



Keeneland Association, Inc.
4201 Versailles Road
Lexington, KY 40510
P.O. Box 1690
Lexington, KY 40588-1690
859 251-3412 Tel.
800 456-3412
859 288-4347 Fax
www.keeneland.com

August 8, 2013

Peter C. Bernhard, Esq.
Chairman
c/o Office of the Executive Secretary
Nevada Gaming Commission
1919 College Parkway
P.O. Box 8003
Carson City, NV 89702

Dear Chairman Bernhard:

Keeneland Association is a Thoroughbred Sales and Racing Company based in Lexington, Kentucky. We offer year-round simulcasting and serve as the world's largest marketplace for Thoroughbreds.

We understand that the Nevada Gaming Commission is researching the practice of rebating that may result in regulations that would permit Nevada race books to offer its customers cash rebates on wagers placed on horse races. Keeneland is very supportive of this effort. Tracks today see efforts to increase pari-mutuel wagering handle as a benefit to a quality racing product, and the payment of rebates has become a common practice in the horse racing business to stimulate handle growth. In fact, we find it unusual that the State of Nevada still has a law and regulations prohibiting the practice.

Of more concern to our tracks is the significant drop in racing handle being experienced by Nevada's off-track books. While it has come to our attention that there may be some question regarding the impact rebating will have over pricing, pricing is a complex topic with many influencing criteria, of which a significant criterion is handle volume. As you know from the Nevada Gaming Control Board's own revenue reports, Nevada's pari-mutuel handle volume continues to drop at significant rates and is already down 7.31% year-to-date as of May compared to a national industry that is off only .66% year-to-date for the same period. Nevada's historically low pricing is tied to its historically high handle volume, which it appears to be unlikely to retain or regain

August 8, 2013
Page Two

under current legal constraints. While there is likely to be a cost associated with rebating, there is also likely to be a cost associated with loss of handle volume and the loss of discounted pricing that was associated with higher handle volume.

We are appreciative of any efforts that Nevada is doing to increase the amount of handle and thus further the growth and interest in Thoroughbred racing.

If you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,



Vince Gabbert
Vice President & Chief Operating Officer