

**Kentucky Quarter Horse Association, Inc.
Breeder's Incentive Fund**

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

Regulation 811 KAR 2:120

November 1, 2008

KENTUCKY
QUARTER
HORSE
ASSOCIATION

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Administered By The:

Kentucky Horse Racing Commission
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Computation and Allocation of Dollars for the Kentucky Quarter Horse Association Breeders' Incentive Fund

Of the total KyQHA BIF (*KRS 230.804*) dollars earmarked for Quarter Horses, 100% will be allocated directly to KyQHA BIF awards. There are incentives for both performance and racing competitors, with ratio adjustable based upon the number of Kentucky foaled Quarter Horses that participated in an AQHA sanctioned show or started in an AQHA sanctioned race during the program year being computed.

How the KyQHA BIF will be Computed and Allocated

1. KHRC determines the total dollars to be allocated to the Quarter Horse breed in Kentucky.
2. The dollars to be allocated to Kentucky Quarter Horses that race versus those that show will be computed for each program year. The allocation will be the percentage of Kentucky foaled race horses and the percentage of Kentucky foaled show horses where the total population of horses are those that started in an AQHA approved race or AQHA approved show in the program year being computed.
3. AQHA will provide data for the previous program year, to include: 1) the number of AQHA racing points earned by eligible Kentucky foaled Quarter Horses that started in a race the previous year, along with an itemized list of the horse's name, points earned, owner, breeder and sire owner; 2) the number of AQHA Incentive Fund points earned by eligible Kentucky foaled Quarter Horse show horses, along with an itemized list of the horse's name, points earned, owner, breeder, foal nominator, sire owner and sire nominator.
4. Total dollars available for each segment (#2 above) will be divided by total points earned for each segment (#3 above) to determine the KyQHA BIF point values for racing and showing for that year.
5. The KyQHA BIF payout per horse will be determined by multiplying the number of points earned by each Kentucky foaled race horse and each Kentucky foaled AQHA Incentive Fund horse by the value of each AQHA race point and each AQHA Incentive Fund show point identified in #4.

6. The distribution of payouts to each horse will be as follows:
 - 80% to owner (at the time the points were earned) of the KyQHA BIF eligible horse
 - 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

7. If the sire did not stand the entire breeding season in Kentucky, beginning with the competition season of 2007, the 10% sire owner or nominator allocation for that horse identified in # 6 above will be made to the Kentucky Quarter Horse Association as race horse awards that would have been paid to the sire owner, or as show horse awards that would have been paid to the sire nominator.