

**KENTUCKY HORSE RACING COMMISSION**  
**MINUTES OF THE SPECIAL MEETING**

Date: July 17, 2018 at 1:30 PM

Place: Grand Prix Seminar Room of the United States Dressage Federation 4051 Iron Works Parkway, Kentucky Horse Park, 4185 Walt Robertson Drive, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman John C. Roach; Commissioner J. Gatewood Bell, Jr.; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry T. Cauthen; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Kenneth A. Jackson; Commissioner Brereton C. Jones, Jr.; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development; and Acting Secretary Gail Russell, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance

Others Participating: None

| <i>AGENDA ITEM</i>   | <i>TRANSCRIPT PAGE NUMBER(S)</i> | <i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>  | <i>ACTION TAKEN</i>  |
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| <b>I. Call to Order and Roll Call</b>  | 4 – 5                            | Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.  | No action taken.   |
| <b>II. New Business</b><br><b>Tab 1 Churchill Downs’ Updated Request to Offer Historical Horse Race Wagering</b> | 5 – 21<br>5 – 9                  | Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs, by and through its wholly owned subsidiary, Derby City Gaming, LLC, to approve exotic wagers on horse races at the Derby City Gaming facility. Motion by Commissioner Richardson. Second by Commissioner Brown.<br><br>Mr. May presented Churchill Downs’ request dated June 4, 2018 as outlined in the agenda materials. | Chairman Kling called for a vote to approve the request as presented and contingent upon completion of KHRC staff’s recommended conditions. Motion carried with no |

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|  |                                  | Approval is recommended by KHRC staff contingent upon completion of the eleven (11) conditions set out in the agenda materials.  | objections or abstentions.   |
| <b>Tab 2 Request by Churchill Downs to Approve the Ainsworth Game Technology Historical Horse Racing System and Entertaining Game Themes</b> | 9 – 16                           | <p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs Racetrack, LLC by and through its wholly owned subsidiary, Derby City Gaming, LLC, to approve Ainsworth Game Technology historical horse racing system and entertaining game themes.. Motion by Commissioner Hendrickson. Second by Commissioner Jackson.</p> <p>Mr. May presented Churchill Downs’ request as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff contingent upon completion of the seven (7) conditions as outlined in the agenda materials.</p> | Chairman Kling called for a vote to approve the request as presented and contingent upon completion of KHRC staff’s recommended conditions. Motion carried with no objections or abstentions.    |
| <b>Tab 3 Request by staff to approve change in ownership of Ellis Park Racecourse, LLC</b>   | 16 – 21                          | <p>Chairman Kling requested a motion from the Commission to address the request submitted by staff to approve the change in control of Ellis Park Racecourse, LLC, to be acquired in full by Saratoga Gaming and Hospitality Group, LLC. Motion by Vice-Chair Roach. Second by Commissioner Brown.</p> <p>Mr. Forgy presented the staff’s request as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff contingent upon receipt and approval by staff of the four (4) remaining items as set out in the agenda materials.</p>  | Chairman Kling called for a vote to approve the request as presented and contingent upon KHRC staff’s receipt and approval of remaining items. Motion carried with no objections or abstentions. |
| <b>N/A</b>   | 21 – 26                          | Chairman Kling commended the KHRC staff for all their hard work this year and requested Mr. Forgy introduce the KHRC’s new Deputy General Counsel, Shawn D. Champman.  | No action taken. Informational item only.  |

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| <b>III. Adjournment</b> | 26                               | Chairman Kling requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Jackson. Meeting adjourned. | Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions. |

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