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March 6, 1996

SPD
Pension and Welfare Benefit Programs
United States Department of Labor
200 Constitutional Avenue NW
Washington, D.C. 20216

RE: Breeders' Cup Limited Retirement Saving Plan
EIN: 13-3082904 Plan No. 001

Dear Sir/Madam:

Please find enclosed a copy of the revised Summary Plan Description for the above referenced plan.

If you should require any additional information please contact the undersigned directly.

Sincerely



BREEDERS' CUP LIMITED

Ferguson Taylor, CPA
Director of Finance
& Administration

Enclosure: Copy of Summary Plan Description

CC: Marcia J. Hemingway
William M. Mercer, Inc.

Plan records: All records concerning the plan are maintained on a plan year basis. Plan years begin each January 1 and end on the following December 31.

Plan Administrator: The overall responsibility for administering the plan is held by the plan administrator:

Breeders' Cup, Ltd.
2525 Harrodsburg Road
P.O. Box 4230
Lexington, KY 40544
(606) 223-5444

Administrative Committee: The actual day-to-day operation of the plan is the Administrative Committee's responsibility. The Committee is responsible for interpreting the plan, resolving questions concerning eligibility and participation, and determining participants' benefits. The Committee may be contacted at the same address shown above for the plan administrator.

Trustee: All contributions to the plan are held in a trust fund and invested by the plan's Trustee. The plan's Trustee is:

PNC Bank, Kentucky, Inc.
Investment Management and Trust Services
Louisville, KY 40296

Legal notices: The person designated to receive any legal notices concerning the plan is:

Mr. Ferguson Taylor, CPA
Director of Finance and Administration
Breeders' Cup, Ltd.
2525 Harrodsburg Road
P.O. Box 4230
Lexington, KY 40544

Legal notices are also properly served if sent to the plan administrator or the plan trustee.

Plan identification number: The following identification numbers should be used in any written correspondence concerning the plan:

Employer Identification Number:	13-3082904
Plan Number:	001

Employment rights not implied: Participation in the plan does not give you the right to continued employment with the company.

Future of the plan: The Company intends to continue the plan indefinitely, but reserves the right to change or terminate it at any time by action of the Board of Directors. For example, the plan may be changed because of federal regulations, or it may be discontinued for business reasons. If the plan does terminate, you will be fully vested in your account at that time (including the company's matching contributions). After government approval of the plan termination, your account would either be distributed in the manner previously explained in this booklet, or immediately in a lump sum cash payment.

Protection for your account: The money in your account is not subject to claims of your creditors or creditors of your spouse or other beneficiaries. You may not assign, sell, or commit any portion of your account unless the assignment results from a judgment, decree, or order relating to child support, alimony payments or marital property rights under state domestic relations law.

Your rights as a plan member

As a participant in the plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act (ERISA). ERISA provides that all plan participants are entitled to:

- examine, without charge, at the plan Administrator's office and at other specified locations, such as work sites, all plan documents and copies of all documents filed by the plan with the U. S. Department of Labor, such as detailed annual reports;
- obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies;
- receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report; and
- obtain a statement telling you whether you have a right to receive the full value of your account if you stop working now. If not, the statement will tell you how many more years you have to work to be 100 percent vested in the company's matching contributions in your account. Your request for this statement must be in writing and is not required to be provided more than once a year. The plan administrator will provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to act prudently and in the sole interest of you and other plan participants and beneficiaries. No one may fire you or otherwise discriminate against you

in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a plan benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your claim reviewed. (See page 8.)

Under ERISA, there are steps you can take to enforce your rights. For example, if you request materials from the plan administrator and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive them, unless they were not sent for reasons beyond the control of the plan administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U. S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees – for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the U. S. Labor-Management Services Administration, Department of Labor.

Breeders' Cup Limited

Retirement Savings Plan

1985-1986
Form 1041-1042
1985-1986

Investing for tomorrow can be easy

Many of us don't plan our personal finances as far ahead as we should – particularly when it comes to saving for retirement.

The Retirement Savings Plan is designed to give you an easy way to begin planning your financial future, right now. The original plan was established on January 1, 1989. However, Breeders' Cup has amended and restated the plan as of January 1, 1995.

This booklet, called a *summary plan description*, gives you information about how to join the plan, how you can begin saving for the future and how and when your account can be paid out to you. It includes updated information as of January 1, 1995.

The summary is divided into two sections:

- The first section of the booklet gives you a general overview of how the plan works.
- The second section includes details about certain provisions, administrative aspects of the plan and your rights as a plan member.

The plan is controlled by a formal plan document. This is just a summary.

Note: This booklet is designed to provide an accurate summary of many of the plan features, but it is not the actual plan document that governs the plan. If there is a discrepancy between the plan document and this summary (or between this summary and any law or regulation), the plan document or the applicable law will take precedence.

Contents

<i>1. How The Plan Works</i>	1
Most full-time salaried employees are eligible.	1
The date you may first join depends on your regular work schedule.	1
If your job status changes, your participation may be affected.	1
You must complete an enrollment form when you join.	2
You must designate your beneficiary	2
Each year, if you're eligible, the Company will make a base contribution to the plan for you.	3
You can save through payroll deductions.	3
You can save up to 10 percent of your pay.	3
You may change the amount you save.	3
The Company matches a portion of your savings.	4
You can get your money when you retire or leave the Company.	5
If your employment ends, you may still receive part all or part of your account.	5
There may be more than one way to have your account paid.	6
You can even withdraw money from your account in certain cases.	6
Tax penalties may apply if you withdraw money from your account.	7
<i>2. Other Information</i>	8
Claiming benefits	8
Limits on savings	9
Restrictions on Company core benefit and matching contributions	10
Limits and restrictions on withdrawals	10
Qualifying for disability retirement	10
Taxes on payments from the plan	10
Direct rollovers to another plan	11
Administrative information	11
Your rights as a plan member	14

1. How The Plan Works

Most full-time salaried employees are eligible.

You're eligible for this plan if you are a salaried employee of the Company (age 20½ or older). You are not eligible if you are:

- considered a "leased" employee under rules of the Internal Revenue Code, or
- a member of a collective bargaining unit whose bargaining agreement doesn't include this plan.

The date you may first join depends on your regular work schedule.

If you were participating in the original plan on December 31, 1994 (and you continued working for the Company), you automatically continued as a member of the restated plan on January 1, 1995.

If you are not already participating in the plan, and you are regularly scheduled to work at least 30 hours a week, you will join the plan on January 1 on or immediately after you complete six months of continuous service with the Company.

If you are not regularly scheduled to work at least 30 hours a week, you will join the plan on the January 1 after you have completed at least 1,000 hours of service in either your first 12 months of employment with the Company, or in any calendar year afterward.

If you leave the Company after you've started participating in the plan, you may rejoin the plan when you are reemployed, with no waiting period, provided you still meet the eligibility requirements described at the beginning of this section.

If your job status changes, your participation may be affected.

If you leave the plan because of a change in your job status (for example, if you switch from salaried to hourly), your participation will end immediately. If you were an ineligible employee but then become an

eligible employee because your job status changes, you will start participating right away if you've satisfied the service requirements.

You must complete an enrollment form when you join.

When you join this plan, you must complete an enrollment form. On this form, you will:

- name your beneficiary, and
- specify what percentage of your pay you want to save.

You must designate your beneficiary

Your beneficiary is the person (or persons) who will receive your benefits if you die before receiving them yourself. You can name a *primary* and a *contingent* beneficiary. (The contingent beneficiary receives the account if the primary beneficiary doesn't survive you.)

If you are married, you are legally required to name your spouse as your primary beneficiary unless your spouse agrees, in writing, to having a different person named. Your spouse's written consent must be witnessed by a Notary Public or a member of the plan's Administrative Committee.

You may change your beneficiary designation at any time by completing a new enrollment form. But keep in mind that if you are married, your spouse must be the primary beneficiary unless he or she agrees to another beneficiary in writing.

If you don't name a beneficiary, the plan will pay your account to the first of the following people or groups of people:

- your spouse,
- your children (in equal shares),
- your natural parents,
- your brothers and sisters, or
- your estate.

Once you become a member of the Retirement Savings Plan, you will have an account established in your name. Money may be placed in your account in several ways. The first way is an automatic one: you don't have to do anything. Each June 30 and December 31, the Company will make a contribution to your account. You will receive this contribution if:

- you've met the plan's eligibility requirements, whether or not you're actively saving in the plan; and
- you are employed by the Company on the last day of the period (June 30 or December 31) for which the contribution is made.

Each year, if you're eligible, the Company will make a base contribution to the plan for you.

This contribution is called your **base contribution**. It will equal 4 percent of your pay since the last base contribution was made. Your pay, for purposes of this calculation, includes any amounts you contributed to tax-favored company benefits. It doesn't include certain fringe benefits, such as moving expenses, deferred compensation, spousal travel allowances, or the amount the Company spends on health and life insurance.

You can save through payroll deductions.

Another advantage to the Retirement Savings Plan is that it is one of the most convenient ways for you to save a portion of your own money. That's because you can save regularly, over the long term, through payroll deductions. (You can also make deposits into your account by check.)

You can save up to 10 percent of your pay.

You decide how much of your pay you want to save, from 1 percent to 10 percent. To start saving, complete an election form and return it to Human Resources at least 15 days before the start of the pay period in which you want to begin saving.

You may change the amount you save.

At the beginning of any pay period, you may also change the amount you're saving by completing a change form (available from Human Resources). You

must return the form at least 15 days before the start of the pay period in which you want the change to begin.

You may not change your contribution amount more often than twice in a calendar year. If you've already made two changes in a particular year, you still have the option to stop making contributions altogether. If you do, you may not start making contributions again until January 1 of the next year.

You may also stop saving at the start of any pay period. (Your account will continue to earn investment returns even while you are not adding new savings.) You must complete and return a change form to Human Resources at least 15 days before the start of the pay period in which you want the change to become effective.

The Company matches a portion of your savings.

There's another reason to make the Savings Plan part of your financial planning: the Company matches a portion of your savings.

Twice a year (on June 30 and December 31), the Company will make a contribution equal to the amount you've contributed to the plan, up to 3 percent of your eligible pay, since the Company's last contribution. As with base contributions, you must be employed by the Company on the last day of the period (June 30 or December 31) for which the contribution is made.

To see what an impact this makes, imagine you earn \$30,000 a year and are saving 3 percent (\$900) a year in the plan. That's \$450 every six months. On June 30 and again on December 31, the Company would contribute an additional \$450 to your account. You'd receive an extra \$900 for the year – like getting a bonus from the Company for investing in your own future.

The matching contributions are *in addition to* the base contributions that you'll begin receiving automatically when you become eligible.

The money in your account – your own contributions, Company base contributions and Company matching contributions – will be invested by the plan's trustee to earn additional income over the long term. You'll receive statements of your account balance twice a year.

You can get your money when you retire or leave the Company.

This plan is designed primarily as a way for you to save for retirement. When you retire or leave the Company because of a total and permanent disability, you will receive the full value of your account as of the Valuation Date that coincides with or immediately precedes the date your employment ends **plus** any Matching and/or Base Contributions that you would have been entitled to had you remained employed until the Valuation Date following the date your employment ends. (See page 10 for more information about disability provisions.)

If you die, your beneficiary will receive the full value of your account as of the Valuation Date that coincides with or immediately precedes the date your employment ends **plus** any Matching and/or Base Contributions that you would have been entitled to had you remained employed until the Valuation Date following the date your employment ends.

If your employment ends, you may still receive part all or part of your account.

If you leave the Company for a reason other than the ones listed above, you can still receive payment of:

- your own savings (plus earnings), and
- the *vested* portion of the Company base and matching contributions (plus earnings).

The full value of your account will be determined as of the Valuation Date that coincides with or immediately precedes the date your employment ends.

Vesting is based on your years of service. You earn a vested right to Company base and matching contributions after you complete five years of service with the Company.

Interruptions in your service credit are counted by *breaks in service*. A break in service is any calendar year in which you have fewer than one hour of service with the Company. If you leave the Company and then are reemployed, you will get credit for your previous service if you are reemployed before you have five consecutive breaks in service or if your previous service is greater than your breaks in service.

Also when you are reemployed, if any part of your vested account balance was paid out to you when you left, you can add it back to your account – so it can earn tax-deferred investment returns – if you repay it before you incur five consecutive breaks in service following the payment or before the fifth anniversary of your reemployment, whichever is sooner. (Also, if you make such a repayment, any amounts that were forfeited from your account will be restored by the Company.)

There may be more than one way to have your account paid.

If your account is worth more than \$3,500, you may choose to have it paid to you in one of two ways:

- a single lump sum, or
- monthly, quarterly or annual payments for a specified period of time.

If your total account value has never been more than \$3,500, it will automatically be paid as a lump sum.

You can even withdraw money from your account in certain cases.

You may be able to withdraw all or part of your own unmatched contributions (plus earnings) from the plan while you're still working to meet certain types of financial hardships:

- to pay uninsured medical expenses for yourself, your spouse or your dependents;
- to purchase a home that will be your principal residence (excluding mortgage payments); or
- to pay tuition and living expenses for the next 12 months for post-secondary education for yourself, your spouse or a dependent.

(Refer to page 10 for information on restrictions and limitations that apply to withdrawals.)

Tax penalties may apply if you withdraw money from your account.

Because of the tax benefits of this plan, you may have to pay tax penalties if you withdraw savings before you reach age 59½. In addition, the plan may be required to withhold 20 percent of your withdrawal for income taxes (on your investment earnings) unless you make a "direct rollover" to another tax-qualified plan. (Refer to pages 11 -12 for information on taxes and rollovers.)

2. Other Information

This section of the plan summary describes certain provisions and administrative details that you may need to know, as well as your rights as a plan member.

Claiming benefits

When you (or your beneficiary) are eligible for a distribution from the plan, you must complete an application form and return it to the Administrative Committee. Your application will be reviewed and, if everything is in order, your benefit will be paid as previously explained in this booklet.

If all or part of your application for distribution is denied, the Administrative Committee will send you a written notice within 90 days of receiving your application. This notice will indicate:

- specific reasons for the denial,
- specific references to the plan provisions on which the denial is based,
- a description of any additional information the Committee may need to process your claim and why such information is required, and
- the steps you can take to have your claim reconsidered.

In special situations, the Committee may need an extension of time (up to another 90 days) to process your claim. If an extension is necessary, you will be notified of the reasons for the delay and the date you may expect to receive a decision about your claim.

If you do not receive a denial notice within 90 days of the date you file your claim (or you do not receive a notice of a delay in processing your claim), you may assume that your claim has been denied, and proceed with the following steps within 60 days to request a review of your claim.

You, or your authorized representative, may:

- request, in writing, that the Administrative Committee reconsider your claim,
- review plan documents, and
- submit issues and comments in writing.

You will receive a written notice of the Retirement Committee's final decision within 60 days (or within 120 days if the Retirement Committee notifies you that an extension of time is required) with specific references to plan provisions on which the decision is based.

Limits on savings

Because of the tax advantages of this plan, the Internal Revenue Service places a limit on the amount of pay that can be used to figure your savings. In 1995, that limit was \$150,000.

The IRS also requires that certain tests be performed on the plan each year. If the plan fails to pass these tests, it is possible that you will not be allowed to save as much money in the plan as you normally could, or part of your savings might be refunded to you as taxable income.

It is unlikely that either of these conditions will apply, but the Administrative Committee will notify you if they do.

Restrictions on Company core benefit and matching contributions

The Company's base and matching contributions are subject to certain restrictions. The contributions could be less than previously described if the plan doesn't pass certain IRS-required tests, or if the Board of Directors determines that the Company cannot make the intended contributions for a particular year.

Limits and restrictions on withdrawals

If you are withdrawing money while you're still working for the Company, you may not withdraw less than \$2,500 or the entire amount of your own contributions (plus earnings), whichever is less.

You may not make more than one withdrawal per calendar year.

Qualifying for disability retirement

To qualify for disability retirement, you must be totally and permanently disabled. This means a physical or mental condition that arises after your original date of hire and qualifies you to receive benefits under the Social Security Act.

You are not eligible for disability retirement if your disability is caused by:

- an intentionally inflicted injury or self-induced illness,
- your participation in a proven unlawful activity,
- excessive or chronic drug or alcohol abuse, or
- an injury or illness that occurred while you were serving in the armed forces that prevents you from returning to work.

Taxes on payments from the plan

Taxes will be due on any payment of base contributions, matching contributions or any investment earnings on your account. (The amounts you contributed to the plan yourself were taxed before they went into the plan; they are not taxed when they're paid out.)

In addition to ordinary income tax, you may have to pay an additional 10 percent federal tax on the amount you