FLORIDA THOROUGHBRED BREEDERS' & OWNERS' ASSOCIATION

Plan for Payment of Breeder, Stallion and Special Racing Awards, 2026

January 1, 2026 – December 31, 2026

In accordance with section 550.26165, Florida Statutes, the Florida Thoroughbred Breeders' Association, Inc., d/b/a the Florida Thoroughbred Breeders' and Owners' Association ("FTBOA"), hereby submits its plan for the payment of all monies dedicated to Breeder Awards, Stallion Awards, and Special Racing Awards under chapter 550 (the "Awards Account") for the calendar year ending December 31, 2026, pending the availability of funds. This plan was prepared in accordance with the FTBOA's *Breeder & Stallion Awards Policy*, a copy of which is attached as Appendix A and incorporated herein by reference.

(1) **Breeder Awards**

The FTBOA will pay Breeder Awards to the breeders of Florida-breds appropriately registered with the FTBOA that finish in first, second or third place in a licensed race at a Florida thoroughbred track during the 2026 calendar year as follows:

1st Place – Ten percent (10%) of the announced gross purse, with each such Breeder Award limited to no more than $10,000.

2nd Place – Three percent (3%) of the announced gross purse, with each such Breeder Award limited to no more than $3,000.

3rd Place – Two percent (2%) of the announced gross purse, with each such Breeder Award limited to no more than $2,000.

As used herein, "announced gross purse" means the gross purse available in the race, as stated in the official race conditions (whether actually earned or not), minus any Florida Owners' Awards included therein (pursuant to section 550.2625(6)(d), Florida Statutes).

These awards will be paid monthly.

(2) **Stallion Awards**

The FTBOA will pay Stallion Awards to the owners of thoroughbred stallions appropriately registered with the FTBOA and siring FTBOA-registered Florida-breds that finish first in a listed black-type stakes race at a Florida thoroughbred track during the 2026 calendar year. The stallion must be registered with the FTBOA in the year of conception of the winning horse and each year thereafter, including 2026.

Stallion Awards will be paid at a uniform rate of fifteen percent (15%) of the announced gross purse, with each such Stallion Award limited to no more than $15,000. As used herein, "announced gross purse" shall have the same meaning as previously set forth for Breeder Awards.

These awards will be paid quarterly.

(3) **<u>Special Racing Awards</u>**

(a) Racing Meets under Gulfstream Park Management – Pursuant to section 550.26165(1), Florida Statutes, the FTBOA will return at least seventeen percent (17%) of the monies dedicated by statute for breeder and stallion awards, as generated from all thoroughbred racing meets managed by Gulfstream Park Racing Association Inc., under any Florida permit or at any Florida track, for Special Racing Awards to be distributed as purses, purse supplements and/or other racing incentives, pending adoption of an agreement establishing the rate, procedure, and eligibility requirements for such Awards entered into by the FTBOA, the Florida Thoroughbred Horsemen's Benevolent & Protective Association, and the relevant permitholder(s). While the agreement may establish additional requirements, eligibility will be limited to Florida-breds registered with the FTBOA except as specified below. In addition, for the Florida Sire Stakes ("FSS") program, only thoroughbreds sired by an FTBOA-registered stallion standing in Florida are eligible. Eligibility to compete in one or more FSS stakes races for two-year-olds, at 50% of the FTBOA-funded purse, may also be extended to thoroughbreds foaled in other states but sired by an FTBOA-registered Florida stallion. Absent the above-referenced agreement, funds that would have otherwise been devoted to Special Racing Awards will be distributed as set forth in Paragraph (4).

(b) All Other Racing Meets – Pursuant to section 550.26165(1), Florida Statutes, the FTBOA will return at least seventeen percent (17%) of the monies dedicated by statute for breeder and stallion awards pro-rata to the permitholder generating the monies for Special Racing Awards to be distributed as purses, purse supplements and/or other racing incentives, pending adoption of an agreement establishing the rate, procedure, and eligibility requirements for such Awards entered into by the FTBOA, the relevant local horsemen's association, and the individual permitholder. While the agreement may establish additional requirements, eligibility will be limited to Florida-breds registered with the FTBOA except as specified below. In addition, for the Florida Sire Stakes ("FSS") program, only thoroughbreds sired by an FTBOA-registered stallion standing in Florida are eligible. Absent the above-referenced agreement, funds that would have otherwise been devoted to Special Racing Awards will be distributed as set forth in Paragraph (4).

(4) **<u>Awards Account Surplus</u>**

After payment of awards pursuant to Paragraphs (1), (2) and (3) (as applicable) and after providing for a reserve deemed appropriate by the FTBOA to meet future cash flow requirements for Breeder, Stallion, and Special Racing Awards, the FTBOA, through its Board of Directors, shall select from the options specified below (or any combination thereof) to dispose of excess funds, as follows:

(a) Some, or all of, the funds may be paid as bonus Breeder Awards and/or Stallion Awards to recipients of those awards earned during the 2026 calendar year. Any bonus awards under this subparagraph will be paid in the same proportion as previously earned awards during the 2026 calendar year. These bonus awards may cause individual awards to exceed the levels stated in Paragraphs (1) and/or (2).

(b) Some, or all of, the funds may enhance Special Racing Awards or racing incentives in the 2026 calendar year.

(c) Some, or all of, the funds may be held in reserve to enhance Breeder Awards, Stallion Awards and/or Special Racing Awards to be made available during the 2027 calendar year.

Ten percent (10%) of the gross receipts into the Awards Account for the 2026 calendar year will be withheld by the FTBOA in accordance with section 550.2625(3), Florida Statutes, for administering the payment of awards and for general promotion of the industry. The FTBOA's general promotion of the industry is summarized in its' Industry Promotion Summary, a copy of which is attached as Appendix B and incorporated herein by reference.

As stated in the FTBOA's 2026 Breeder Awards Policy (Appendix A), the FTBOA has typically adopted a conservative approach in setting the initial awards rate in the annual plan, with the prospect of later paying bonus breeder and/or stallion awards as actual performance during the plan year becomes clear.

Pursuant to section 550.26165(3), Florida Statutes, the FTBOA may, in the future, ask the Florida Gaming Control Commission to approve changes to this plan based upon material changes in the thoroughbred breeding and racing industries or other circumstances underlying the plan, which may include new Florida legislation, court decisions, natural disasters or other emergency conditions, etc.

Appendix A:

FLORIDA THOROUGHBRED BREEDERS' & OWNERS' ASSOCIATION

Breeder and Stallion Awards Policy, 2026

This document memorializes the ongoing practices of the Florida Thoroughbred Breeders' and Owners' Association ("FTBOA") in administering the Florida breeder and stallion awards program and establishing the annual plan for the program, pursuant to chapter 550, Florida Statutes.

Policy Statement: It is the Policy of the FTBOA to distribute to the breeders of registered Florida-bred thoroughbreds successfully competing in Florida races and, secondarily, to distribute to the owners of registered Florida sires of such horses successfully competing in Florida stakes races, the maximum possible breeder and stallion awards, within the confines of available revenues and consistent with sound financial business practices and the requirements of chapter 550, Florida Statutes.

When preparing the annual plan and initial awards rate for the next calendar year, which typically occurs in August and September, numerous variables must be evaluated, including current and projected breeding and racing activity in Florida, as well as the breeding incentive programs offered in other states. Setting the initial awards rate, which may extend to Florida-breds that win, place, or show in licensed races, is always a balancing act among competing factors, including:

(a) the uncertainty of how many Florida-breds will actually win, place, or show in Florida races conducted in the coming year;

(b) how tracks will write the conditions, including base purses and added purses, for those races;

(c) existing and projected awards obligations for the remainder of the current year;

(d) the level of reserves that will be carried over into the coming year;

(e) how much awards revenue will actually be generated and paid by the tracks during the plan year;

(f) how much will be returned to the tracks generating those revenues as "special racing awards" in the form of purses, purse supplements and/or other racing incentives, pursuant to FTBOA agreements with those tracks and the respective local horsemen's associations;

(g) the desire to avoid over-committing available revenues, which would require the issuance of "IOUs" to breeders and/or stallion owners – a regrettable situation that has occurred in other states; and

(h) recent and possible future developments affecting the marketplace and the legislative, regulatory, racing dates, and legal/political/economic landscapes.

In light of the many variables involved, the FTBOA has typically adopted a conservative approach in setting the initial awards rate in the annual plan, with the prospect of later paying bonus breeder and/or stallion awards as actual performance during the plan year becomes clear, as discussed below.

Additional Breeder and/or Stallion Awards: In order to distribute the maximum possible breeder and/or stallion awards within available revenues and to ensure that the awards fund balance does not grow excessively, the annual plan may authorize the payment of bonus breeder and/or stallion awards and/or may authorize the payment of breeder and/or stallion awards on certain classes of races conducted in other states, pursuant to section 550.26165(5)(c), Florida Statutes, if agreed to by the FTBOA, Florida Horsemen's Benevolent & Protective Association, and all Florida thoroughbred permitholders. If an awards account surplus exists after providing for cash reserves appropriate to ensure that the ongoing payment of breeder and stallion awards is not jeopardized, and after considering the factors and variables described above, the FTBOA Board of Directors may direct the payment of any of the additional types of awards provided for in the annual plan. This review occurs yearly in conjunction with the conclusion of the annual financial audit of the awards fund, typically in May.