



March 15, 2024

Dr. Mark Lynn
Chairman
Kentucky State Fair Board
P.O. Box 37130
Louisville, Kentucky 40233-7130

HAND DELIVERED

Re: Notice of Termination

Dear Chairman Lynn:

We are writing to address the ongoing dispute between the Kentucky State Fair Board (the "KSFB") and the American Saddlebred Horse and Breeders Association ("ASHBA") regarding the decision of the KSFB to change the governing body overseeing the World Championship Horse Show (the "WCHS") from the U.S. Equestrian Federation ("USEF") to the Equine Sports Council ("ESC").

For the past 30 years, the relationship between the KSFB as owner and operator of the WCHS and ASHBA has been strong and mutually beneficial. We strongly desire for that relationship to continue. However, the decision of the KSFB to engage ESC to oversee the WCHS has jeopardized that relationship. The KSFB made the decision to change governing bodies without consulting with ASHBA.

As you are aware, the KSFB and ASHBA entered into an agreement dated August 26, 1995 whereby ASHBA agreed to assist in the promotion and conduct of the WCHS (the "WCHS Agreement"). To date, ASHBA and the KSFB have dutifully fulfilled their commitments under the WCHS Agreement to their mutual benefit and to the benefit of the Saddlebred community at large. However, due to the recent change in governance by the KSFB, ASHBA will no longer be able to perform under the WCHS Agreement.

As ASHBA has previously informed you, it is the American Saddlebred breed affiliate of USEF. As a USEF affiliate, ASHBA is subject to the Recognized Affiliate Agreement entered into between USEF and ASHBA (the "Affiliate Agreement"). Among other things, the Affiliate Agreement requires that ASHBA:



Refrain from affiliating with or recognizing any national organization for the breed and disciplines USEF governs, other than the ones recognized by USEF as a Recognized Affiliate, unless an agreement with USEF is reached concerning the scope of said affiliation.

As of this year, ESC holds itself out as a national organization for the breed and disciplines which are also governed by USEF. If ASHBA takes actions to recognize ESC as a national governing body, it will necessarily be in breach of the Affiliate Agreement. If ASHBA continues to assist with the WCHS, ASHBA will be taking actions that recognize ESC as a national organization for the breeds governed by USEF (i.e. providing qualification information, scoring, etc.) Therefore, the KSFB's decision has put ASHBA in a position to terminate either the WCHS Agreement or the Affiliate Agreement. ASHBA cannot remain bound by both agreements and remain compliant.

Additionally, in Section 5 of the August 26, 1995 agreement, it provides that the "ASSOCIATION agrees to make available to FAIR BOARD its advice and counsel for the 1995 Show as it may reasonably requested by FAIR BOARD." This provision, which continues to this day, brings the ASHBA into the discussion as a consultative organization. However, and as the WCHS's largest customer and the recognized breed organization for the American Saddlebred, we believe we need to be more directly and frequently involved in the conversation than has occurred in the past. We believe the challenges and opportunities looking forward are larger than one or two individuals can handle and communicate, especially when they do not speak unilaterally for ASHBA. To that end, we inform you that the current representative of the American Saddlebred Horse and Breeders Association on the KSFB, Mr. Edward Bennett, no longer represents ASHBA effectively. Please discontinue relying on Mr. Bennett as the representative of ASHBA.

ASHBA is disappointed by the actions of the KSFB and its failure to address the concerns of ASHBA or others in the horse industry. To date, the concerns of ASHBA have not been adequately addressed. ASHBA's representative on the KSFB did not consult with ASHBA regarding the decision to change governing bodies for the WCHS and the 105 questions submitted to the WCHS Town Hall meeting on behalf of ASHBA's membership remain unanswered.

If the KSFB desires to continue its mutually beneficial relationship with ASHBA, ASHBA requires that its voice be heard concerning this important issue. As such, in order to preserve the relationship, ASHBA insists upon the following items:

1. The KSFB provide **in writing** that ASHBA representatives will be invited to attend the next KSFB meeting on March 28, 2024 to present ASHBA's concerns to the KSFB regarding the change from USEF to ESC as the governing body for the WCHS and written confirmation that it is not too late for the KSFB to make a change back to USEF at that meeting if the KSFB desires to do so.



2. The KSFB provide written responses to ASHBA for all 105 questions submitted to the most recent WCHS Town Hall meeting.
3. ASHBA and the KSFB renegotiate the WCHS Agreement to update its terms and better explain the rights and obligations of each party. We insist on having a more collaborative arrangement with mutual communication and consultation.

To that end, **we are forced to serve our notice to terminate ASHBA's relationship with the Kentucky State Fair and the World's Championship Horse Show.** This means we will no longer be involved in the promotion and conduct of the WCHS until and if we can renegotiate a more satisfactory agreement. Further, ASHBA will be forced to disassociate itself from the WCHS. This potentially includes not recording the WCHS results in the only official American Saddlebred breed registry and not recognizing World's Champions as such, requiring the WCHS remove any unapproved references to ASHBA, and removing ASHBA's \$600,000 in prize program classes from the WCHS.

As stated above, ASHBA strongly desires to continue its mutually beneficial relationship with the KSFB and the WCHS. We look forward to productive discussions with the KSFB on this issue and hope for a mutually agreeable resolution.

Sincerely,

Allen Bosworth
President

David Mount
Executive Director & CEO

C: H. David Wallace, Vice-Chairman, KSFB
Jonathan Shell, Commissioner of the Kentucky Department of Agriculture
Dr. Nancy Cox, Dean, College of Agriculture, University of Kentucky
Lindy Casebier, Secretary of the Tourism, Arts and Heritage Cabinet
Michael E. Berry, Executive Committee, KSFB
Cleo Battle, Executive Committee, KSFB
Edward Bennett, Executive Committee, KSFB
John Cox, Executive Committee, KSFB
Joseph T. Goggin, Executive Committee, KSFB
David Beck, President & CEO, Kentucky Venues
Ellen Benzing, General Counsel, KSFB