

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On August 11, 2006, the Compensation Committee of the Board of Directors of Churchill Downs Incorporated (the "Company") approved a \$200,000 special recognition bonus for former President and Chief Executive Officer of the Company, Thomas H. Meeker, who as of August 14, 2006, began serving as a management advisor pursuant to the terms of his Amended and Restated Employment Agreement. The bonus is scheduled to be paid in March, 2007 at the end of Mr. Meeker's employment arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CHURCHILL DOWNS
INCORPORATED**

August 17, 2006

/s/ Michael E. Miller
Michael E. Miller
Executive Vice President and Chief
Financial Officer