ 5,318,231.61
Returned to the Public.....	\$ 1,156,939,684.93	\$ 135,956,975.55	\$ 68,508,536.04	\$ 1,361,405,196.51

Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

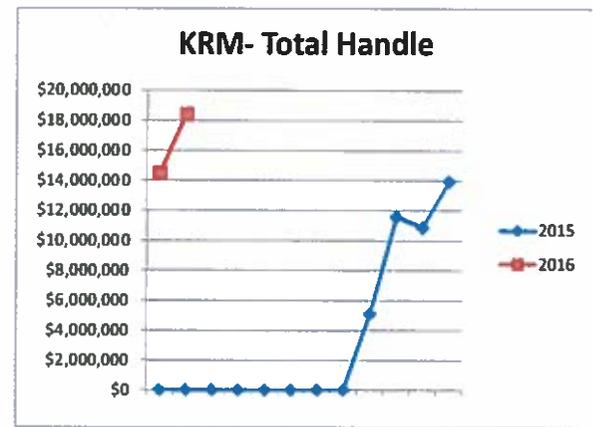
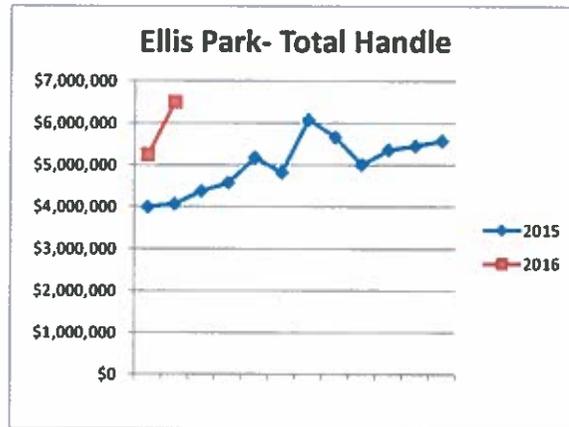
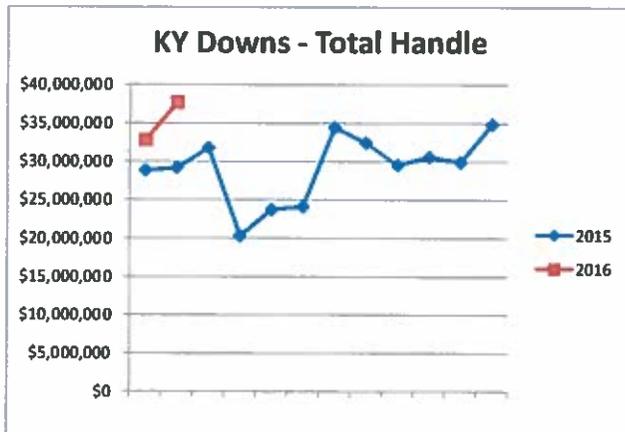
Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

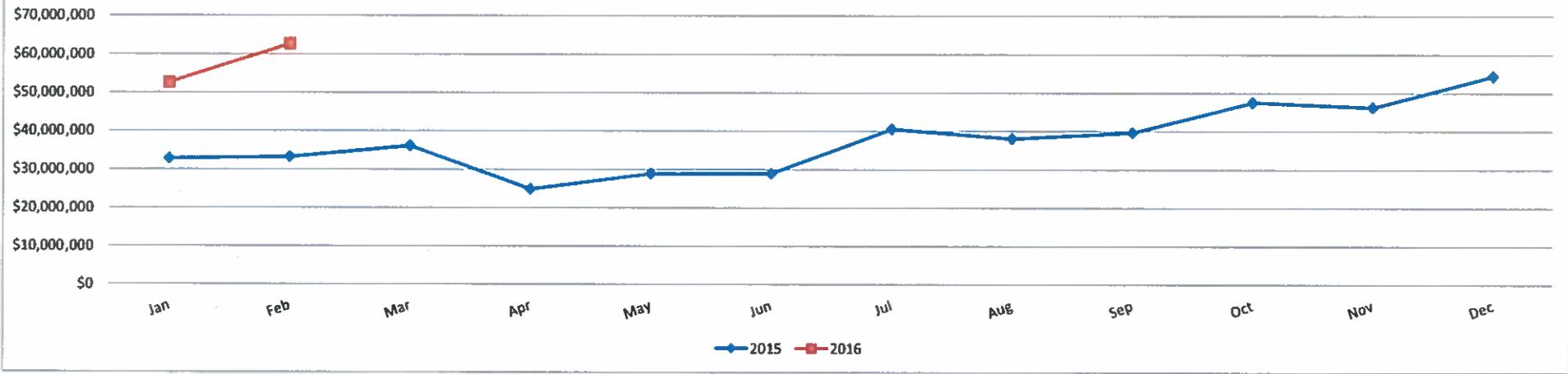
	KY Downs (489 active machines - 775 approved) (Note 2,4)				Ellis Park (179 active machines-300 approved) (Note 3)				KRM (902 machines active - 1000 approved) (Note 5)			
	Total Handle				Total Handle				Total Handle			
	2016	2015	Diff	%	2016	2015	Diff	%	2016	2015	Diff	%
JANUARY	\$32,813,692	\$28,810,580	\$4,003,112	13.9%	\$5,243,978	\$3,996,023	\$1,247,955	31.2%	\$14,520,540	\$0		
FEBRUARY	\$37,743,705	\$29,165,879	\$8,577,826	29.4%	\$6,509,075	\$4,061,584	\$2,447,491	60.3%	\$18,423,597	\$0		
MARCH (1)	\$0	\$31,757,057	(\$31,757,057)	-100.0%	\$0	\$4,367,347	(\$4,367,347)	-100.0%	\$0	\$0		
APRIL (2)	\$0	\$20,314,488	(\$20,314,488)	-100.0%	\$0	\$4,566,810	(\$4,566,810)	-100.0%	\$0	\$0		
MAY	\$0	\$23,719,693	(\$23,719,693)	-100.0%	\$0	\$5,171,361	(\$5,171,361)	-100.0%	\$0	\$0		
JUNE	\$0	\$24,095,412	(\$24,095,412)	-100.0%	\$0	\$4,817,214	(\$4,817,214)	-100.0%	\$0	\$0		
JULY (3)	\$0	\$34,442,019	(\$34,442,019)	-100.0%	\$0	\$6,073,538	(\$6,073,538)	-100.0%	\$0	\$0		
AUGUST	\$0	\$32,382,885	(\$32,382,885)	-100.0%	\$0	\$5,658,913	(\$5,658,913)	-100.0%	\$0	\$0		
SEPTEMBER	\$0	\$29,508,199	(\$29,508,199)	-100.0%	\$0	\$5,006,103	(\$5,006,103)	-100.0%	\$0	\$5,115,524	(\$5,115,524)	-100.0%
OCTOBER	\$0	\$30,592,976	(\$30,592,976)	-100.0%	\$0	\$5,352,993	(\$5,352,993)	-100.0%	\$0	\$11,559,287	(\$11,559,287)	-100.0%
NOVEMBER	\$0	\$29,899,896	(\$29,899,896)	-100.0%	\$0	\$5,449,330	(\$5,449,330)	-100.0%	\$0	\$10,871,617	(\$10,871,617)	-100.0%
DECEMBER	\$0	\$34,873,506	(\$34,873,506)	-100.0%	\$0	\$5,570,600	(\$5,570,600)	-100.0%	\$0	\$13,926,065	(\$13,926,065)	-100.0%
CUMULATIVE	\$70,557,397	\$349,562,590	(\$279,005,193)	-79.8%	\$11,753,053	\$60,091,817	(\$48,338,764)	-80.4%	\$32,944,137			

Notes:

- (1) Kentucky Downs operated 29 days in March 2015 due to Encore conversion.
- (2) Kentucky Downs converted to Encore games on April 2, 2015 and expanded from 390 to 500 machines. (29 days open in April)
- (3) Ellis Park expanded from 127 to 179 games on July 1, 2015. Approved for 300 total games on 12/1/15
- (4) Kentucky Downs approved for an additional 275 machines on 8/18/15
- (5) KRM began live wagers on 9/8/15 (soft opening). Open to public 9/12/15

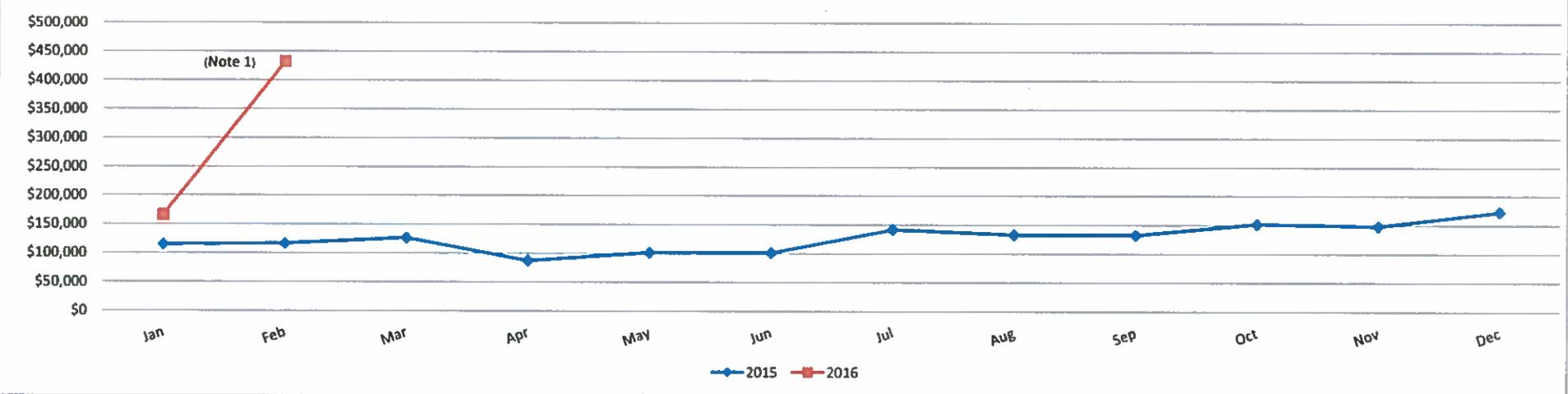


Total Historical Racing Handle - Combined Ky Downs, Ellis Park, KRM



2016 Cumulative Total:	\$115,254,587
2015 Total:	\$451,126,900

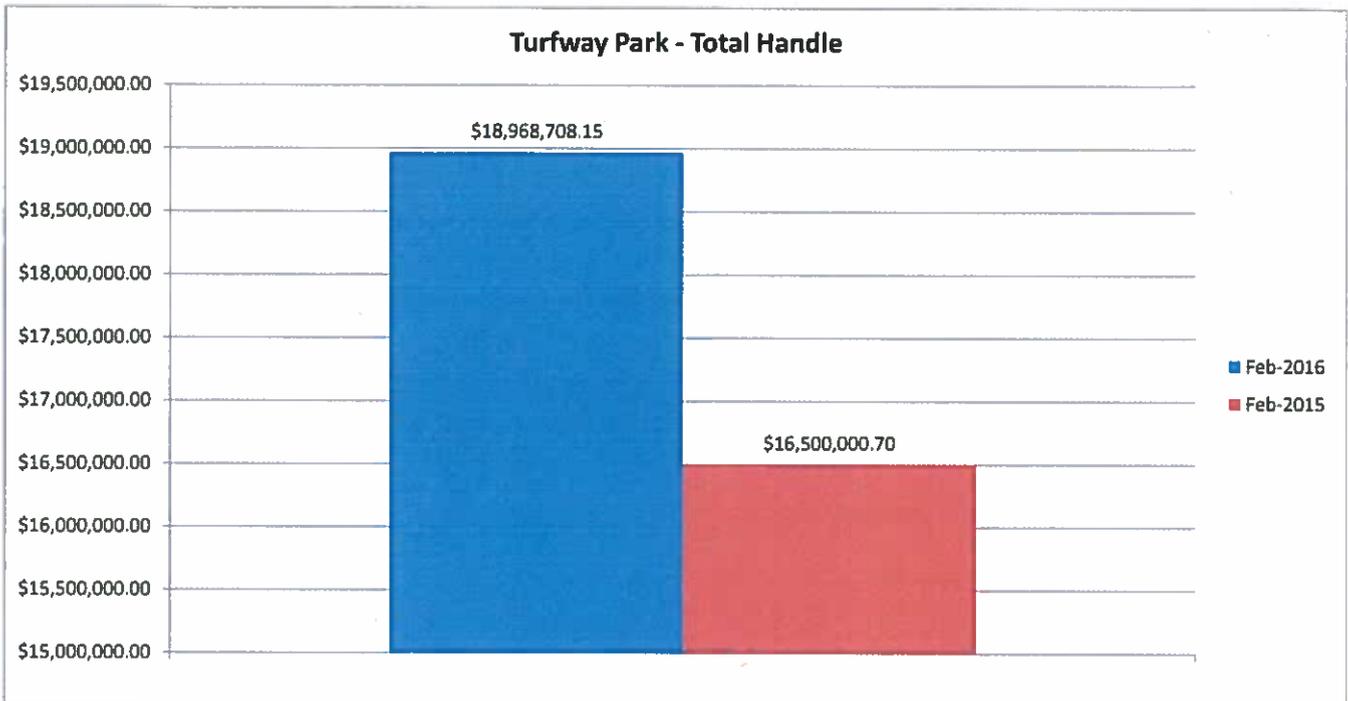
Total Contribution to General Fund from HHR



2016 Cumulative Total:	\$598,363
2015 Total:	\$1,527,127

Note 1: The 2015/16 Fiscal Year caps for the Equine Industry Program, Equine Drug Research and Higher Education Funds were reached in early February. Excess funds are converted to the General Fund. (KRS 138.510)

Live Racing Analysis - February 2016



	2016	2015	Difference	% Change
Total Handle:	\$18,968,708.15	\$16,500,000.70	\$2,468,707.45	15.0%
Race Days:	15	10	5	50.0%
Avg Daily Handle:	\$1,264,580.54	\$1,650,000.07	-\$385,419.53	-23.4%

Notes: 2016: One race day consisted on a single race. One day cancelled due to weather.

2015: Two days cancelled due to weather

2016 Summary

(Includes current month)

	<u>Total Handle</u>	<u>Race Days</u>	<u>Avg Daily Handle</u>
Churchill Downs			
Ellis Park			
Keeneland			
KY Downs			
Turfway	\$44,949,869	33	\$1,362,117
Bluegrass Downs			
Red Mile			
Thunder Ridge			

Total Handle on "Live" Kentucky Races: Turfway Park

Race Date	Total Handle	Commission	Adjustment	Pos Break	Neg Break	Runner Pay
2/4/16 optional	\$1,400,072.40	\$285,538.22	\$147,185.35	\$635.89	(\$1,559.19)	\$1,109,839.81
02/05/16	\$1,531,433.56	\$310,045.30	\$138,475.64	\$7,245.75	(\$2,141.08)	\$1,182,717.19
02/06/16	\$1,319,902.37	\$267,941.30	\$159,796.55	-\$15,172.15	(\$995.13)	\$1,055,795.82
02/07/16	\$553,021.61	\$112,919.55	\$50,037.19	\$2,322.41	(\$1,849.64)	\$432,619.43
Week 1 Total	\$ 4,804,429.94	\$ 976,444.37	\$495,494.73	\$ (4,968.10)	(\$6,545.04)	\$ 3,780,972.25
Cumulative	\$ 4,804,429.94	\$ 976,444.37	\$495,494.73	\$ (4,968.10)	(\$6,545.04)	\$ 3,780,972.25
2/11/2016 optional	\$1,540,245.83	\$312,296.07	\$115,651.21	\$17,675.35	(\$1,072.27)	\$1,200,509.00
02/12/16	\$1,498,910.42	\$303,773.36	\$138,350.53	\$4,608.19	(\$2,769.48)	\$1,164,266.37
02/13/16 **						
2/14/16 *	\$76,880.44	\$15,221.33	\$4,359.01	\$863.01	(\$4,649.93)	\$64,779.82
Week 2 Total	\$ 3,116,036.69	\$ 631,290.76	\$258,360.75	\$ 23,146.55	(\$8,491.68)	\$ 2,429,555.19
Cumulative	\$ 7,920,466.63	\$ 1,607,735.13	\$753,855.48	\$ 18,178.45	(\$15,036.72)	\$ 6,210,527.44
2/18/2016 optional	\$1,628,416.12	\$329,635.38	\$143,780.94	\$4,328.06	(\$1,061.91)	\$1,274,839.22
02/19/16	\$1,988,493.41	\$399,821.08	\$177,657.25	\$6,125.69	(\$20,515.76)	\$1,573,635.67
02/20/16	\$1,375,836.19	\$278,831.02	\$87,288.49	\$17,217.29	(\$971.86)	\$1,058,361.49
02/21/16	\$781,916.27	\$159,323.94	\$59,286.22	\$3,849.46	(\$521.93)	\$620,890.88
Week 3 Total	\$ 5,774,661.99	\$ 1,167,611.42	\$468,012.90	\$ 31,520.50	(\$23,071.46)	\$ 4,527,727.26
Cumulative	\$ 13,695,128.62	\$ 2,775,346.55	\$1,221,868.38	\$ 49,698.95	(\$38,108.18)	\$ 10,738,254.70
2/25/2016 optional	\$1,311,122.77	\$265,334.94	\$145,456.55	(\$4,300.86)	(\$669.34)	\$1,015,329.61
02/26/15	\$1,768,283.49	\$358,764.12	\$142,422.68	\$10,312.21	(\$1,096.01)	\$1,386,635.74
02/27/15	\$1,316,217.26	\$265,723.09	\$134,412.73	\$368.17	(\$1,073.49)	\$1,027,205.83
02/28/15	\$877,956.01	\$179,052.70	\$66,604.93	\$6,991.36	(\$704.57)	\$687,293.19
Week 4 Total	\$ 5,273,579.53	\$ 1,068,874.85	\$488,896.89	\$ 13,370.88	(\$1,543.41)	\$ 4,116,464.37
Total Monthly	\$ 18,968,708.15	\$ 3,844,221.40	\$1,710,765.27	\$ 63,069.83	(\$41,651.59)	\$ 14,854,719.07
o						
o						
Week 5 Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Monthly	\$ 18,968,708.15	\$ 3,844,221.40	\$1,710,765.27	\$ 63,069.83	(\$41,651.59)	\$ 14,854,719.07

* One race only. Remaining card cancelled due to weather.
 ** Cancelled due to weather

Race Date	Total Handle	Difference	Percentage
		\$1,400,072.40	#DIV/0!
		\$ 1,531,433.56	#DIV/0!
		\$ 1,319,902.37	#DIV/0!
02/01/15	\$1,367,566.94	(\$814,545.33)	-59.56%
	\$ 1,367,566.94	\$ 3,436,863.00	251.31%
	\$ 1,367,566.94	\$ 3,436,863.00	251.31%
		\$ 1,540,245.83	#DIV/0!
02/06/15	\$1,983,301.05	(484,390.63)	-24.42%
02/07/15	\$1,797,287.19	(1,797,287.19)	-100.00%
02/08/15	\$1,955,278.69	(1,878,398.25)	-96.07%
	\$ 5,735,866.93	(2,619,890.24)	-45.67%
	\$ 7,103,433.87	817,032.76	11.50%
		\$ 1,628,416.12	#DIV/0!
02/13/15	\$1,769,725.54	\$ 218,767.87	12.36%
02/14/15**		\$ 1,375,836.19	#DIV/0!
02/15/15	\$1,501,885.93	(719,969.66)	-47.94%
	\$ 3,271,611.47	2,503,050.52	76.51%
	\$ 10,375,045.34	3,320,083.28	32.00%
		\$ 1,311,122.77	#DIV/0!
02/20/15	\$1,159,577.67	608,705.82	52.49%
02/21/15**		\$ 1,316,217.26	#DIV/0!
02/22/15	\$1,231,831.68	(353,875.67)	-28.73%
	\$ 2,391,409.35	2,882,170.18	120.52%
	\$ 12,766,454.69	6,202,253.46	48.58%
02/27/15	\$1,710,893.54	(1,710,893.54)	-100.00%
02/28/15	\$2,022,258.87	(2,022,258.87)	-100.00%
	\$ 3,733,152.41	(3,733,152.41)	-100.00%
	\$ 16,499,607.10	2,469,101.05	14.96%

Out of State Wagers

Date Range:

2/1/2016 - 2/29/2016

<u>Track</u>	<u>Total Handle</u>	<u>Commission</u>	<u>Adjustment</u>	<u>Pos Break</u>	<u>Neg Break</u>	<u>Runner Pay</u>
Aqueduct	\$1,057,626.50	\$203,066.47	\$46,699.76	\$4,577.48	-\$834.67	\$804,117.46
Australia	\$10,991.20	\$2,585.09	-\$623.47	\$21.37	\$0.00	\$9,008.21
Australia B	\$8,770.40	\$2,064.05	\$1,706.37	\$10.48	\$0.00	\$4,989.50
Australia C	\$6,532.80	\$1,543.00	\$394.90	\$9.76	\$0.00	\$4,585.14
Buffalo Raceway	\$10,849.90	\$2,313.98	\$74.52	\$42.23	-\$0.68	\$8,419.85
Charles Town	\$210,485.80	\$40,726.22	\$9,414.28	\$1,021.14	-\$1,678.10	\$161,002.26
Delta Downs	\$317,587.80	\$66,612.22	\$26,031.67	\$1,793.13	-\$416.27	\$223,567.05
Dover Downs Raceway	\$238,613.00	\$57,111.55	-\$37,360.62	\$1,093.07	-\$109.95	\$217,878.95
Fair Grounds	\$974,811.20	\$199,967.02	-\$31,313.52	\$6,443.26	-\$297.88	\$800,012.32
Flamoro	\$19,919.80	\$4,873.51	\$2,035.54	\$29.27	-\$2.53	\$12,984.01
Freehold Raceway	\$135,707.50	\$28,700.04	-\$7,959.93	\$672.35	-\$1,014.94	\$115,309.98
Golden Gate Fields	\$232,870.20	\$47,261.50	\$150.78	\$1,302.06	-\$1,109.77	\$185,265.63
Gulfstream Park	\$3,036,378.20	\$616,828.54	\$138,501.88	\$17,978.67	-\$904.92	\$2,263,974.03
Hawthorne Night	\$54,122.60	\$11,487.42	-\$2,203.50	\$240.29	-\$3.49	\$44,601.88
Hialeah Park	\$68,533.30	\$12,768.94	\$10,709.66	\$300.59	-\$5.24	\$44,759.35
Laurel Park	\$240,068.00	\$51,356.68	\$21,452.47	\$1,447.91	-\$280.38	\$166,091.32
Lebanon	\$96,617.50	\$20,771.87	-\$2,775.29	\$331.55	-\$0.04	\$78,289.41
Los Alamitos Quarters	\$17,751.30	\$3,856.59	\$94.46	\$68.59	-\$5.55	\$13,737.21
Louisiana Downs	\$19,765.20	\$4,240.11	\$3,850.47	\$66.40	-\$1.09	\$11,609.31
Mahoning Valley Race Course	\$114,200.70	\$23,751.51	-\$2,062.34	\$581.41	-\$98.88	\$92,029.00
Meadowlands Racecourse (Harness)	\$324,964.70	\$64,710.65	-\$81,008.68	\$968.45	-\$0.33	\$340,294.61
Monticello Raceway	\$88,802.30	\$19,999.01	-\$14,122.73	\$230.72	-\$168.74	\$82,864.04
Northfield Park	\$307,816.60	\$66,304.70	-\$14,328.18	\$1,423.42	-\$173.01	\$254,589.67
Oaklawn Park	\$1,217,838.10	\$236,414.60	-\$57,244.09	\$7,737.89	-\$196.28	\$1,031,125.98
Parx Racing (D)	\$17,338.90	\$3,874.16	-\$1,296.99	\$95.16	-\$75.26	\$14,741.83
Penn National	\$175,361.00	\$39,294.13	\$17,829.64	\$1,091.13	-\$38.14	\$117,184.24
Pompano Park	\$198,168.30	\$40,463.37	-\$2,115.70	\$500.31	-\$1.92	\$159,322.24
Portland Meadows	\$2,015.00	\$405.27	\$138.09	\$15.41	-\$0.03	\$1,456.26
Rideau Carlton Raceway	\$7,709.60	\$1,940.87	\$802.50	\$7.90	-\$7.67	\$4,966.00
Sam Houston Race Park	\$183,919.20	\$37,447.10	\$4,276.65	\$1,061.62	-\$1,273.10	\$142,406.93
Santa Anita Park	\$942,928.80	\$189,536.10	\$31,388.95	\$5,831.57	-\$1,758.79	\$717,930.97
Sunland Park (Nuevo Sol)	\$4,523.30	\$1,007.93	\$1,246.54	\$11.47	\$0.00	\$2,257.36
Tampa Bay Downs	\$1,418,506.10	\$290,592.64	-\$27,402.80	\$8,957.73	-\$249.70	\$1,146,608.23
The Meadows	\$221,048.00	\$42,957.70	-\$12,761.71	\$1,093.76	-\$63.95	\$189,822.20
The Raceway @ Western Fair District	\$107,537.40	\$27,576.78	-\$18,293.17	\$235.65	-\$139.09	\$98,157.23
Turf Paradise	\$119,895.30	\$27,367.12	\$10,937.19	\$575.74	-\$535.23	\$81,550.48
Watch and Wager Harness	\$82,636.00	\$18,564.78	-\$2,850.44	\$302.53	-\$557.19	\$67,176.32
Woodbine	\$92,662.00	\$20,865.26	-\$4,380.64	\$228.22	-\$65.95	\$76,015.11
Yonkers	\$199,602.80	\$42,446.47	-\$56,745.21	\$913.66	-\$170.20	\$213,158.08
Total:	\$12,585,476.30	\$2,573,654.95	-\$49,112.69	\$69,313.35	-\$12,238.96	\$10,003,859.65