

**Kentucky Quarter Horse Association, Inc.
Breeders' Incentive Fund**

*A Program Of The
Kentucky Horse Breeders' Incentive Fund
(KRS 230.804)*

Regulation 811 KAR 2:120

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Administered By The:

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Kentucky Quarter Horse Association Breeders' Incentive Fund Rules

1. The Kentucky Quarter Horse Association (KyQHA), with approval of the Kentucky Horse Racing Commission (KHRC), reserves the right to alter the conditions of all or part of the Kentucky Quarter Horse Association Breeders' Incentive Fund (KyQHA BIF) program as it, in its sole discretion, determines to ensure fairness and equality to all participants so that the spirit and intent of the program are being upheld.
2. The KHRC, in consultation with the KyQHA, shall decide any and all disputes arising out of the application or interpretation of any rules or conditions of the KyQHA BIF.
3. An entrant is ineligible to participate in the KyQHA BIF where prohibited by law because of legal residence, situs of approved event, or any other basis, and all or the prohibited portion of the earned points or purse money shall be disregarded in calculations for an earned portion of the KyQHA BIF.
4. For show horse awards, KyQHA BIF eligible offspring must be enrolled in the AQHA Incentive Fund. For race horse awards, KyQHA BIF eligible offspring need not be enrolled in the AQHA Incentive Fund, however, enrollment in the AQHA Incentive Fund for racehorse sires and their foals is HIGHLY encouraged to improve their marketability after their racing career is over.
5. The following KyQHA BIF eligibility criteria must be met to qualify for awards:

- a) The foal must have been born in Kentucky during 2002 or later;
- b) The foal must have been conceived in Kentucky;
- c) The "sire" on the certificate of registration must have stood the entire breeding season solely in Kentucky in the year that the conception occurred to be eligible for sire/stallion awards.*

*Note: No semen shall be allowed to be shipped into Kentucky from out-of-state stallions for show horse awards. Semen may be shipped within Kentucky. In order to qualify as an eligible show horse sire for KyQHA BIF purposes the stallion must have a permanent domicile in Kentucky during the entire duration of the designated breeding season (regardless of natural, shipped, or freezing semen). The only allowance is for the reasonable transport to, and showing or racing at, and transport back from, a documentable show, race or event, or a documented medical emergency.

6. The dam must have physically been in Kentucky when the cover/insemination occurred.
7. Annually, out of the KyQHA BIF monies available for each point earned at an AQHA-approved event:
 - 80% will be awarded to each of the recorded owners during a year, the premium money awarded to each of the record owners will be in proportion to the points earned during each recorded ownership period according to AQHA's records.
 - 10% to the breeder of an eligible race horse, or the AQHA Incentive Fund foal nominator of an eligible show horse
 - 10% to the owner at time of breeding of the sire, if eligible, of the KyQHA BIF race horse
or
 - 10% to the sire nominator of an AQHA Incentive Fund sire, if eligible, for the breeding season in which the KyQHA BIF show horse was conceived.
8. Sires standing the entire breeding season solely in Kentucky will be eligible for the ten (10) percent allocation to sire owner or nominator.
9. In order to qualify as an eligible show horse sire for KyQHA BIF purposes the stallion must have a permanent domicile in Kentucky during the entire duration of the designated breeding season (regardless of natural, shipped, or freezing semen). The only allowance is for the reasonable transport to, and showing or racing at, and transport back from, a documentable show, race or event, or a documented medical emergency.
10. If sire does not qualify as in # 7, #8 and # 9 above, beginning with the competition season of 2007, the 10% sire owner allocation for that horse will be

made to the Kentucky Quarter Horse Association as race horse awards or the sire nominator allocation for that horse will be made to the Kentucky Quarter Horse Association as show horse awards.

11. Foals of 2002 and later will be eligible for the KyQHA BIF.
12. All owners, breeders, foal nominators, sire owners, and sire nominators of KyQHA BIF eligible horses must be members in good standing of the American Quarter Horse Association and the Kentucky Quarter Horse Association before checks will be issued.
13. KHRC will distribute award checks when all program requirements have been met.
14. All officially sanctioned AQHA racing and show events qualify.
15. Unless otherwise indicated, requirements based upon dates will be based upon post-mark.
16. The most current "Official handbook of Rules and Regulations" of the American Quarter Horse Association will serve as a guide and default criteria for any and all aspects of the KyQHA BIF.
17. All required information must be post-marked to the office of KyQHA no later than December 31 of the year following the program year. Example: for program year 2007 payouts to be considered, all required materials must be received at the office of KyQHA no later than December 31, 2008. Any dollars available from incentive fund requests not meeting this deadline will be allocated to the following year KyQHA BIF monies.
18. A "Foaling Verification/Registration Form" must be submitted to the KyQHA office as follows: Part 1 (Foaling Verification) – a licensed Kentucky veterinarian must physically inspect each foal within 72 hours of the date of foaling and sign Part 1 along with the owner, or agent for the owner, of the foal. Part 2 (Foaling Registration) – must be completed by the owner, or agent for the owner, of the foal before the foal will be listed as KyQHA BIF eligible on the KyQHA web site. Parts 1&2 must be submitted to the KyQHA office by December 31 of the year foaled. The Foaling Verification/Registration Form will confirm the birth of each KyQHA BIF eligible foal occurred within the state of Kentucky, and that the foal meets the KyQHA BIF program requirements. (See Appendix 1. KyQHA BIF Fee Schedule).
19. The KyQHA and/or their authorized representatives reserve the right, and shall be granted the opportunity in a timely manner, to enter the premises of any and all participants of the KyQHA BIF to ensure compliance with program rules.

20. The “breeding season” is defined as beginning February 1 and ending July 15 each year in the northern hemisphere. The stallion must have a permanent domicile in Kentucky during the entire duration of the designated breeding season (regardless of natural, shipped, or freezing semen). The only allowance is for the reasonable transport to, and showing or racing at, and transport back from, a documentable show, race or event, or a documented medical emergency. All semen, to include raw, cooled, frozen, or otherwise, shall be produced and utilized to cause the conception of the KyQHA BIF eligible offspring during the breeding season in which the stallion stood in Kentucky. If the stallion does not reside in Kentucky for the entire breeding season, the resulting offspring may not be KyQHA eligible.
21. A copy of the AQHA Stallion Breeding Report shall be sent to the KyQHA no later than December 31 of the calendar year for which the report was filed. Copies postmarked after December 31 will only be accepted with a penalty fee. (See Appendix 1. KyQHA BIF Fee Schedule). Amendments to the AQHA Stallion Breeding Report shall be reported to KyQHA at the time they are reported to AQHA.
22. Only one (1) embryo transfer (ET) offspring per donor mare shall be eligible for enrollment in the Kentucky Quarter Horse Association’s Breeders’ Incentive Fund (KyQHA BIF) per foaling year.
23. A licensed Kentucky veterinarian shall perform all embryo transfer (ET) procedures.
24. The veterinary firm conducting the ET shall be declared and fully identified on the appropriate KyQHA form and notify the KyQHA upon performing the ET.
25. All ETs shall be conducted within the borders of the state of Kentucky.
26. The donor mare shall be declared prior to the date of initial cover/insemination utilizing the appropriate KyQHA application form.
27. All recipient mares shall be confirmed, by the veterinary practice conducting the embryo transfer, to have been implanted with an ISO/ANSI compatible RFID chip (11784/85, 134.2 kHz) upon their arrival. In the event no ISO/ANSI compatible RFID chip (11784/85, 134.2 kHz) is detected, the veterinary practice conducting the ET shall implant a RFID chip prior to the embryo transfer occurring.
28. The recipient mare shall be declared at the time of the 42 – 60 day pregnancy test as carrying the pregnancy of the donor mare. This will be the designated KyQHA BIF eligible offspring of the donor mare for that given year. Should the recipient mare lose the pregnancy after the 42 – 60 day pregnancy check, the donor mare may be rebred during that breeding season, but forfeits the right to an additional ET KyQHA BIF eligible offspring for that breeding season, but not a pregnancy by natural means. The ISO/ANSI compatible RFID chip number will

be indicated on the appropriate notification form that links donor mare with recipient mare.

29. All recipient mares shall be maintained within the borders of Kentucky until a licensed Kentucky veterinarian confirms the pregnancy status. The pregnancy status is not considered confirmed until the 42 – 60 day pregnancy test. Recipient mares shall reside within the state of Kentucky until completion of the 42 – 60 day pregnancy test.
30. At the time of the 42 – 60 day pregnancy test, a Federal “Equine Infectious Anemia Laboratory Test” will be conducted, and the form completed. Included on the “Equine Infectious Anemia Laboratory Test” shall be the Electronic I.D. No. of the recipient mare. This test is required at the time of the 42 – 60 day pregnancy test regardless of the date of any earlier Equine Infectious Anemia Laboratory tests.
31. Donor mares are recommended to stay within Kentucky until the recipient mare is declared pregnant.
32. A processing fee shall be payable to the KyQHA before the application for ET is approved. (See Appendix 1. KyQHA BIF Fee Schedule).
33. A copy of all forms/paperwork required by AQHA shall be sent to KyQHA consistent with AQHA deadlines.
34. If all paperwork is not submitted to KyQHA, the resulting ET foal shall not be eligible for the KyQHA BIF.
35. All other KyQHA BIF rules apply to embryo transfer(s).
36. In the case of semen shipped into the state - allowed only for race horses and only if the mare is domiciled in, and owned by, a resident of Kentucky - the qualification criterion is the residency of the breeder of record for the horse being considered for the KyQHA BIF.
37. Beginning November 1, 2008, upon recommendation of the KyQHA BIF Committee, and with the approval of the KyQHA Board of Directors, fees and/or other assessments may be imposed and implemented as a requirement of participating in the KyQHA BIF as the Board of Directors shall deem necessary or appropriate. (See Appendix 1. KyQHA BIF Fee Schedule).
38. After administrative fees are paid, the balance of any fees paid will be distributed in the following year's show or race programs distributed in a manner approved by the KyQHA board of directors. (See Appendix 1. KyQHA BIF Fee Schedule).

39. There shall be a fee per breeding season associated with the notification of KyQHA that a stallion will be standing in the state of Kentucky during the breeding season in question. The payment of this fee will ensure that the stallion is listed as "in Kentucky" according to KyQHA records and that the KyQHA shall report to the KHRC the stallion as "in Kentucky" per as required. (See Appendix 1. KyQHA BIF Fee Schedule).
40. Beginning with events of 2009, KyQHA BIF does not payout for AQHA Green classes.
41. Beginning with events of 2009, KyQHA BIF payouts for team penning points are calculated by dividing by one-third (1/3) the total number of points earned in team penning for the program year being computed.
42. Beginning with events of 2009, KyQHA BIF payouts for ranch sorting points are calculated by dividing by one-half (1/2) the total number of points earned in ranch sorting for the program year being computed.
43. Beginning with events of 2009, KyQHA BIF does not payout for *AQHA's open horse show points*.
44. Beginning with events of 2009, the KyQHA BIF will be allocated 55% to junior horses and 45% to senior horses for the program year being computed.
45. Beginning with events of 2009, KyQHA BIF payouts for points are "capped" yearly, based on total points earned by eligible horses for that program year. Points are capped on the horse, not the exhibitor, yearly at a number equal to the mean number of points plus one standard deviation above the mean, rounded up to the next whole number of points earned for the program year being computed.
46. Stallion owners/agents must notify KyQHA no later than November 30 each year that said stallion will be standing in Kentucky during the following breeding season.
47. A KyQHA Racing Premium program is available to Quarter Horse Racing enthusiasts that qualify. Refer to Appendix 3 for more information.
48. KHRC will not distribute award checks only after all requirements have been met.
49. Any attempt in connection with the Kentucky Horse Breeders' Incentive Fund to provide false or misleading information to the Kentucky Quarter Horse Association (KyQHA) or government officials, or to otherwise engage in fraudulent activity, shall result in appropriate disciplinary action by the KyQHA and the application of all civil and criminal penalties that may apply.

50. If event awards are earned fraudulently, the amount equal to the allocation that would have been paid may be made to the Kentucky Quarter Horse Association as race horse awards or as show horse awards for KyQHA BIF eligible horses in a manner recommended by the BIF committee and approved by the KyQHA board of directors.
51. Beginning with the breeding season of 2009, all Quarter Horse stallions participating in the KyQHA BIF shall be tested for Equine Viral Arteritis (EVA), and shall utilize a testing laboratory approved by the office of the Kentucky state veterinarian. It is highly encouraged that stallion owners develop and implement, in conjunction with their farm/ranch veterinarian, an EVA vaccination program for all breeding stallions.
52. Beginning with the breeding season of 2010, the KyQHA BIF will require, as mandated by existing state law, vaccination of Quarter Horse breeding stallions for Equine Viral Arteritis.