

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
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CHURCHILL DOWNS INCORPORATED  
(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction  
of incorporation or organization)

61-0156015  
(I.R.S. Employer  
Identification No.)

700 Central Avenue  
Louisville, Kentucky 40208

(Address of Principal Executive Offices)

CHURCHILL DOWNS INCORPORATED 1995 EMPLOYEE STOCK PURCHASE PLAN  
(Full title of the plan)

Thomas H. Meeker, President  
Churchill Downs Incorporated  
700 Central Avenue  
Louisville, Kentucky 40208

Copy to:  
Robert A. Heath, Esq.  
Wyatt, Tarrant & Combs  
2800 Citizens Plaza  
Louisville, Kentucky 40202

(Name and address of agent for service)

(502) 636-4400  
(Telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to public:  
From time to time after the effective date of this Registration Statement.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock, no par value	50,000 (2) shares	\$41.50	\$2,075,000	\$716

1 Estimated solely for the purpose of computing the registration fee pursuant to Rule 457.

2 The Registrant also registers hereby such indeterminate number of additional shares as may be required to cover antidilutive adjustments under the Churchill Downs Incorporated 1995 Employee Stock Purchase Plan.

21 sequentially numbered pages.  
Exhibit index on page 8.

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Registrant hereby incorporates the following documents in this Registration Statement:

1. The Registrant's Annual Report on Form 10-K for the year ended December 31, 1994;
- B. The Registrant's Report on Form 10-K/A filed on April 27, 1995;
- C. The Registrant's Report on Form 10-K/A-1 filed on May 24, 1995;
- D. The Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995;
- E. The Registrant's Report on Form 10-Q/A filed on May 31, 1995.
- F. The description of the Common Stock, no par value, of the Registrant contained in a registration statement on Form 10 filed under Section 12 of the Securities Exchange Act of 1934, and any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article XI of the Registrant's Restated Articles of Incorporation limits the liability of directors of the Registrant pursuant to the Kentucky Business Corporation Act. Under this Article, directors generally will be personally liable to the Registrant or its shareholders for monetary damages only for transactions involving conflicts of interest or from which a director derives an improper personal benefit, intentional misconduct or violations of law, and unlawful distributions.

The Restated Bylaws of the Registrant require the Registrant to indemnify, and permit the advancement of expenses to, each director, officer, employee or agent of the Registrant, and his executors, administrators or heirs, who was or is made, or is threatened to be made a defendant or respondent to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he is or was a director, officer, employee or agent of the Registrant for the costs of such Proceeding to the fullest extent expressly permitted or required by the statutes of the Commonwealth of Kentucky and all other applicable law.

The Restated Bylaws of the Registrant further provide for indemnification and advancement of expenses to the aforementioned persons by action of the Board of Directors in such amounts, on such terms and conditions, and based upon such standards of conduct as the Board of Directors may deem to be in the best interests of the Registrant.

The circumstances under which Kentucky law requires or permits a corporation to indemnify its directors, officers, employees and/or agents are set forth at KRS 271B.8-500, et seq.

Generally, under KRS 271B.8-500 et seq., a corporation may indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if:

[1] He conducted himself in good faith; and

[2] He reasonably believed [a] in the case of conduct in his official capacity with the corporation that his conduct was in its best interests; and [b] in all other cases, that his conduct was at least not opposed to its best interests; and [3] in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

A corporation may not indemnify a director:

[1] in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or [2] in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

Indemnification permitted in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

In addition, the Registrant maintains directors' and officers' liability insurance covering certain liabilities which may be incurred by the directors and officers of the Registrant in connection with the performance of their duties.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not Applicable.

ITEM 8. EXHIBITS.

The exhibits listed on the Exhibit Index appearing on page 8 of this Registration Statement are hereby incorporated by reference.

ITEM 9. UNDERTAKINGS.

1. The undersigned Registrant hereby undertakes:

A. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

[1] To include any prospectus required by Section 10(a)(3) of the Act;

[2] To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

[3] To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

PROVIDED, HOWEVER, that paragraphs 1.A[1] and 1.A[2] do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

B. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Louisville, Commonwealth of Kentucky, on July 19, 1995.

CHURCHILL DOWNS INCORPORATED

By /S/ THOMAS H. MEEKER

-----  
Thomas H. Meeker, President and  
Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Thomas H. Meeker and Alexander M. Waldrop, and each of them, with the power to act without the other, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her, and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-8 has been signed below by the following persons on the 18th day of July, 1995 in the capacities indicated:

SIGNATURE

TITLE

/S/ THOMAS H. MEEKER  
-----  
Thomas H. Meeker

President, Chief Executive  
Officer and Director (Principal  
Executive Officer)

/S/ VICKI L. BAUMGARDNER  
-----  
Vicki L. Baumgardner

Vice President of Finance  
and Treasurer (Principal Financial  
and Accounting Officer)

Charles W. Bidwill, Jr. Director

Catesby W. Clay Director

/S/ WILLIAM S. FARISH Director  
-----  
William S. Farish

Daniel M. Galbreath Director

/S/ J. DAVID GRISSOM Director  
-----  
J. David Grissom

/S/ SETH W. HANCOCK Director  
-----  
Seth W. Hancock

/S/ FRANK B. HOWER, JR. Director  
-----  
Frank B. Hower, Jr.

G. Watts Humphrey, Jr. Director

/S/ W. BRUCE LUNSFORD Director  
-----  
W. Bruce Lunsford

Arthur B. Modell Director

/S/ CARL F. POLLARD Director  
-----  
Carl F. Pollard

/S/ DARRELL S. WELLS Director  
-----  
Darrell R. Wells

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT	PAGE
4(a)	Churchill Downs Incorporated 1995 Employee Stock Purchase Plan.	9
4(b)	Restated Articles of Incorporation of the Registrant incorporated by reference to the Registrant's report on Form 8-K filed with the Securities and Exchange Commission on July 11, 1991 (Comm. File No. 0-1469).	
4(c)	Restated Bylaws of the Registrant as amended are incorporated by reference to Exhibit 3(b) of the Registrant's report on Form 10-K for the year ended December 31, 1994 (Comm. File No. 0-1469).	
4(d)	Specimen Stock Certificate is incorporated by reference to Exhibit 4(d) to the Registrant's Registration Statement on Form S-8, File No. 33-85012.	
5	Opinion of Wyatt, Tarrant & Combs as to the legality of the Common Stock.	19
23(a)	Consent of Coopers & Lybrand, L.L.P.	21
23(b)	Consent of Wyatt, Tarrant & Combs (included in Exhibit 5).	
24	Power of Attorney (included on signature page of this Registration Statement).	



CHURCHILL DOWNS INCORPORATED  
1995 EMPLOYEE STOCK PURCHASE PLAN

1. PURPOSE. The purpose of the Plan is to provide eligible employees of the Company, and of any Parent or Subsidiary corporation which the Company's Board of Directors has designated as a Participating Employer in the Plan, an opportunity to acquire a proprietary interest in the Company through the purchase of the Company's common stock on a payroll or other compensation deduction basis. It is believed that participation in the ownership of the Company will be to the mutual benefit of the eligible employees and the Company. The Company intends for the Plan to qualify as an "employee stock purchase plan" under Code Section 423, and the Plan shall be so construed. Any term not expressly defined in the Plan but defined in the Code for purposes of Code Section 423 shall have the same definition herein.

2. DEFINITIONS.

A. ACCOUNT. The term "Account" means the funds accumulated with respect to an individual Participant as a result of deductions from the Participant's pay for the purpose of purchasing Stock under the Plan. The funds allocated to a Participant's Account shall remain the Participant's property at all times.

B. BASE PAY. The term "Base Pay" means regular straight time earnings, excluding payments for overtime, bonuses, incentive compensation and other special payments.

C. BOARD. The term "Board" means the Company's Board of Directors.

D. CODE. The term "Code" means the Internal Revenue Code of 1986, as amended.

E. COMMITTEE. The term "Committee" means the committee appointed by the Board to administer the Plan in accordance with Section 3.

F. COMPANY. The term "Company" means Churchill Downs Incorporated, a Kentucky corporation, 700 Central Avenue, Louisville, Kentucky 40208.

G. ELIGIBLE EMPLOYEE. The term "Eligible Employee" means any person, including any officer or director, who satisfies the following three requirements: [i] who has been employed by a Participating Employer for at least one (1) year; [ii] whose customary weekly employment with the Participating Employer is at least twenty-one (21) hours; and [iii] whose customary calendar year employment exceeds five (5) months.

H. EXCHANGE ACT. The term "Exchange Act" means the Securities Exchange Act of 1934.

I. FAIR MARKET VALUE. The term "Fair Market Value" means the value of Stock under the Plan, determined in accordance with Section 8.

J. PARENT. The term "Parent" means, as defined in Code Section 424(e), any corporation, other than the Company, in an unbroken chain of corporations ending with the Company, if at the time of the granting of an option under the Plan, each of the corporations other than the Company own stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

K. PARTICIPANT. The term "Participant" means an Eligible Employee who elects to participate in the Plan.

L. PARTICIPATING EMPLOYER. The term "Participating Employer" means the Company and any Parent or Subsidiary which the Board has authorized to participate in the Plan as to its Eligible Employees.

M. PLAN. The term "Plan" means the Churchill Downs Incorporated 1995 Employee Stock Purchase Plan, as set forth herein and as amended from time to time.

N. PLAN YEAR. The term "Plan Year" means the twelve (12) consecutive month period beginning each August 1.

O. STOCK. The term "Stock" means the Company's no par value common stock.

P. SUBSIDIARY. The term "Subsidiary" means, as defined in Code Section 424(f), any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of an option under the Plan, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock of one of the other corporations in such chain.

3. ADMINISTRATION. The Plan shall be administered by the Compensation Committee of the Company's Board of Directors consisting of not less than three (3) members appointed by the Board and serving at the Board's pleasure. Each member of the Committee shall be both a member of the Board who has not at any time within one (1) year before becoming a member of the Committee been eligible to receive stock or options under any plan of the Company or its affiliates and who is a "disinterested person" within the meaning of Rule 16b-3 under the Exchange Act, or any successor rule or regulation. Any vacancy occurring in the membership of the Committee shall be filled by appointment by the Board. The Committee shall have full power and authority to construe, interpret, and administer the Plan and may from time to time adopt such rules and regulations for carrying out the Plan as it may deem proper and in the best interests of the Company.

4. EFFECTIVE DATE AND DURATION OF THE PLAN. The effective date of the Plan is August 1, 1995, subject to ratification of the Plan by the holders of a majority of all the shares of Stock which are voted in person or by proxy at a duly held stockholders' meeting. The Plan shall terminate upon the earlier of: [i] issuance of all shares authorized to be issued under the Plan; or [ii] July 31, 2000.

5. ELIGIBILITY AND PARTICIPATION. All Eligible Employees of a Participating Employer may participate in the Plan, subject to the limitations set forth in Section 7. Participation is voluntary. To become a Participant, an Eligible Employee must complete an authorization form for a payroll deduction available from the Committee and deliver it to the Committee on or before the last business day of July of each year. Payroll deductions shall commence on the Participant's first pay day of August following delivery of the completed payroll deduction authorization form to the Committee, and shall continue each Plan Year until altered or terminated as provided in Sections 6, 9 and 10.

6. PAYROLL DEDUCTIONS.

A. PERCENTAGE OF COMPENSATION. Each Eligible Employee electing to participate in the Plan shall indicate on the payroll deduction form the percentage of the Eligible Employee's Base Pay to be withheld. Such percentage shall not be greater than five percent (5%) nor less than one-half percent (.5%).

B. ACCOUNTS. Payroll deductions from a Participant shall be credited to the Participant's Account. Amounts shall remain in a Participant's Account until used to purchase shares pursuant to Section 9 hereof or paid out pursuant to Sections 9 or 10. A Participant may not make separate cash payments into the Account. No interest or earnings on the Account will be credited to any Participant. Compensation deductions received or held by the Committee under the Plan shall be used only for the purposes specified in the Plan.

C. CHANGES TO PAYROLL DEDUCTION AUTHORIZATION. Participants may change their payroll deduction authorization as of the beginning of each Plan Year and may also make one (1) mid-Plan Year change to the percentage of payroll deductions authorized by delivery of a new payroll deduction authorization form to the Committee. The change shall become effective as soon as administratively practicable and shall continue each Plan Year until again altered pursuant to this section or terminated pursuant to Sections 6, 9 or 10.

7. GRANT OF OPTIONS.

A. NUMBER OF SHARES OPTIONED. On the first business day in each Plan Year, each individual who is a Participant on such day shall be granted an option to purchase as many full shares of Stock as the Participant can purchase with the compensation deductions credited to the Participant's Account during the Plan Year up to a maximum of two hundred fifty (250) shares.

B. LIMITATION ON AMOUNT OF GRANT. Notwithstanding the foregoing, no Participant shall be granted an option to the extent that the option would permit the Participant's rights to purchase stock under the Plan and all employee stock purchase plans of the Company and its Parent and Subsidiaries (if any) to accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined at the time the option is granted) for each calendar year in which the option is outstanding at any time. This section shall be applied by use of all rules and definitions of terms which are applicable for purposes of Code Section 423(b)(8), it being the intent that this section shall cause the Plan to comply with the requirements of such section of the Code.

C. 5% SHAREHOLDERS. Anything herein to the contrary notwithstanding, no Participant shall be granted an option if the Participant would own, immediately after the grant of the option, stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Parent or Subsidiary. The rules of Code Section 424(d) shall apply in determining stock ownership and stock which the Participant may purchase under outstanding options shall be treated as stock owned by the Participant.

D. OPTION PRICE. The option price per share shall be 85% of the lower of the Fair Market Value per share of the Stock on the first or last business day in the Plan Year (rounded up to the next whole dime). "Business day" means the day on which any national securities exchange is open if the Stock is then listed on such exchange, or, if not listed, the day when the over-the-counter market is open.

8. FAIR MARKET VALUE OF STOCK. The Fair Market Value per share of Stock as of any day shall be computed as follows:

A. If the Stock is traded on the over-the-counter market, the closing high bid quotation for the Stock in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation System, on the business day immediately preceding the date of grant.

B. If the Stock is listed on a national securities exchange, the average of the closing prices of the Stock on the Composite Tape for the ten (10) consecutive trading days immediately preceding such given date.

C. If the Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as the Plan Committee, in good faith, shall determine.

#### 9. EXERCISE OF OPTIONS.

A. DATE OF EXERCISE. Unless a Participant gives written notice to the Committee as provided in Section 9.B, the Participant's option for the Plan Year is deemed exercised automatically at the close of the last business day of the Plan Year for as many full shares of Stock as can be purchased with funds in the Participant's Account on that date.

B. PARTICIPANT NOTICE TO CHANGE AMOUNT OF EXERCISE. By delivering a written notice to the Committee at least two (2) business days before the end of the Plan Year, a Participant may decide not to exercise the Participant's option for the Plan Year or to exercise the option for some lesser number of shares. If more than one written notice is delivered by a Participant, the last notice shall control.

C. DISPOSITION OF ACCOUNT. Funds in a Participant's Account will be used to pay the option price upon exercise of the Participant's option, and the Company shall deliver to each Participant certificates representing any Stock purchased as soon as administratively practicable after the end of the Plan Year. Any amount in a Participant's Account at the end of the Plan Year will be paid to Participant (without interest) as soon as administratively practicable after the end of the Plan Year.

D. LAPSE OF OPTIONS. All unexercised options shall lapse on the earlier of: [i] the end of the Plan Year; [ii] termination of participation; or [iii] termination of the Plan.

#### 10. TERMINATION OF PARTICIPATION.

A. TERMINATION BY PARTICIPANT. A Participant may at any time terminate participation by giving written notice of such termination to the Committee and electing to either:

[1] leave any funds in the Participant's Account in which event the Participant's option will be deemed exercised at the end of the Plan Year pursuant to Section 9.A and any amounts remaining after such exercise will be paid to the Participant (without interest); or

[2] receive any funds in the Participant's Account.

Participants who change their payroll deduction authorization to zero pursuant to Section 6.C shall be deemed to have terminated participation in the Plan and will be deemed to have elected a disposition of the Participant's Account in accordance with Section 10.A[1] unless the Participant notifies the Committee in writing at least two (2) business days before the end of the Plan Year that the Participant elects to receive the funds in the Participant's Account.

Upon termination of participation, all further payroll deductions from such Participant shall cease and all amounts in the Participant's Account which are not used to purchase Stock shall be paid to the Participant (without interest) as soon as administratively practicable.

B. CHANGE IN EMPLOYEE STATUS. If, on or before the last business day of the Plan Year, a Participant ceases to be an Eligible Employee for any reason, including death, disability, resignation, retirement or dismissal, the Participant's participation in the Plan shall cease and any outstanding options shall lapse in full on the day the Participant's status as an Eligible Employee ceases. Upon lapse, all further payroll deductions shall cease, and all amounts credited to the Participant's Account and not used to purchase Stock shall be paid to the Participant (without interest) as soon as administratively practicable following such lapse.

C. LEAVES OF ABSENCE. The employment relationship of a Participant with a Participating Employer will be treated as continuing intact while the Participant is on military, sick leave or other bona fide leave of absence for a period not to exceed ninety (90) days, or for a longer period, provided that the Participant's right to reemployment with the Participating Employer is guaranteed either by statute or by contract. Where the period of leave exceeds ninety (90) days and where the Participant's right to reemployment is not guaranteed either by statute or contract, the employment relationship will be deemed to have terminated on the 91st day of such leave.

D. LIMITATION ON WITHDRAWALS FROM ACCOUNT. A Participant may not withdraw any amount in the Participant's Account except pursuant to Sections 9.C, 10.A or 10.B.

E. REINSTATEMENT OF PARTICIPATION. A Participant whose participation in the Plan terminates may not elect to participate in the Plan again until the next Plan Year. In addition, no Participant who is an officer or director of the Company or a Participating Employer (as contemplated by Rule 16b-3 of the Exchange Act, or any successor rule or regulation) may participate in the Plan again for at least six (6) months after termination of participation.

#### 11. STOCK RESERVED FOR PLAN.

A. NUMBER AND TYPE OF SHARES. A total of fifty thousand (50,000) shares of Stock, which may consist of authorized but unissued shares or treasury shares or both, are reserved for issuance under the Plan, subject to adjustment upon changes in capitalization of the Company as provided in Section 11.C. If any option shall lapse or terminate for any reason as to any shares, such shares of Stock shall again become available under the Plan.

B. PRORATION OF AVAILABLE SHARES. Notwithstanding anything herein to the contrary, if the total number of shares which would otherwise have been acquired under the Plan on any date exceeds the number of shares of Stock then available under the Plan, then the Committee may make such pro rata allocation of the shares remaining available in such practicable manner as it shall determine to be fair and equitable. The payroll deductions to be made pursuant to the Participant authorizations shall be reduced accordingly and the Committee shall give written notice of such reduction to each affected Participant. Any payroll deductions in a Participant's Account not used to purchase Stock shall be paid (without interest) to such Participant.

C. ADJUSTMENT PROVISION. If there is any change in the number of outstanding shares of Stock by reason of any stock dividend, stock split-up or similar transaction, the number of shares of Stock then remaining available for issuance and the number of shares subject to any outstanding options shall be correspondingly changed, without change in the aggregate option price. Additionally, equitable adjustments shall be made in options to reflect any other changes in the Stock, including changes resulting from a combination of outstanding shares or other recapitalization, reorganization, sale, merger, consolidation or similar transaction. The establishment of the Plan shall not affect the Company's right to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or otherwise transfer all or any part of its business or assets.

D. DELIVERY OF SHARES. A Participant shall have no interest in, or rights of a shareholder to, any shares of Stock covered by an option until shares have been issued to the Participant. Stock to be delivered to a Participant pursuant to the exercise of an option shall be issued in the name of the Participant, or, if the Participant so directs by written notice delivered to the Committee, in the names of the Participant and one other person designated in the notice, as joint tenants with rights of survivorship, to the extent permitted by applicable law.

E. RESTRICTIVE LEGENDS.

[1] FAILURE TO SATISFY HOLDING PERIOD REQUIREMENTS. Certificates representing shares of Stock issued pursuant to the Plan shall bear a restrictive legend stating that the shares represented thereby may not be transferred before the expiration of two (2) years from the date of grant of the option and one (1) year from the date of transfer of the Stock to the Participant, unless the Participant notifies the Company of the Participant's intention to dispose of the Stock. Upon receipt of such notice by the Committee, the Participant is free to dispose of the Stock.

[2] INSIDERS. Certificates representing shares of Stock issued pursuant to the Plan to any director or executive officer of the Company or a Participating Employer within the meaning of Section 16 of the Exchange Act shall bear a restrictive legend stating that the shares represented thereby may not be transferred before the expiration of six (6) months from the date of the issuance of shares of Stock to the Participant.

[3] OTHER LEGENDS. The Company shall be entitled to place any other legends on certificates for shares of Stock issued hereunder which it deems appropriate to effectuate the terms of the Plan or to comply with any applicable law.

12. TRANSFERABILITY. Neither compensation deductions credited to a Participant's Account nor any rights with regard to participation in the Plan, exercise of any option or the right to receive shares of Stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by a Participant other than by will or the laws of descent and distribution. Any such attempted assignment, transfer, pledge, or other disposition shall be without effect. An option granted under the Plan is exercisable during the Participant's lifetime only by the Participant.

13. DESIGNATION OF BENEFICIARIES. A Participant may deliver to the Committee a written designation (on a prescribed form) of a beneficiary or beneficiaries who are to receive any Stock and cash payable to the Participant but not delivered to the Participant because of the Participant's death before such delivery. Such designation may be changed or revoked by delivery of written notice to the Committee. Upon the death of a Participant and upon receipt by the Committee of proof deemed adequate by it of the identity and existence of a beneficiary or beneficiaries validly designated by such Participant, the Company shall issue and deliver such Stock and pay such cash to such beneficiary or beneficiaries. In the absence of the Company's receipt of such proof, or if the Participant fails to designate any beneficiary who is living at the time of the Participant's death, the Company shall issue and deliver such Stock and pay such cash to the executor or administrator of the estate of such Participant, or if no such executor or administrator has been appointed (to the knowledge of the Committee), the Company, if and as the Committee may direct in its discretion, shall issue and deliver such Stock and pay such cash to the spouse and/or any one or more dependents or relatives of such Participant, or if no such spouse, dependent or relative is known to the Committee, then to such other person or persons as the Committee may designate in its discretion.



14. AMENDMENT AND TERMINATION. The Plan may be amended or terminated by the Compensation Committee of the Board at any time. Any amendment of the Plan requires approval by the Company's stockholders within twelve (12) months after such amendment's adoption by the Compensation Committee if it increases the total number of shares of Stock available for issuance under the Plan, or changes the class of corporations eligible to become Participating Employers or the class of persons eligible to receive options under the Plan, or if the Committee otherwise deems such approval necessary or advisable for purposes of complying with Rule 16b-3 of the Exchange Act, or any successor rule or regulation. Such stockholder approval shall mean approval by holders of a majority of all the shares of the Stock which are voted in person or by proxy at a duly held stockholders' meeting. No such amendment may be adopted which would adversely affect any rights acquired by any person hereunder before the effective date of such amendment, unless such amendment is necessary for the Company to obtain a ruling it may request from the Internal Revenue Service with respect to the Plan, or necessary for the plan to conform to the requirements of Code Section 423 or any other applicable law.

15. NOTICES. Any notice or other communication by any person to the Committee shall be deemed to have been duly given when actually received by a member of the Committee, or when actually received by the Company addressed as follows:

Churchill Downs Incorporated  
700 Central Avenue  
Louisville, Kentucky 40208  
Attention: Board of Directors,  
Compensation Committee

Any notice or other communication or any delivery of Stock or cash to any person (other than the Committee) under or in connection with the Plan shall be deemed to have been duly given or made when deposited in the United States mails, postage prepaid, addressed to such person at the address last shown for such person in the records of the Committee or any Participating Employer.

16. TAX WITHHOLDING. The Participating Employer shall have the right to withhold from each Participant's compensation an amount equal to all federal, state and local taxes which the Participating Employer is required by law to withhold as a result of the Participant's participation in the Plan or disposition of shares of Stock issued under the Plan.

17. NONGUARANTEE OF EMPLOYMENT. No provision of the Plan shall be construed as giving any person any right he would not otherwise have to become or remain an employee of a Participating Employer, or any other right not expressly created by such provision.

18. GOVERNING LAW. The Plan shall be governed by the laws of the Commonwealth of Kentucky and any applicable federal laws.

Dated this \_\_\_\_ day of \_\_\_\_\_, 1995.

CHURCHILL DOWNS INCORPORATED

By: \_\_\_\_\_

Title: \_\_\_\_\_

Board of Directors  
Churchill Downs Incorporated  
700 Central Avenue  
Louisville, Kentucky 40208

Gentlemen:

We have acted as counsel to Churchill Downs Incorporated, a Kentucky corporation (the "Company"), in connection with the registration of 50,000 shares of the Company's common stock (the "Shares"), on the Registration Statement on Form S-8 (the "Registration Statement") being filed by the Company with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"). The Shares are issuable under the Churchill Downs Incorporated 1995 Employee Stock Purchase Plan (the "Plan").

We have examined and are familiar with the Company, its organization and proceedings related thereto. We have also examined such other documents and procedures as we have considered necessary for the purpose of this opinion.

We have assumed, for purposes of this opinion, that the Shares will be validly authorized on the respective dates of issuance of the Shares under the Plan and that, on the dates of issuance of the Shares under the Plan, the obligations of the Company under the Plan will constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

Based upon the foregoing and subject to the qualifications hereinafter set forth, we are of the opinion that the Shares are duly authorized and, when issued and sold in accordance with the Registration Statement, the prospectus delivered to participants in the Plan pursuant to the requirements of the Act, the pertinent provisions of any applicable state securities laws and the Plan, will be duly and validly issued, fully paid and nonassessable.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the Federal laws of the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

Our opinion is directed to the Board of Directors of the Company and may not be relied upon by any persons other than said directors, recipients of the prospectus and participants in the Plan. We expressly disclaim any responsibility for advising you of any change hereafter occurring in circumstances touching or concerning the transaction which is the subject of this opinion, including any changes in the law or in factual matters occurring subsequent to the date of this opinion.

We hereby consent to the filing of this opinion, or copies thereof, as an Exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Sincerely,

WYATT, TARRANT & COMBS

/s/ Wyatt, Tarrant & Combs  
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CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this registration statement on Form S-8 of our report, which includes an explanatory paragraph for the Company's change in its method of accounting for income taxes as of February 1, 1993, dated March 14, 1995 on our audits of the consolidated financial statements and financial statement schedule of Churchill Downs Incorporated as of December 31, 1994, December 31, 1993 and January 31, 1993 and for the year ended December 31, 1994, for the eleven-month period ended December 31, 1993, and for the year ended January 31, 1993, which report is included in Item 8 of the Annual Report on Form 10-K filed March 31, 1995 (File No. 0-1469).

/s/ Coopers & Lybrand, L.L.P.

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COOPERS & LYBRAND, L.L.P.  
Louisville, Kentucky  
July 17, 1995