



TEXAS RACING COMMISSION
P. O. BOX 12080
AUSTIN, TEXAS 78711-2080
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Texas Racing Commission
Formal Meeting Agenda
Tuesday, October 18, 2005
10:30 a.m.
6100 Guadalupe
DPS – Criminal Law Enforcement, Building E
First Floor Auditorium
Austin, Texas

I. CALL TO ORDER

Roll Call

II. PROCEEDINGS ON RULEMAKING

Consideration of and action on the following rule:

Proposal (Tab 1)

- §319.363. Testing for Total Carbon Dioxide (New)

III. GENERAL BUSINESS

Consideration of and possible action on the following matters:

A. Budget and Finance Update (Tab 2)

B. Approval of the Commission's Operating Budget for FY 2006 (Tab 3)

IV. PROCEEDINGS ON RACETRACKS

Consideration of and action on the following matters:

A. Request by Retama Partners Ltd. for Approval of Change of Ownership
(Tab 4)

Persons with disabilities planning to attend this meeting who may need auxiliary aids or services, such as sign language interpreters or large print agendas should contact Gloria Giberson no later than October 13, 2005, by phone at (512) 833-6699, by fax at (512) 833-6907, or through RELAY Texas at 1-800-735-2989.

- B. Request by Lone Star Park at Grand Prairie for Approval of Modification to the Totalisator Contract with United Tote (Tab 5)
- C. Allocation Among Various Breeds of Horses of Purse Revenue Generated by Simulcasting for 2006 (Tab 6)
- D. Allocation Among Various Breeds of Horses of the Texas Bred Incentive Program Revenue Generated by Simulcasting for 2006 (Tab 7)
- E. Report on Racetrack Inspections (Tab 8)

V. EXECUTIVE SESSION

- A. Under the Texas Racing Act, Art. 179e, §6.03, Vernon's Texas Civil Statutes, the Commission may open an executive session to review a totalisator contract.
- B. Under Govt. Code §551.071, the Commission may open an executive session to confer with its attorney regarding potential litigation on any matter listed in this agenda.

VI. OLD/NEW BUSINESS

Schedule Next Commission Meeting

VII. ADJOURN

Chapter 319. Veterinary Practices and Drug Testing.

Subchapter D. Drug Testing.

Subdivision 3. Provisions for Horses.

Sec. 319.363. TESTING FOR TOTAL CARBON DIOXIDE.

(a) Findings and Presumptions.

(1) The commission finds that a total carbon dioxide level of 39 millimoles per liter or more in equine serum can be achieved only through the administration, by any means, of a bicarbonate-containing substance or other alkalinizing substance.

(2) A horse entered or participating in a race may not be administered a bicarbonate-containing substance or other alkalinizing substance which causes it to carry in its body an excess level of total carbon dioxide.

(3) A positive finding by a chemist of total carbon dioxide level at or above 39 millimoles per liter in a race horse serum specimen is an excess level of total carbon dioxide and prima facie evidence that the race horse was administered a bicarbonate-containing substance or other alkalinizing substance in violation of this section.

(b) Testing Authorized. Testing for total carbon dioxide is authorized as listed below:

(1) The executive secretary may implement a program to collect specimens from race horses and test the specimens for

the presence of total carbon dioxide. In a program implemented under this section:

(A) Specimens may be collected on a random basis, including randomly selected race dates, randomly selected races, and randomly selected horses; and

(B) Specimens may be collected prerace or postrace; or

(2) The stewards or commission veterinarian may require a horse serum specimen to be taken from any race horse designated for cause by the stewards or commission veterinarian for the purpose of testing for total carbon dioxide.

(c) Split Specimen.

(1) The commission finds that the postrace time period during which total carbon dioxide may be detected in a specimen taken from a race horse is limited. Therefore, to provide a meaningful split specimen program, the testing of a split specimen for total carbon dioxide must occur contemporaneously with the testing of the original specimen.

(2) To ensure the owners and trainers of race horses selected for testing under this section are given the opportunity for a split specimen, the trainer of record for each horse from which a specimen is taken pursuant to this section

Chapter 319. Veterinary Practices and Drug Testing.

Subchapter D. Drug Testing.

Subdivision 3. Provisions for Horses.

shall declare in writing whether the trainer requests that the split specimen be tested or waives the right to have the split specimen tested. Failure to request the split specimen test at the test barn within 30 minutes after the post time of the last race for the performance is deemed a waiver of the right to the split specimen.

(3) The split specimen shall be sent for testing to a commission approved and listed laboratory that is acceptable to the trainer of record. The commission staff shall arrange for the transportation of the split specimen in a manner that ensures the integrity of the split specimen.

(4) The trainer of record requesting the split specimen shall pay all costs of transporting and conducting tests on the split specimen.

(5) If the test on the split specimen confirms the findings of the original laboratory, it is a prima facie violation of this section.

(6) If the test on the split specimen does not substantially confirm the findings of the original laboratory, the stewards may not take disciplinary action regarding the test results.

Chapter 319. Veterinary Practices and Drug Testing.

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(7) If an act of God, power failure, accident, labor strike, or any other event, beyond the control of the Commission, prevents the split from being tested, the findings of the original laboratory are prima facie evidence of the condition of the horse at the time of the test for total carbon dioxide.

(d) Conflict with Other Rules. To the extent that this rule conflicts with any other Commission rule, this rule controls.

TEXAS RACING COMMISSION
MEDICATION AND DRUG TESTING
WORKING GROUP

MEETING REPORT
OCTOBER 4, 2005

MILKSHAKING
TESTING FOR TOTAL CARBON DIOXIDE
TCO₂

WORKING GROUP PARTICIPANTS INCLUDED MEMBERS OF THE COMMISSION, THE BREED REGISTRIES, THE TEXAS HORSEMENS' PARTNERSHIP, EQUINE VETERINARIANS, A TRAINER REPRESENTATIVE, AND THE RACETRACK ASSOCIATIONS. COMMISSION AND TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY STAFF ALSO PARTICIPATED.

AREAS OF DISCUSSION

- Discussed available research with focus on effects of *milkshaking*, i.e., the use of bicarbonate of soda or other alkalizing substances on racehorses. Focused on determining acceptable levels of TCO₂.
- Reviewed results of the Commission's pilot *milkshake* testing conducted 4/31/05 through 8/21/05.
- Discussed timing, validity, requirements, limitations, location and quality of the testing. Emphasized importance of pre-race testing and limitations of sample viability.
- Reviewed penalty schedules from other states and the Racing Medication Testing Consortium (RMTTC).
- Discussed range of penalties that would work best in Texas.
- Explored various approaches for ensuring best opportunity for split specimen testing.

RECOMMENDATIONS

- The prohibited level of total carbon dioxide should be 39 millimoles per liter of blood serum taking into consideration the impact of furosemide (lasix) usage.
- Those requesting a split specimen should be allowed to request it within 30 minutes after post time of the last race for the race day. Failure to request the split would be a waiver of the right to the split specimen. The Commission staff should work with the racing industry to promote understanding of the TCO₂ split specimen-handling requirements.
- The penalties should be added to the agency's *Equine Medication Classification Policy and Penalty Guidelines*. This approach maintains the current process for handling medication and drug testing violations including the opportunity for stewards to consider mitigating circumstances in application of the penalties.
- The new medication classification and penalties are proposed as follows:

ALKALINIZING SUBSTANCES*		
<i>First Offense</i>	<i>Second Offense</i>	<i>Third Offense</i>
\$1,000 fine	\$2,500 fine	\$5,000 fine
30 day suspension	90 day suspension	One year suspension
Loss of purse	Loss of purse	Loss of purse

*Based on the input received at the October 4th meeting, staff developed the above penalty schedule.

Texas Racing Commission

FYE 8/31/2005

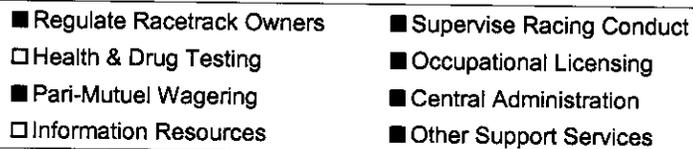
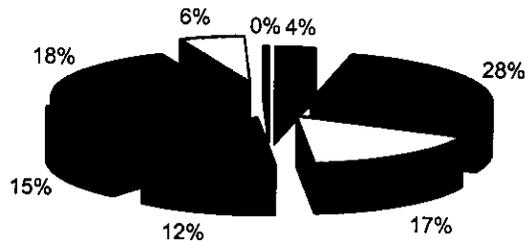
Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 8/31/2005	FY 2005 Unexpended Bal 8/31/2005	With 99.95% of Year Lapsed % of Budget Expended
\$ 0	GR Dedicated Fund 597 (Operational) <u>Sum Of All Strategies other than A.2.1</u>				
	1001 Salaries and Wages	3,287,161	3,180,918	106,243	96.77%
	1002 Other Personnel Cost	188,650	48,113	140,537	25.50%
	2001 Prof Fees and Services	116,178	29,553	86,625	25.44%
	2003 Consumables	29,400	7,083	22,317	24.09%
	2004 Utilities	28,250	20,099	8,151	71.15%
	2005 Travel	187,646	137,154	50,492	73.09%
	2006 Rent Building	169,750	156,172	13,578	92.00%
	2007 Rent Machine	15,000	12,830	2,170	85.53%
	2009 Other Operating Cost	272,479	223,786	48,693	82.13%
	CB Computer Equipment	42,457	36,423	6,034	85.79%
\$ 4,336,971	Total Operational Budget	\$ 4,336,971	\$ 3,852,131	\$ 484,840	88.82%
\$ 5,418,494	GR Dedicated Fund 597 (Tx Bred) Strategy A.2.1. TX Bred Incentive	\$ 5,418,494	\$ 5,418,494	\$ 0	100.00%
\$ 9,755,465	GR Dedicated Fund 597 (All Strategies) Total Expenditures for FYE 8/31/2005	\$ 9,755,465	\$ 9,270,625	\$ 484,840	95.03%
\$ 2,000,000	GR Fund "Breeder Cup Development" Total Breeders Cup Reimbursement	\$ 2,000,000	\$ 1,835,887	\$ 164,113	91.79%
\$ 11,755,465	Total Appropriated Funds Expended	\$ 11,755,465	\$ 11,106,512	\$ 648,953	94.48%

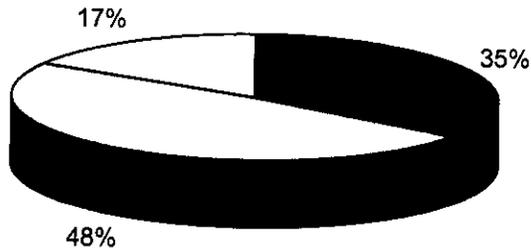
Expended Operational Budget By Strategy

Regulate Racetrack Owners	\$ 137,963
Supervise Racing Conduct	\$ 1,078,670
Health & Drug Testing	\$ 641,264
Occupational Licensing	\$ 480,697
Pari-Mutuel Wagering	\$ 581,708
Central Administration	\$ 690,061
Information Resources	\$ 222,645
Other Support Services	\$ 19,122

Expended Operational Budget



Expended Appropriations



Expended Appropriations

Operational Budget	\$ 3,852,131
ATB Budget	\$ 5,418,494
Breeders Cup	\$ 1,835,887

Texas Racing Commission

FYE 8/31/2005

Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 8/31/2005	FY 2005 Unexpended Bal 8/31/2005	With 99.95% of Year Lapsed % of Budget Expended
A.1.1.	Regulate Racetrack Owners				
	1001 Salaries and Wages	143,088	130,376	12,712	91.12%
	1002 Other Personnel Cost	5,180	1,580	3,600	30.50%
	2001 Prof Fees and Services	2,928	2,042	886	69.73%
	2003 Consumables	350	202	148	57.80%
	2004 Utilities	-	-	-	
	2005 Travel	5,000	1,171	3,829	23.42%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 160,546	2009 Other Operating Cost	4,000	2,592	1,408	64.81%
\$ -	CB Computer Equipment	-	-	-	
\$ 160,546	Total Strategy A.1.1.	160,546	137,963	22,583	85.93%
A.2.1.	Texas Bred Incentive				
	ATB Money Expended	5,418,494	5,418,494	0	100.00%
\$ 5,418,494	Total Strategy A.2.1.	5,418,494	5,418,494	0	100.00%
A.3.1.	Supervise Racing Conduct				
	1001 Salaries and Wages	1,020,982	984,186	36,796	96.40%
	1002 Other Personnel Cost	53,297	8,820	44,477	16.55%
	2001 Prof Fees and Services	10,000	400	9,600	4.00%
	2003 Consumables	250	18	232	7.26%
	2004 Utilities	2,500	-	2,500	0.00%
	2005 Travel	76,850	47,701	29,149	62.07%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 1,383,736	2009 Other Operating Cost	30,323	1,122	29,201	3.70%
\$ (147,077)	CB Computer Equipment	42,457	36,423	6,034	85.79%
\$ 1,236,659	Total Strategy A.3.1.	1,236,659	1,078,670	157,990	87.22%
A.4.1.	Health and Drug Testing				
	1001 Salaries and Wages	595,159	587,363	7,796	98.69%
	1002 Other Personnel Cost	51,273	6,737	44,536	13.14%
	2001 Prof Fees and Services	32,500	10,675	21,825	32.84%
	2003 Consumables	250	-	250	0.00%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	29,006	23,659	5,347	81.57%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 645,402	2009 Other Operating Cost	10,000	12,830	(2,830)	128.30%
\$ 73,036	CB Computer Equipment	-	-	-	
\$ 718,438	Total Strategy A.4.1.	718,438	641,264	77,174	89.26%
B.1.1.	Occupational Licensing				
	1001 Salaries and Wages	388,082	373,145	14,937	96.15%
	1002 Other Personnel Cost	20,500	11,498	9,002	56.09%
	2001 Prof Fees and Services	4,000	-	4,000	0.00%
	2003 Consumables	10,000	2,187	7,813	21.87%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	22,290	23,479	(1,189)	105.34%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	12,000	10,509	1,491	87.57%
\$ 444,420	2009 Other Operating Cost	60,690	59,879	811	98.66%
\$ 73,392	CB Computer Equipment	-	-	-	
\$ 517,812	Total Strategy B.1.1.	517,812	480,697	37,115	92.83%

Texas Racing Commission

FYE 8/31/2005

Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 8/31/2005	FY 2005 Unexpended Bal 8/31/2005	With 99.95% of Year Lapsed % of Budget Expended
C.1.1.	<u>Regulate Pari-Mutuel Wagering</u>				
	1001 Salaries and Wages	547,421	534,992	12,429	97.73%
	1002 Other Personnel Cost	13,000	7,539	5,461	57.99%
	2001 Prof Fees and Services	3,500	-	3,500	0.00%
	2003 Consumables	1,050	634	416	60.40%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	34,500	28,388	6,112	82.28%
	2006 Rent Building	-	-	-	-
	2007 Rent Machine	-	-	-	-
\$ 697,679	2009 Other Operating Cost	25,000	10,155	14,845	40.62%
\$ (72,958)	CB Computer Equipment	-	-	-	-
\$ 624,721	Total Strategy C.1.1.	624,721	581,708	43,013	93.11%
D.1.1.	<u>Central Administration</u>				
	1001 Salaries and Wages	352,268	340,781	11,487	96.74%
	1002 Other Personnel Cost	39,500	9,000	30,500	22.78%
	2001 Prof Fees and Services	40,000	16,436	23,564	41.09%
	2003 Consumables	15,000	4,024	10,976	26.83%
	2004 Utilities	25,000	20,099	4,901	80.40%
	2005 Travel	17,000	11,115	5,885	65.38%
	2006 Rent Building	166,750	153,472	13,278	92.04%
	2007 Rent Machine	3,000	2,321	679	77.38%
\$ 772,249	2009 Other Operating Cost	130,216	132,813	(2,597)	101.99%
\$ 16,485	CB Computer Equipment	-	-	-	-
\$ 788,734	Total Strategy D.1.1.	788,734	690,061	98,672	87.49%
D.2.1.	<u>Information Resources</u>				
	1001 Salaries and Wages	215,141	210,952	4,189	98.05%
	1002 Other Personnel Cost	5,900	2,940	2,960	49.83%
	2001 Prof Fees and Services	23,250	-	23,250	0.00%
	2003 Consumables	2,500	17	2,483	0.68%
	2004 Utilities	-	-	-	-
	2005 Travel	3,000	1,641	1,359	54.71%
	2006 Rent Building	3,000	2,700	300	90.00%
	2007 Rent Machine	-	-	-	-
\$ 255,978	2009 Other Operating Cost	12,250	4,395	7,855	35.87%
\$ 9,063	CB Computer Equipment	-	-	-	-
\$ 265,041	Total Strategy D.2.1.	265,041	222,645	42,396	84.00%
D.1.3.	<u>Other Support Services</u>				
	1001 Salaries and Wages	25,020	19,122	5,898	76.43%
	1002 Other Personnel Cost	-	-	-	-
	2001 Prof Fees and Services	-	-	-	-
	2003 Consumables	-	-	-	-
	2004 Utilities	-	-	-	-
	2005 Travel	-	-	-	-
	2006 Rent Building	-	-	-	-
	2007 Rent Machine	-	-	-	-
\$ 22,368	2009 Other Operating Cost	-	-	-	-
\$ 2,652	CB Computer Equipment	-	-	-	-
\$ 25,020	Total Strategy D.1.3.	25,020	19,122	5,898	76.43%
\$ 4,336,971	All Strategies other than A.2.1.	4,336,971	3,852,131	484,840	88.82%
\$ 5,418,494	Strategy A.2.1. TX Bred Incentive	5,418,494	5,418,494	0	100.00%
\$ 9,755,465	Total All Strategies FYE 8/31/2005	9,755,465	9,270,625	484,840	95.03%

Texas Racing Commission

FY 2006

Proposed Operating Budget

FY 2006 Operating Budget Methods of Finance (MOF)

<u>Budget by Strategy</u>	<u>FTE's</u>	<u>Base Appropriations</u>	<u>4% Salary Appropriations</u>	<u>Transfer Authority</u>	<u>Proposed Budget</u>
A.1.1. License/Regulate Racetracks	3.00	157,718	5,683	(1,250)	162,151
A.2.1. Texas Bred Incentive Program	-	5,418,494	-	-	5,418,494
A.3.1. Supervise & Conduct Live Races	12.30	780,378	25,471	(5,871)	799,978
A.3.2. Monitor Licensee Activities	7.30	411,845	14,399	(609)	425,635
A.4.1. Inspect & Provide Emergency Care	7.20	462,355	13,866	(3,253)	472,968
A.4.2. Administer Drug Test	7.50	293,465	9,895	10,747	314,107
B.1.1. Occupational Licensing Program	12.50	477,734	16,111	9,510	503,355
B.1.2. Texas OnLine <i>(Estimated)</i>	-	23,250	-	-	23,250
C.1.1. Monitor Wagering & Audit	10.00	464,031	15,122	(2,160)	476,993
C.1.2. Wagering Compliance Inspections	5.00	211,710	4,795	(5,580)	210,925
D.1.1. Central Administration	7.00	772,767	10,989	(3,294)	780,462
D.1.2. Information Resources	5.00	302,791	8,711	1,760	313,262
D.1.3. Other Support Services	1.00	25,020	1,200	-	26,220
Total Base Appropriations:	77.80	\$ 9,801,558	\$ 126,242	\$ -	\$ 9,927,800
<u>Budget by Riders</u>					
New Racetrack Operating Cost		-	-	-	-
New Racetrack Texas Bred Incentive Prgm		-	-	-	-
Total Rider Appropriations:		\$ -	\$ -	\$ -	\$ -
Total MOF for FY 2006 Budget		\$ 9,801,558	\$ 126,242	\$ -	\$ 9,927,800

FY 2006 Operating Budget Object-of-Expense Informational Listings

<u>Budget by Strategy</u>	<u>Base Appropriations</u>	<u>4% Salary Appropriations</u>	<u>Transfer Authority</u>	<u>Proposed Budget</u>
Salaries & Wages	3,509,580	126,242	-	3,635,822
Other Personnel Costs	119,020	-	-	119,020
Professional Fees & Services	70,000	-	-	70,000
Consumable Supplies	28,300	-	-	28,300
Utilities	26,550	-	-	26,550
Travel	190,246	-	-	190,246
Rent- Building	157,500	-	-	157,500
Rent- Machine & Other	13,750	-	-	13,750
Other Operating Expense	235,868	-	-	235,868
Grants	5,418,494	-	-	5,418,494
Capital Expenditures	32,250	-	-	32,250
Total OOE for Base Appropriations:	\$ 9,801,558	\$ 126,242	\$ -	\$ 9,927,800
<u>Budget by Riders</u>				
Salaries & Wages	-	-	-	-
Travel	-	-	-	-
Grants	-	-	-	-
Capital Expenditures	-	-	-	-
Total OOE for Rider Appropriations:	\$ -	\$ -	\$ -	\$ -
Total Object-of-Expense for FY 2006 Budget	\$ 9,801,558	\$ 126,242	\$ -	\$ 9,927,800

Texas Racing Commission
Summary of Legislative Appropriations &
Object-of-Expense Informational Listings

<u>Legislative Base Appropriations</u>		<u>Legislative Appropriations</u>			
		<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
A.1.1.	License/Regulate Racetracks	160,546	160,546	157,718	157,718
A.2.1.	Texas Bred Incentive Program	5,418,494	5,418,494	5,418,494	5,418,494
A.3.1.	Supervise & Conduct Live Races	1,383,535	1,383,736	780,378	775,378
A.3.2.	Monitor Licensee Activities			411,845	411,845
A.4.1.	Inspect & Provide Emergency Care	674,735	674,935	462,355	462,355
A.4.2.	Administer Drug Test			293,465	293,465
B.1.1.	Occupational Licensing Program	444,020	444,420	477,734	484,646
B.1.2.	Texas OnLine <i>(Estimated)</i>			23,250	23,250
C.1.1.	Monitor Wagering & Audit	697,479	697,679	464,031	464,031
C.1.2.	Wagering Compliance Inspections			211,710	211,710
D.1.1.	Central Administration	772,249	772,249	772,767	768,354
D.1.2.	Information Resources	255,978	255,978	302,791	305,291
D.1.3.	Other Support Services	22,368	22,368	25,020	25,020
Total Base Appropriations:		\$ 9,829,404	\$ 9,830,405	\$ 9,801,558	\$ 9,801,557
<u>Legislative Rider Appropriations</u>					
	New Racetrack Operating Cost	-	-	269,015	269,015
	New Racetrack Texas Bred Incentive Prgm	-	-	332,037	332,037
Total Rider Appropriations:		\$ -	\$ -	\$ 601,052	\$ 601,052
Total Legislative Appropriations		\$ 9,829,404	\$ 9,830,405	\$ 10,402,610	\$ 10,402,609

<u>Object-of-Expense for Base Appropriations</u>		<u>Object-of-Expense Informational Listings</u>			
		<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	Salaries & Wages	3,512,844	3,512,845	3,509,580	3,511,314
	Other Personnel Costs	73,881	74,881	119,020	119,020
	Professional Fees & Services			70,000	72,500
	Consumable Supplies			28,300	28,300
	Utilities			26,550	26,550
	Travel	50,000	50,000	190,246	190,246
	Rent- Building			157,500	157,500
	Rent- Machine & Other			13,750	13,750
	Other Operating Expense	739,728	739,728	235,868	231,633
	Grants	5,418,494	5,418,494	5,418,494	5,418,494
	Capital Expenditures	34,457	34,457	32,250	32,250
Total OOE for Base Appropriations:		\$ 9,829,404	\$ 9,830,405	\$ 9,801,558	\$ 9,801,557
<u>Object-of-Expense for Rider Appropriations</u>					
	Salaries & Wages	-	-	201,615	201,615
	Travel	-	-	42,400	42,400
	Grants	-	-	332,037	332,037
	Capital Expenditures	-	-	25,000	25,000
Total OOE for Rider Appropriations:		\$ -	\$ -	\$ 601,052	\$ 601,052
Total Object-of-Expense for Appropriations		\$ 9,829,404	\$ 9,830,405	\$ 10,402,610	\$ 10,402,609

Retama Partners Ltd.

P. O. Box 47535

San Antonio, TX 78265-7535

210-651-7120 Fax 210-651-7097

Received

SEP 22 2005

September 16, 2005

Ms. Charla Ann King
Executive Director
Texas Racing Commission
PO Box 12080
Austin, TX 78711-2080

Dear Ms. King:

Enclosed are the documents required for transfer of the following ownership interests in Retama Partners Ltd.

- The Estate of Thomas T. Keeler transferred its 30 interests (effective January 1, 2004) as follows:
 - Thomas T. Keeler Marital Trust 15 interests
 - Cora Keeler Revocable Trust 15 interests

- The Estate of Sol J. Rogers transferred its 34 interests (effective January 1, 2004) as follows:
 - Jordan Rogers 8.5 interests
 - Joelle Rogers 8.5 interests
 - Franelle Rogers 8.5 interests
 - Lynda Rogers 8.5 interests

Joelle Rogers, Franelle Rogers and Lynda Rogers are already partners in Retama Partners, Ltd. Please let me know if you need any further information for approval of these transfers by the Texas Racing Commission. Thanks for your help.

Sincerely,


Sharolyn Grammer

Enclosures



LONE STAR PARK
at Grand Prairie[®]
A MAGNA ENTERTAINMENT VENUE
Our Mission:
Create Winning Experiences.

October 3, 2005

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

Via Facsimile and Regular Mail

Dear Ms. King:

Lone Star Park at Grand Prairie requests the following item be added to the next Texas Racing Commission meeting agenda on Tuesday, October 18:

- Modification to the United Tote Agreement for Sarbanes Oxley compliance (see attached)

If you have any questions regarding this matter please feel free to call me directly at (972) 237-1112. Thank you for your consideration in this matter.

Sincerely,

Jeffrey Greco
Vice President & General Manager

JG/sa

Enclosure

HOST SITE OF THE
2004 BREEDERS' CUP
WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
Grand Prairie, Texas 75050
(972) 263-7223
lonestarpark.com

5-1



October 7, 2005

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

VIA FAX

Dear Charla Ann,

Sam Houston Race Park proposes to leave all purse and Texas Bred Incentive (ATB) Fund breed splits for Sam Houston Race Park as are in place for 2005.

Specifically, the distribution from simulcast generated purse funds would be 80% to Thoroughbreds and 20% to Quarter Horses after paying 2% to minor breeds. ATB funds would be allocated 70% to Thoroughbreds and 30% to Quarter Horses after paying 2% to minor breeds.

Thank you.

Sincerely,

Robert L. Bork
President & GM

RLB/jlc

6-1

Houston's best bet!

SAM HOUSTON RACE PARK, LTD.

7575 NORTH SAM HOUSTON PARKWAY WEST, HOUSTON, TEXAS 77064-3417 (281) 299-2200

Received TxRC

OCT 07 2005



P.O. Box 141309

Austin, Texas 78714

512/272-5581

October 7, 2005

Charla Ann King
Executive Secretary
Texas Racing Commission
P O Box 12080
Austin, TX 78711

Dear Mrs. King:

Next year (2006) will be the third year Manor Downs has run a nine week mixed meet format.

At the insistence of the industry and with a mandate from the Racing Commission, a 7-½ furlong oval and a 6-furlong back chute with Fontana railing were constructed for thoroughbred racing. Barns were torn down or moved and stall capacity was added. The cost was over 4 million dollars.

Initially Manor Downs breed split was 74% quarter horse and 26% thoroughbred. Without Manor Downs participation and as a compromise with breed splits at other tracks, the industry with the Commission's approval changed this to 80% - 20%. We are asking the Commission to allow us to try to improve our thoroughbred product for the benefit of both our patrons and the horsemen.

We have made the financial commitment to racing and would now like to have an opportunity to maximize the benefits. Manor Downs once again requests a 70% - 30% breed split between quarter horses and thoroughbreds after allowing 1 ½ % to minor breeds. This change would decrease quarter horse purses by only \$130/race while increasing thoroughbred purses by \$780/race.

Your understanding and consideration of this request is important to Manor Downs and is greatly appreciated.

Sincerely,

Howard Phillips
President

GILLESPIE COUNTY FAIR

RACE MEET

P.O. Box 526
Fredricksburg, TX 78624
Phone: 830-997-2359

Scott Sherwood
P.O. Box 488
La Marque, TX 77568
Phone: 409-986-8563
Fax: 409-986-6840

October 10, 2005

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

VIA FAX

Dear Ms. King,

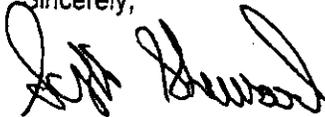
The Gillespie County Fair Race Meet respectfully requests that the revenue for purses and Texas-bred programs generated from simulcast be split 1.5% to minor breeds, 68.95% to Quarter Horses and 29.55% to Thoroughbreds.

I also request that purse revenue from both the TxRC Cross Species Escrow Purse Account and the THP Cross Species Escrow Purse Account be split 2% to minor breeds, 68.6% to Quarter Horses and 29.4% to Thoroughbreds.

These are the same percentages that were approved and used for our 2005 meet.

I am hopeful that the above outline meets the approval of the Texas Racing Commission. If you have any questions or concerns feel free to contact me at 409-986-9500 extension 2178.

Sincerely,



Scott Sherwood
Director of Racing

cc: Rob Werstler - TQHA
Dave Hooper - TTBA
Tommy Azopardi - THP



LONE STAR PARK
at Grand Prairie[®]
 A MAGNA ENTERTAINMENT VENUE
 Our Mission:
 Create Winning Experiences.

October 7, 2005

Received TxRC

OCT 10 2005

Ms. Charla Ann King
 Executive Secretary
 Texas Racing Commission
 8505 Cross Park Drive, #110
 Austin, TX 78754

Via Facsimile: (512) 833-6907

Dear Charla Ann:

Pursuant to your request regarding Commission Rule 321.505(a), Lone Star Park at Grand Prairie supports maintaining the status quo of 2005 for allocating simulcasting purse revenue and Texas Bred Incentive funds among the various breeds.

The horse racing industry in Texas has gone through some dramatic changes over the last six years. The expansion of gaming in surrounding states, the increase in off-shore rebating outlets and the expansion across the country in telephone wagering have all contributed to declining revenues in our industry. While we understand the importance of purse money and its impact on our daily racing program, these factors have forced us to reconsider our approach in presenting the best racing program possible.

In an attempt to maintain competitive purses and racing circuits with surrounding states, the thoroughbred industry has reduced the number of racing opportunities throughout the state in 2006. One example is that Lone Star Park has raced as many as 74 thoroughbred days (2001), raced 67 days in 2005, and are scheduled to race 66 days in 2006. While this is not the desire of owners, trainers or racetrack management, this has been a necessary step in order to remain competitive in our region.

Over the past several years we have arrived at a critical balance with our breed splits and racing programs. Any shift in breed splits today will only take away from this balance with little or no positive effect to the overall racing quality in the State of Texas.

Therefore, without any additional revenue streams to fuel purse accounts, Lone Star Park recommends the breed splits remain the same in 2006. Thank you for your attention in this matter.

Sincerely,

Jeffrey Greco
 Vice President & General Manager

JG/sa

HOST SITE OF THE
 2004 BREEDERS' CUP
 WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
 Grand Prairie, Texas 75050
 (972) 263-7223
 lonestarpark.com

Via Fax (512) 833-6907

September 26, 2005

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

Dear Charla Ann:

Retama Park proposes to leave all purse and Texas Bred Incentive (ATB) Fund breed splits for Retama as are in place for 2005.

Specifically, the distribution from simulcast generated purse funds would be 80% to Thoroughbreds and 20% to Quarter Horses after paying 2% to minor breeds. ATB Funds would be allocated 70% to Thoroughbreds and 30% to Quarter Horses after paying 2% to minor breeds.

Thank you.

Sincerely,



Bryan P. Brown
Chief Executive Officer

BPB/bs



October 5, 2005

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Charla Ann,

For the past several years, in an attempt to create an atmosphere of industry cohesiveness, the Texas Quarter Horse Association agreed to simulcast breed splits that were not equitable.

Quarter Horse purses have declined over the years and quarter horsemen can no longer justify racing in Texas. In 2005, Quarter Horse purses at Texas racetracks will be among the lowest in the nation when compared to purses at other class I facilities. I have included statistics compiled by the AQHA that show purse levels from competing states.

The TQHA Race Committee urges you to allocate a 70% thoroughbred – 30% Quarter Horse simulcast breed split for Lone Star Park, Retama Park and Sam Houston Race Park. We ask that the breed splits at Manor Downs and Gillespie remain status quo. We also urge you to allocate accredited Texas-bred revenue 50-50. These percentages would be after an allocation for minor breed purses.

I have been in contact with representatives from each racetrack and it is my hope we can come to an agreement prior to the October 18 meeting of the Texas Racing Commission.

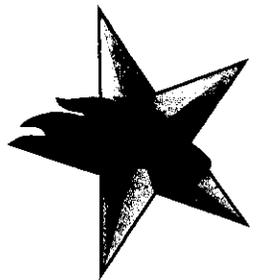
Thank you for your consideration. If you have any questions or would like to discuss this matter, please do not hesitate to call on me anytime.

Sincerely,

Rob Werstler
Director of Racing

2005 DAILY AVERAGE PURSES AT QUARTER HORSE RACETRACKS

<u>TRACK</u>	<u>DAYS</u>	<u>AVG. DAILY PURSES</u>	<u>AVG. PURSE PER RACE</u>
Delta Downs LA	56	\$129,588	\$12,958
Evangeline LA	21	\$83,612	\$8779
Lone Star TX	33	\$67,620	\$6524
Los Alamitos CA	139	\$67,352	\$9691
Remington OK	32	\$74,715	\$8954
Retama TX	24	\$46,227	\$4701
Sam Houston TX	38	\$61,388	\$6176
Sunland Park NM	53	\$91,266	\$19,348



TEXAS
THOROUGHBRED
ASSOCIATION

Received TxRC

OCT 06 2005

October 5, 2005

Charla Ann King
Executive Secretary
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

In Re: Allocation of Simulcast Purse and Texas-Bred Incentive Funds

Dear Charla Ann:

In response to your letter of September 21, the Texas Thoroughbred Association Board of Directors voted on June 23 to extend through 2006 the same breed splits at Texas tracks that have been in place since 2001. Those breed splits by track are as follows:

Lone Star Park—85% Thoroughbred, 15% Quarter Horse after deducting 1.25% for Minor Breeds;

Retama Park—80% Thoroughbred, 20% Quarter Horse after deducting 2% for Minor Breeds;

Sam Houston Race Park—80% Thoroughbred, 20% Quarter Horse after deducting 2% for Minor Breeds;

Manor Downs—20% Thoroughbred, 80% Quarter Horse after deducting 1.5% for Minor Breeds;

Gillespie County—30% Thoroughbred, 70% Quarter Horse after deducting 1.5% for Minor Breeds.

Concerning the Accredited Texas-Bred Incentive Program, the respective breed organizations have agreed to the following breed splits for the past several years, and TTA supports the extension of those breed splits through 2006:

Class 1 Tracks, Lone Star Park, Retama Park and Sam Houston Race Park—70% Thoroughbred, 30% Quarter Horse after deducting 1.5% for Arabians and Paints;

Class 2 Tracks, Manor Downs and Gillespie County—30% Thoroughbred, 70% Quarter Horse after deducting 1.5% for Arabians and Paints.

Prior to the October 18 meeting of the Texas Racing Commission, I would like to have the opportunity to review Sammy Jackson's projections of these splits for 2006, as well as any alternative suggested splits that may have been proposed by other breed organizations or tracks.

Thanking you for the opportunity to provide TTA's response to your request, I am

Sincerely yours,

David E. Hooper
Executive Director

1016 La Posada * Suite 130 * Austin, Texas * 78752

P.O. I

78761

Phone (512) 458-6133

6-8

texasoroughbred.com



T.A.B.A. Texas Arabian Breeders Association

Ed Wilson, President
P.O. Box 215
Forney, Texas 75126
972 564-9430
fax 972 552-3613

Carla Ann King
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Ms. King,

I am in agreement with leaving the simulcast bred split for purses and ATB Funds as they currently are.

Sincerely,

Ed Wilson
President TABA

Texas Racing Commission

2006 Projected Purses Available Per Race Day

Under the Following Breed Splits

for Earned Purse from all Simulcast Import

(Escrow Horse-Purse allocations are not included in these projections.)

Lone Star Park: 2006												
Proposed Simulcast Import Purse Allocation % & Results												
% Split	98.75% Split		1.25% MB		Total		Purses Per Day Without Added Money			Purses Per Day With Added Money		
	Thoroughbred	Quarter Horse	MB	All Breeds	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day		
90%-10%	\$10,492,702	\$1,165,856	\$147,577	\$11,806,135	\$205,915	\$42,314	\$8,268	\$216,449	\$97,239	\$8,268		
89%-11%	\$10,376,117	\$1,282,441	\$147,577	\$11,806,135	\$204,816	\$45,957	\$8,268	\$215,350	\$100,882	\$8,268		
88%-12%	\$10,259,531	\$1,399,027	\$147,577	\$11,806,135	\$203,716	\$49,600	\$8,268	\$214,250	\$104,525	\$8,268		
87%-13%	\$10,142,946	\$1,515,613	\$147,577	\$11,806,135	\$202,616	\$53,244	\$8,268	\$213,150	\$108,169	\$8,268		
86%-14%	\$10,026,360	\$1,632,198	\$147,577	\$11,806,135	\$201,517	\$56,887	\$8,268	\$212,051	\$111,812	\$8,268		
85%-15%	\$9,909,774	\$1,748,784	\$147,577	\$11,806,135	\$200,417	\$60,530	\$8,268	\$210,951	\$115,455	\$8,268		
84%-16%	\$9,793,189	\$1,865,369	\$147,577	\$11,806,135	\$199,317	\$64,173	\$8,268	\$209,851	\$119,098	\$8,268		
83%-17%	\$9,676,603	\$1,981,955	\$147,577	\$11,806,135	\$198,218	\$67,817	\$8,268	\$208,752	\$122,742	\$8,268		
82%-18%	\$9,560,018	\$2,098,540	\$147,577	\$11,806,135	\$197,118	\$71,460	\$8,268	\$207,652	\$126,385	\$8,268		
81%-19%	\$9,443,432	\$2,215,126	\$147,577	\$11,806,135	\$196,018	\$75,103	\$8,268	\$206,552	\$130,028	\$8,268		
80%-20%	\$9,326,846	\$2,331,712	\$147,577	\$11,806,135	\$194,919	\$78,747	\$8,268	\$205,453	\$133,672	\$8,268		
79%-21%	\$9,210,261	\$2,448,297	\$147,577	\$11,806,135	\$193,819	\$82,390	\$8,268	\$204,353	\$137,315	\$8,268		
78%-22%	\$9,093,675	\$2,564,883	\$147,577	\$11,806,135	\$192,720	\$86,033	\$8,268	\$203,254	\$140,958	\$8,268		
77%-23%	\$8,977,090	\$2,681,468	\$147,577	\$11,806,135	\$191,620	\$89,677	\$8,268	\$202,154	\$144,602	\$8,268		
76%-24%	\$8,860,504	\$2,798,054	\$147,577	\$11,806,135	\$190,520	\$93,320	\$8,268	\$201,054	\$148,245	\$8,268		
75%-25%	\$8,743,919	\$2,914,640	\$147,577	\$11,806,135	\$189,421	\$96,963	\$8,268	\$199,955	\$151,888	\$8,268		
74%-26%	\$8,627,333	\$3,031,225	\$147,577	\$11,806,135	\$188,321	\$100,606	\$8,268	\$198,855	\$155,531	\$8,268		
73%-27%	\$8,510,747	\$3,147,811	\$147,577	\$11,806,135	\$187,221	\$104,250	\$8,268	\$197,755	\$159,175	\$8,268		
72%-28%	\$8,394,162	\$3,264,396	\$147,577	\$11,806,135	\$186,122	\$107,893	\$8,268	\$196,656	\$162,818	\$8,268		
71%-29%	\$8,277,576	\$3,380,982	\$147,577	\$11,806,135	\$185,022	\$111,536	\$8,268	\$195,556	\$166,461	\$8,268		
70%-30%	\$8,160,991	\$3,497,567	\$147,577	\$11,806,135	\$183,922	\$115,180	\$8,268	\$194,456	\$170,105	\$8,268		
+1% / -1%	\$116,586	(\$116,586)	\$0	\$0	\$1,100	(\$3,644)	\$0	\$1,100	(\$3,644)	\$0		
-1% / +1%	(\$116,586)	\$116,586	\$0	\$0	(\$1,100)	\$3,644	\$0	(\$1,100)	\$3,644	\$0		

Other Facts:

Race Dates Approved for 2006:	66		Total	
Thoroughbred Days	66		Earned Purse	
Quarter Horse Days	32		From Live Racing	\$ 3,758,486
Minor Breed Days	0			\$ 540,165
Total Race Days	98			\$ 60,018
				\$ 4,358,669

Data in blue represents the breed splits approved for use in 2005.
 Lone Star Park has requested that the breed splits approved in 2005 be continued in 2006.

Texas Racing Commission

2006 Projected Purses Available Per Race Day

Under the Following Breed Splits
for Earned Purse from all Simulcast Import
(Escrow Horse-Purse allocations are not included in these projections.)

Retama Park: 2006												
Proposed Simulcast Import Purse Allocation % & Results												
% Split	98.00% Split		2.00% MB		Total		Purses Per Day Without Added Money			Purses Per Day With Added Money		
	Thoroughbred	Quarter Horse	MB	All Breeds	TB	QH	MB	TB	QH	TB	QH	MB
90%-10%	\$2,948,413	\$327,601	\$66,857	\$3,342,872	\$78,593	\$31,473	\$1,234	\$89,989	\$50,004	\$89,989	\$50,004	\$1,234
89%-11%	\$2,915,653	\$360,362	\$66,857	\$3,342,872	\$77,991	\$32,199	\$1,234	\$89,387	\$50,730	\$89,387	\$50,730	\$1,234
88%-12%	\$2,882,893	\$393,122	\$66,857	\$3,342,872	\$77,389	\$32,924	\$1,234	\$88,785	\$51,455	\$88,785	\$51,455	\$1,234
87%-13%	\$2,850,132	\$425,882	\$66,857	\$3,342,872	\$76,787	\$33,650	\$1,234	\$88,183	\$52,181	\$88,183	\$52,181	\$1,234
86%-14%	\$2,817,372	\$458,642	\$66,857	\$3,342,872	\$76,186	\$34,375	\$1,234	\$87,582	\$52,906	\$87,582	\$52,906	\$1,234
85%-15%	\$2,784,612	\$491,402	\$66,857	\$3,342,872	\$75,584	\$35,101	\$1,234	\$86,980	\$53,632	\$86,980	\$53,632	\$1,234
84%-16%	\$2,751,852	\$524,162	\$66,857	\$3,342,872	\$74,982	\$35,826	\$1,234	\$86,378	\$54,357	\$86,378	\$54,357	\$1,234
83%-17%	\$2,719,092	\$556,922	\$66,857	\$3,342,872	\$74,380	\$36,552	\$1,234	\$85,776	\$55,083	\$85,776	\$55,083	\$1,234
82%-18%	\$2,686,332	\$589,683	\$66,857	\$3,342,872	\$73,779	\$37,277	\$1,234	\$85,175	\$55,808	\$85,175	\$55,808	\$1,234
81%-19%	\$2,653,572	\$622,443	\$66,857	\$3,342,872	\$73,177	\$38,003	\$1,234	\$84,573	\$56,534	\$84,573	\$56,534	\$1,234
80%-20%	\$2,620,811	\$655,203	\$66,857	\$3,342,872	\$72,575	\$38,728	\$1,234	\$83,971	\$57,259	\$83,971	\$57,259	\$1,234
79%-21%	\$2,588,051	\$687,963	\$66,857	\$3,342,872	\$71,973	\$39,454	\$1,234	\$83,369	\$57,985	\$83,369	\$57,985	\$1,234
78%-22%	\$2,555,291	\$720,723	\$66,857	\$3,342,872	\$71,372	\$40,179	\$1,234	\$82,768	\$58,710	\$82,768	\$58,710	\$1,234
77%-23%	\$2,522,531	\$753,483	\$66,857	\$3,342,872	\$70,770	\$40,905	\$1,234	\$82,166	\$59,436	\$82,166	\$59,436	\$1,234
76%-24%	\$2,489,771	\$786,243	\$66,857	\$3,342,872	\$70,168	\$41,630	\$1,234	\$81,564	\$60,161	\$81,564	\$60,161	\$1,234
75%-25%	\$2,457,011	\$819,004	\$66,857	\$3,342,872	\$69,566	\$42,356	\$1,234	\$80,962	\$60,887	\$80,962	\$60,887	\$1,234
74%-26%	\$2,424,251	\$851,764	\$66,857	\$3,342,872	\$68,964	\$43,081	\$1,234	\$80,360	\$61,612	\$80,360	\$61,612	\$1,234
73%-27%	\$2,391,490	\$884,524	\$66,857	\$3,342,872	\$68,363	\$43,807	\$1,234	\$79,759	\$62,338	\$79,759	\$62,338	\$1,234
72%-28%	\$2,358,730	\$917,284	\$66,857	\$3,342,872	\$67,761	\$44,532	\$1,234	\$79,157	\$63,063	\$79,157	\$63,063	\$1,234
71%-29%	\$2,325,970	\$950,044	\$66,857	\$3,342,872	\$67,159	\$45,258	\$1,234	\$78,555	\$63,789	\$78,555	\$63,789	\$1,234
70%-30%	\$2,293,210	\$982,804	\$66,857	\$3,342,872	\$66,557	\$45,983	\$1,234	\$77,953	\$64,514	\$77,953	\$64,514	\$1,234
+1% / -1%	\$32,760	(\$32,760)	\$0	(\$0)	\$602	(\$725)	\$0	\$602	(\$725)	\$602	(\$725)	\$0
-1% / +1%	(\$32,760)	\$32,760	\$0	\$0	(\$602)	\$725	\$0	(\$602)	\$725	(\$602)	\$725	\$0

Other Facts:

<u>Race Dates Approved for 2006:</u>		Total
Thoroughbred Days	47	Earned Purse
Quarter Horse Days	24	From Live Racing
Minor Breed Days	0	\$ 723,377
Total Race Days	71	\$ 261,248
		\$ 20,093
		\$ 1,004,718

Data in blue represents the breed splits approved for use in 2005.
Retama Park has requested that the breed splits approved in 2005 be continued in 2006.

Texas Racing Commission

2006 Projected Purses Available Per Race Day

Under the Following Breed Splits
for Earned Purse from all Simulcast Import
(Escrow Horse-Purse allocations are not included in these projections.)

% Split	Proposed Simulcast Import Purse Allocation % & Results				Purses Per Day Without Added Money			Purses Per Day With Added Money		
	98.00% Split		2.00% MB	Total All Breeds	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day
	Thoroughbred	Quarter Horse								
90% -10%	\$5,841,682	\$649,076	\$132,464	\$6,623,222	\$106,585	\$38,207	\$1,638	\$113,037	\$61,012	\$1,638
89%-11%	\$5,776,774	\$713,983	\$132,464	\$6,623,222	\$105,684	\$39,515	\$1,638	\$112,136	\$62,320	\$1,638
88%-12%	\$5,711,866	\$778,891	\$132,464	\$6,623,222	\$104,782	\$40,824	\$1,638	\$111,234	\$63,629	\$1,638
87%-13%	\$5,646,959	\$843,798	\$132,464	\$6,623,222	\$103,881	\$42,132	\$1,638	\$110,333	\$64,937	\$1,638
86%-14%	\$5,582,051	\$908,706	\$132,464	\$6,623,222	\$102,979	\$43,440	\$1,638	\$109,431	\$66,245	\$1,638
85%-15%	\$5,517,144	\$973,614	\$132,464	\$6,623,222	\$102,078	\$44,748	\$1,638	\$108,530	\$67,553	\$1,638
84%-16%	\$5,452,236	\$1,038,521	\$132,464	\$6,623,222	\$101,176	\$46,056	\$1,638	\$107,628	\$68,861	\$1,638
83%-17%	\$5,387,329	\$1,103,429	\$132,464	\$6,623,222	\$100,275	\$47,364	\$1,638	\$106,727	\$70,169	\$1,638
82%-18%	\$5,322,421	\$1,168,336	\$132,464	\$6,623,222	\$99,373	\$48,673	\$1,638	\$105,825	\$71,478	\$1,638
81%-19%	\$5,257,513	\$1,233,244	\$132,464	\$6,623,222	\$98,472	\$49,981	\$1,638	\$104,924	\$72,786	\$1,638
80%-20%	\$5,192,606	\$1,298,151	\$132,464	\$6,623,222	\$97,570	\$51,289	\$1,638	\$104,022	\$74,094	\$1,638
79%-21%	\$5,127,698	\$1,363,059	\$132,464	\$6,623,222	\$96,669	\$52,597	\$1,638	\$103,121	\$75,402	\$1,638
78%-22%	\$5,062,791	\$1,427,967	\$132,464	\$6,623,222	\$95,767	\$53,905	\$1,638	\$102,219	\$76,710	\$1,638
77%-23%	\$4,997,883	\$1,492,874	\$132,464	\$6,623,222	\$94,866	\$55,213	\$1,638	\$101,318	\$78,018	\$1,638
76%-24%	\$4,932,976	\$1,557,782	\$132,464	\$6,623,222	\$93,965	\$56,522	\$1,638	\$100,417	\$79,327	\$1,638
75%-25%	\$4,868,068	\$1,622,689	\$132,464	\$6,623,222	\$93,063	\$57,830	\$1,638	\$99,515	\$80,635	\$1,638
74%-26%	\$4,803,160	\$1,687,597	\$132,464	\$6,623,222	\$92,162	\$59,138	\$1,638	\$98,614	\$81,943	\$1,638
73%-27%	\$4,738,253	\$1,752,504	\$132,464	\$6,623,222	\$91,260	\$60,446	\$1,638	\$97,712	\$83,251	\$1,638
72%-28%	\$4,673,345	\$1,817,412	\$132,464	\$6,623,222	\$90,359	\$61,754	\$1,638	\$96,811	\$84,559	\$1,638
71%-29%	\$4,608,438	\$1,882,320	\$132,464	\$6,623,222	\$89,457	\$63,062	\$1,638	\$95,909	\$85,867	\$1,638
70%-30%	\$4,543,530	\$1,947,227	\$132,464	\$6,623,222	\$88,556	\$64,371	\$1,638	\$95,008	\$87,176	\$1,638
+1% / -1%	\$64,908	(\$64,908)	\$0	\$0	\$901	(\$1,309)	\$0	\$901	(\$1,309)	\$0
-1% / +1%	(\$64,908)	\$64,908	\$0	\$0	(\$901)	\$1,309	\$0	(\$901)	\$1,309	\$0

Other Facts:

Race Dates Approved for 2006:		Average Live	Total
Thoroughbred Days	72	Earned Purse	From Live Racing
Quarter Horse Days	38	Per Race Day	\$ 1,832,468
Minor Breed Days	0		\$ 504,768
Total Race Days	110		\$ 47,698
			\$ 2,384,935

Data in blue represents the breed splits approved for use in 2005.
Sam Houston Race Park has requested that the breed splits approved for 2005 be continued in 2006.

Texas Racing Commission

2006 Projected Purses Available Per Race Day

Under the Following Breed Splits
for Earned Purse from all Simulcast Import
(Escrow Horse-Purse allocations are not included in these projections.)

Manor Downs: 2006										Purses Per Day Without Added Money			Purses Per Day With Added Money		
Proposed Simulcast Import Purse Allocation % & Results										TB Purse Per Day	QH Purse Per Day	MB Purse Per Day	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day
% Split TB - QH	98.50% Split		1.50% MB		Total										
	Thoroughbred	Quarter Horse	1.50% MB	All Breeds	All Breeds										
35% - 65%	\$373,808	\$694,215	\$16,264	\$1,084,288	\$1,084,288				\$27,337	\$64,283	\$1,221	\$27,893	\$87,864	\$1,221	
34% - 66%	\$363,128	\$704,895	\$16,264	\$1,084,288	\$1,084,288				\$27,142	\$64,478	\$1,221	\$27,698	\$88,059	\$1,221	
33% - 67%	\$352,448	\$715,576	\$16,264	\$1,084,288	\$1,084,288				\$26,947	\$64,673	\$1,221	\$27,503	\$88,254	\$1,221	
32% - 68%	\$341,767	\$726,256	\$16,264	\$1,084,288	\$1,084,288				\$26,753	\$64,867	\$1,221	\$27,309	\$88,448	\$1,221	
31% - 69%	\$331,087	\$736,936	\$16,264	\$1,084,288	\$1,084,288				\$26,558	\$65,062	\$1,221	\$27,114	\$88,643	\$1,221	
30% - 70%	\$320,407	\$747,616	\$16,264	\$1,084,288	\$1,084,288				\$26,363	\$65,257	\$1,221	\$26,919	\$88,838	\$1,221	
29% - 71%	\$309,727	\$758,296	\$16,264	\$1,084,288	\$1,084,288				\$26,169	\$65,451	\$1,221	\$26,725	\$89,032	\$1,221	
28% - 72%	\$299,047	\$768,977	\$16,264	\$1,084,288	\$1,084,288				\$25,974	\$65,646	\$1,221	\$26,530	\$89,227	\$1,221	
27% - 73%	\$288,366	\$779,657	\$16,264	\$1,084,288	\$1,084,288				\$25,779	\$65,841	\$1,221	\$26,335	\$89,422	\$1,221	
26% - 74%	\$277,686	\$790,337	\$16,264	\$1,084,288	\$1,084,288				\$25,585	\$66,035	\$1,221	\$26,141	\$89,616	\$1,221	
25% - 75%	\$267,006	\$801,017	\$16,264	\$1,084,288	\$1,084,288				\$25,390	\$66,230	\$1,221	\$25,946	\$89,811	\$1,221	
24% - 76%	\$256,326	\$811,698	\$16,264	\$1,084,288	\$1,084,288				\$25,195	\$66,425	\$1,221	\$25,751	\$90,006	\$1,221	
23% - 77%	\$245,645	\$822,378	\$16,264	\$1,084,288	\$1,084,288				\$25,000	\$66,620	\$1,221	\$25,556	\$90,201	\$1,221	
22% - 78%	\$234,965	\$833,058	\$16,264	\$1,084,288	\$1,084,288				\$24,806	\$66,814	\$1,221	\$25,362	\$90,395	\$1,221	
21% - 79%	\$224,285	\$843,738	\$16,264	\$1,084,288	\$1,084,288				\$24,611	\$67,009	\$1,221	\$25,167	\$90,590	\$1,221	
20% - 80%	\$213,605	\$854,419	\$16,264	\$1,084,288	\$1,084,288				\$24,416	\$67,204	\$1,221	\$24,972	\$90,785	\$1,221	
19% - 81%	\$202,924	\$865,099	\$16,264	\$1,084,288	\$1,084,288				\$24,222	\$67,398	\$1,221	\$24,778	\$90,979	\$1,221	
18% - 82%	\$192,244	\$875,779	\$16,264	\$1,084,288	\$1,084,288				\$24,027	\$67,593	\$1,221	\$24,583	\$91,174	\$1,221	
17% - 83%	\$181,564	\$886,459	\$16,264	\$1,084,288	\$1,084,288				\$23,832	\$67,788	\$1,221	\$24,388	\$91,369	\$1,221	
16% - 84%	\$170,884	\$897,140	\$16,264	\$1,084,288	\$1,084,288				\$23,638	\$67,982	\$1,221	\$24,194	\$91,563	\$1,221	
15% - 85%	\$160,203	\$907,820	\$16,264	\$1,084,288	\$1,084,288				\$23,443	\$68,177	\$1,221	\$23,999	\$91,758	\$1,221	
+1% / -1%	\$10,680	(\$10,680)	\$0	\$0	\$0				\$195	(\$195)	\$0	\$195	(\$195)	\$0	
-1% / +1%	(\$10,680)	\$10,680	\$0	\$0	\$0				(\$195)	\$195	\$0	(\$195)	\$195	\$0	

Other Facts:

<u>Race Dates Approved for 2006:</u>		Total
TB Days (Mixed Meet)	18	Earned Purse
QH Days (Mixed Meet)	18	From Live Racing
MB Days (Mixed Meet)	18	\$ 21,863
Total Race Days	18	\$ 78,706
		\$ 4,373
		\$ 104,941

Data in blue represents the breed split approved for use in 2005.
Data in red represents Manor Down's requested breed split for 2006.

Texas Racing Commission

2006 Projected Purses Available Per Race Day

Under the Following Breed Splits

for Earned Purse from all Simulcast Import

(Escrow Horse-Purse allocations are not included in these projections.)

Gillespie County Fair: 2006													
Proposed Simulcast Import Purse Allocation % & Results													
% Split	98.50% Split		1.50% MB		Total		Purses Per Day Without Added Money			Purses Per Day With Added Money			
	Thoroughbred	Quarter Horse	MB	All Breeds	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day	TB Purse Per Day	QH Purse Per Day	MB Purse Per Day
35% - 65%	\$98,466	\$182,865	\$4,284	\$285,615	\$16,812	\$32,459	\$1,153	\$19,135	\$56,366	\$1,153	\$19,135	\$56,366	\$1,153
34% - 66%	\$95,653	\$185,679	\$4,284	\$285,615	\$16,557	\$32,714	\$1,153	\$18,880	\$56,621	\$1,153	\$18,880	\$56,621	\$1,153
33% - 67%	\$92,839	\$188,492	\$4,284	\$285,615	\$16,302	\$32,969	\$1,153	\$18,625	\$56,876	\$1,153	\$18,625	\$56,876	\$1,153
32% - 68%	\$90,026	\$191,305	\$4,284	\$285,615	\$16,047	\$33,224	\$1,153	\$18,370	\$57,131	\$1,153	\$18,370	\$57,131	\$1,153
31% - 69%	\$87,213	\$194,118	\$4,284	\$285,615	\$15,793	\$33,478	\$1,153	\$18,116	\$57,385	\$1,153	\$18,116	\$57,385	\$1,153
30% - 70%	\$84,399	\$196,932	\$4,284	\$285,615	\$15,538	\$33,733	\$1,153	\$17,861	\$57,640	\$1,153	\$17,861	\$57,640	\$1,153
29% - 71%	\$81,586	\$199,745	\$4,284	\$285,615	\$15,283	\$33,988	\$1,153	\$17,604	\$57,895	\$1,153	\$17,604	\$57,895	\$1,153
28% - 72%	\$78,773	\$202,558	\$4,284	\$285,615	\$15,028	\$34,243	\$1,153	\$17,347	\$58,150	\$1,153	\$17,347	\$58,150	\$1,153
27% - 73%	\$75,959	\$205,372	\$4,284	\$285,615	\$14,773	\$34,498	\$1,153	\$17,090	\$58,405	\$1,153	\$17,090	\$58,405	\$1,153
26% - 74%	\$73,146	\$208,185	\$4,284	\$285,615	\$14,518	\$34,753	\$1,153	\$16,833	\$58,660	\$1,153	\$16,833	\$58,660	\$1,153
25% - 75%	\$70,333	\$210,998	\$4,284	\$285,615	\$14,263	\$35,008	\$1,153	\$16,576	\$58,915	\$1,153	\$16,576	\$58,915	\$1,153
+1% / -1%	\$2,813	(\$2,813)	\$0	\$0	\$255	(\$255)	\$0	\$255	(\$255)	\$0	\$255	(\$255)	\$0
-1% / +1%	(\$2,813)	\$2,813	\$0	\$0	(\$255)	\$255	\$0	(\$255)	\$255	\$0	(\$255)	\$255	\$0

Other Facts:

Race Dates Approved for 2006:		Total
TB Days (Mixed Meet)	8	Earned Purse
QH Days (Mixed Meet)	8	From Live Racing
MB Days (Mixed Meet)	8	\$ 26,731
Total Race Days	8	\$ 53,463
		\$ 1,671
		\$ 81,865

Data in blue represents the breed splits approved for use in 2005. Gillespie County Fair has requested that the breed splits approved in 2005 be continued in 2006.

2004 ANNUAL REPORT

Year 2005 Approved Breed Splits

What is a "breed split"? Under the Texas Racing Act, a portion of the money wagered on simulcast races offered at horse racetracks is dedicated to purses and the Texas Bred Incentive Programs (ATB). Because this money is not directly related to live racing at Texas tracks, the Commission has developed a procedure for fairly dividing this money for payout to the owners and breeders of the different breeds of horses.

Pursuant to Commission rule, each year the racetracks consult with representatives of the organizations representing horse owners, trainers, and/or breeders. The tracks then recommend for Commission approval a specific allocation among the breeds for the funds generated at their respective tracks. This allocation of purse and ATB funds among the various breeds of horse is commonly referred to as the "breed splits".

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

TEXAS BRED INCENTIVE PROGRAM

Arabian	0.98325%	0.98325%	0.98325%	0.98325%	0.98325%
Paint	0.51675%	0.51675%	0.51675%	0.51675%	0.51675%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

Escrowed Horse Purse Account*

The money set aside for the escrowed horse purse account is derived from wagering on interstate horse racing simulcasts at greyhound racetracks. The Racing Act requires each greyhound racetrack to deposit with the Commission 4.5% of those wagers, to be paid to the various Texas horse racetracks. Each year, the horse racetracks are permitted to request money from this account. The Commission then approves a percentage allocation to be applied to money deposited in the account throughout the calendar year, based on purse levels, racing opportunities, and the financial status of the requesting racetracks.

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%

*These Escrowed Horse Purse splits are subject to Commission approval at the meeting scheduled for February 10, 2005. It is anticipated that the splits will remain the same as those in effect in 2004.

2003 ANNUAL REPORT

Year 2004 Approved Breed Splits

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

TEXAS BRED INCENTIVE PROGRAM

Arabian	1.225%	1.225%	1.225%	1.225%	1.225%
Paint	0.275%	0.275%	0.275%	0.275%	0.275%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

ESCROWED HORSE PURSE ACCOUNT

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%

2002 ANNUAL REPORT

YEAR 2003 APPROVED BREED SPLITS

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

**TEXAS BRED
INCENTIVE
PROGRAM**

Arabian	1.225%	1.225%	1.225%	1.225%	1.225%
Paint	0.275%	0.275%	0.275%	0.275%	0.275%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

**ESCROWED
HORSE PURSE
ACCOUNT**

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%



October 5, 2005

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Charla Ann,

For the past several years, in an attempt to create an atmosphere of industry cohesiveness, the Texas Quarter Horse Association agreed to simulcast breed splits that were not equitable.

Quarter Horse purses have declined over the years and quarter horsemen can no longer justify racing in Texas. In 2005, Quarter Horse purses at Texas racetracks will be among the lowest in the nation when compared to purses at other class I facilities. I have included statistics compiled by the AQHA that show purse levels from competing states.

The TQHA Race Committee urges you to allocate a 70% thoroughbred – 30% Quarter Horse simulcast breed split for Lone Star Park, Retama Park and Sam Houston Race Park. We ask that the breed splits at Manor Downs and Gillespie remain status quo. We also urge you to allocate accredited Texas-bred revenue 50-50. These percentages would be after an allocation for minor breed purses.

I have been in contact with representatives from each racetrack and it is my hope we can come to an agreement prior to the October 18 meeting of the Texas Racing Commission.

Thank you for your consideration. If you have any questions or would like to discuss this matter, please do not hesitate to call on me anytime.

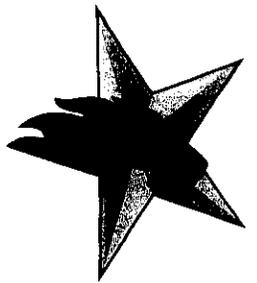
Sincerely,

A handwritten signature in cursive script that reads 'Robert Werstler'.

Rob Werstler
Director of Racing

2005 DAILY AVERAGE PURSES AT QUARTER HORSE RACETRACKS

<u>TRACK</u>	<u>DAYS</u>	<u>AVG. DAILY PURSES</u>	<u>AVG. PURSE PER RACE</u>
Delta Downs LA	56	\$129,588	\$12,958
Evangeline LA	21	\$83,612	\$8779
Lone Star TX	33	\$67,620	\$6524
Los Alamitos CA	139	\$67,352	\$9691
Remington OK	32	\$74,715	\$8954
Retama TX	24	\$46,227	\$4701
Sam Houston TX	38	\$61,388	\$6176
Sunland Park NM	53	\$91,266	\$19,348



TEXAS
THOROUGHBRED
ASSOCIATION

Received TxRC

OCT 06 2005

October 5, 2005

Charla Ann King
Executive Secretary
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

In Re: Allocation of Simulcast Purse and Texas-Bred Incentive Funds

Dear Charla Ann:

In response to your letter of September 21, the Texas Thoroughbred Association Board of Directors voted on June 23 to extend through 2006 the same breed splits at Texas tracks that have been in place since 2001. Those breed splits by track are as follows:

Lone Star Park—85% Thoroughbred, 15% Quarter Horse after deducting 1.25% for Minor Breeds;

Retama Park—80% Thoroughbred, 20% Quarter Horse after deducting 2% for Minor Breeds;

Sam Houston Race Park—80% Thoroughbred, 20% Quarter Horse after deducting 2% for Minor Breeds;

Manor Downs—20% Thoroughbred, 80% Quarter Horse after deducting 1.5% for Minor Breeds;

Gillespie County—30% Thoroughbred, 70% Quarter Horse after deducting 1.5% for Minor Breeds.

Concerning the Accredited Texas-Bred Incentive Program, the respective breed organizations have agreed to the following breed splits for the past several years, and TTA supports the extension of those breed splits through 2006:

Class 1 Tracks, Lone Star Park, Retama Park and Sam Houston Race Park—70% Thoroughbred, 30% Quarter Horse after deducting 1.5% for Arabians and Paints;

Class 2 Tracks, Manor Downs and Gillespie County—30% Thoroughbred, 70% Quarter Horse after deducting 1.5% for Arabians and Paints.

Prior to the October 18 meeting of the Texas Racing Commission, I would like to have the opportunity to review Sammy Jackson's projections of these splits for 2006, as well as any alternative suggested splits that may have been proposed by other breed organizations or tracks.

Thanking you for the opportunity to provide TTA's response to your request, I am

Sincerely yours,

David E. Hooper
Executive Director



T.A.B.A. Texas Arabian Breeders Association

Ed Wilson, President
P.O. Box 215
Forney, Texas 75126
972 564-9430
fax 972 552-3613

Carla Ann King
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Ms. King,

I am in agreement with leaving the simulcast bred split for purses and ATB Funds as they currently are.

Sincerely,

A handwritten signature in cursive script that reads "Ed Wilson".

Ed Wilson
President TABA



October 7, 2005

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

VIA FAX

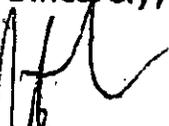
Dear Charla Ann,

Sam Houston Race Park proposes to leave all purse and Texas Bred Incentive (ATB) Fund breed splits for Sam Houston Race Park as are in place for 2005.

Specifically, the distribution from simulcast generated purse funds would be 80% to Thoroughbreds and 20% to Quarter Horses after paying 2% to minor breeds. ATB funds would be allocated 70% to Thoroughbreds and 30% to Quarter Horses after paying 2% to minor breeds.

Thank you.

Sincerely,


Robert L. Bork
President & GM

RLB/jlc

7-5

Housto

SAM HOUSTON RACE PARK, LTD.
7575 NORTH SAM HOUSTON PARKWAY WEST, HOUSTON, TEXAS 77064-3417



Received TxRC

OCT 07 2005

P.O. Box 141309

Austin, Texas 78714

512/272-5581

October 7, 2005

Charla Ann King
Executive Secretary
Texas Racing Commission
P O Box 12080
Austin, TX 78711

Dear Mrs. King:

Next year (2006) will be the third year Manor Downs has run a nine week mixed meet format.

At the insistence of the industry and with a mandate from the Racing Commission, a 7-½ furlong oval and a 6-furlong back chute with Fontana railing were constructed for thoroughbred racing. Barns were torn down or moved and stall capacity was added. The cost was over 4 million dollars.

Initially Manor Downs breed split was 74% quarter horse and 26% thoroughbred. Without Manor Downs participation and as a compromise with breed splits at other tracks, the industry with the Commission's approval changed this to 80% - 20%. We are asking the Commission to allow us to try to improve our thoroughbred product for the benefit of both our patrons and the horsemen.

We have made the financial commitment to racing and would now like to have an opportunity to maximize the benefits. Manor Downs once again requests a 70% - 30% breed split between quarter horses and thoroughbreds after allowing 1 ½ % to minor breeds. This change would decrease quarter horse purses by only \$130/race while increasing thoroughbred purses by \$780/race.

Your understanding and consideration of this request is important to Manor Downs and is greatly appreciated.

Sincerely,

Howard Phillips
President

GILLESPIE COUNTY FAIR

RACE MEET

P.O. Box 526
Fredricksburg, TX 78624
Phone: 830-997-2359

Scott Sherwood
P.O. Box 488
La Marque, TX 77568
Phone: 409-986-8563
Fax: 409-986-6840

October 10, 2005

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

VIA FAX

Dear Ms. King,

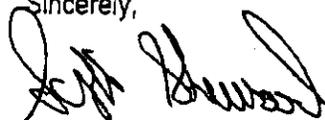
The Gillespie County Fair Race Meet respectfully requests that the revenue for purses and Texas-bred programs generated from simulcast be split 1.5% to minor breeds, 68.95% to Quarter Horses and 29.55% to Thoroughbreds.

I also request that purse revenue from both the TxRC Cross Species Escrow Purse Account and the THP Cross Species Escrow Purse Account be split 2% to minor breeds, 68.6% to Quarter Horses and 29.4% to Thoroughbreds.

These are the same percentages that were approved and used for our 2005 meet.

I am hopeful that the above outline meets the approval of the Texas Racing Commission. If you have any questions or concerns feel free to contact me at 409-986-9500 extension 2178.

Sincerely,



Scott Sherwood
Director of Racing

cc: Rob Werstler - TQHA
Dave Hooper - TTBA
Tommy Azopardi - THP



LONE STAR PARK
at Grand Prairie[®]
 A MAGNA ENTERTAINMENT VENUE
 Our Mission:
 Create Winning Experiences.

October 7, 2005

Received TxRC

OCT 10 2005

Ms. Charla Ann King
 Executive Secretary
 Texas Racing Commission
 8505 Cross Park Drive, #110
 Austin, TX 78754

Via Facsimile: (512) 833-6907

Dear Charla Ann:

Pursuant to your request regarding Commission Rule 321.505(a), Lone Star Park at Grand Prairie supports maintaining the status quo of 2005 for allocating simulcasting purse revenue and Texas Bred Incentive funds among the various breeds.

The horse racing industry in Texas has gone through some dramatic changes over the last six years. The expansion of gaming in surrounding states, the increase in off-shore rebating outlets and the expansion across the country in telephone wagering have all contributed to declining revenues in our industry. While we understand the importance of purse money and its impact on our daily racing program, these factors have forced us to reconsider our approach in presenting the best racing program possible.

In an attempt to maintain competitive purses and racing circuits with surrounding states, the thoroughbred industry has reduced the number of racing opportunities throughout the state in 2006. One example is that Lone Star Park has raced as many as 74 thoroughbred days (2001), raced 67 days in 2005, and are scheduled to race 66 days in 2006. While this is not the desire of owners, trainers or racetrack management, this has been a necessary step in order to remain competitive in our region.

Over the past several years we have arrived at a critical balance with our breed splits and racing programs. Any shift in breed splits today will only take away from this balance with little or no positive effect to the overall racing quality in the State of Texas.

Therefore, without any additional revenue streams to fuel purse accounts, Lone Star Park recommends the breed splits remain the same in 2006. Thank you for your attention in this matter.

Sincerely,

Jeffrey Greco
 Vice President & General Manager

JG/sa

HOST SITE OF THE
 2004 BREEDERS' CUP
 WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
 Grand Prairie, Texas 75050
 (972) 263-7223
 lonestarpark.com

Via Fax (512) 833-6907

September 26, 2005

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

Dear Charla Ann:

Retama Park proposes to leave all purse and Texas Bred Incentive (ATB) Fund breed splits for Retama as are in place for 2005.

Specifically, the distribution from simulcast generated purse funds would be 80% to Thoroughbreds and 20% to Quarter Horses after paying 2% to minor breeds. ATB Funds would be allocated 70% to Thoroughbreds and 30% to Quarter Horses after paying 2% to minor breeds.

Thank you.

Sincerely,



Bryan P. Brown
Chief Executive Officer

BPB/bs

Texas Racing Commission

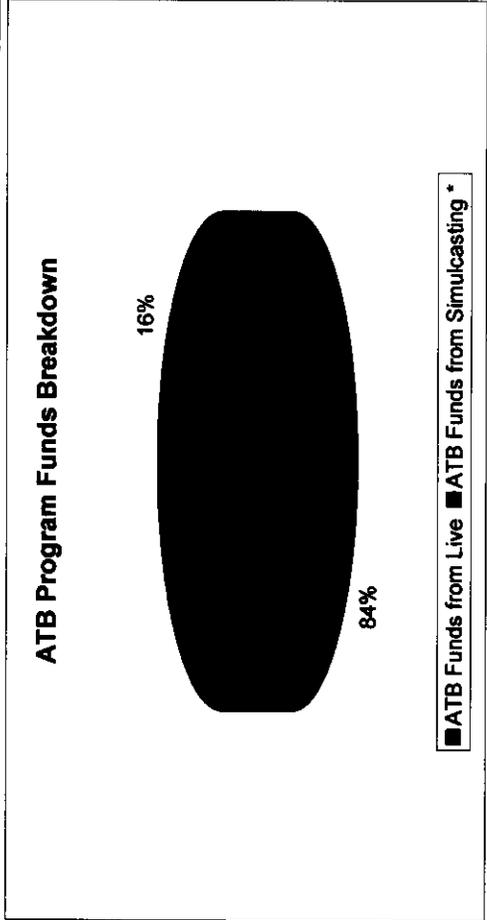
Projected Accredited Texas Bred (ATB) Program Funds Earned At Horse Racetracks For Calendar Year 2006

<u>Live Racing:</u>	<u>LSP</u>	<u>Retama</u>	<u>SHRP</u>	<u>Manor</u>	<u>GCF</u>	<u>Totals</u>
ATB Fund Sources						
From 1% Exotic Wagers	221,274	46,574	82,056	7,571	5,950	363,425
Less: 2% Equine Research	(4,425)	(931)	(1,641)	(151)	(119)	(7,268)
Net ATB Funds from 1% Exotic Wagers	216,849	45,642	80,415	7,420	5,831	356,156
From Breakage	257,366	48,386	86,879	10,853	9,691	413,175
Less: 2% Equine Research	(5,147)	(968)	(1,738)	(217)	(194)	(8,263)
Less: TX-Bred Stakes Purse	(25,222)	(4,742)	(8,514)	(1,064)	(950)	(40,491)
Net ATB Funds from Breakage	226,997	42,676	76,628	9,573	8,547	364,420
Total ATB Funds from Live Racing	\$ 443,845	\$ 88,318	\$ 157,043	\$ 16,992	\$ 14,378	\$ 720,576

Simulcasting:						
<i>* - (subject to Sec. 321.505. Allocation Of Purses And Funds For Texas Bred Incentive Programs.)</i>						
From 1% Exotic Wagers	1,200,086	390,552	873,887	137,546	30,740	2,632,812
Less: 2% Equine Research	(24,002)	(7,811)	(17,478)	(2,751)	(615)	(52,656)
Net ATB Funds from 1% Exotic Wagers	1,176,084	382,741	856,410	134,795	30,125	2,580,156
From Breakage	814,088	190,987	417,646	64,893	25,704	1,513,318
Less: 2% Equine Research	(16,282)	(3,820)	(8,353)	(1,298)	(514)	(30,266)
Less: TX-Bred Stakes Purse	(79,781)	(18,717)	(40,929)	(6,360)	(2,519)	(148,305)
Net ATB Funds from Breakage	718,026	168,450	368,364	57,236	22,671	1,334,746
Total ATB Funds from Simulcasting *	\$ 1,894,110	\$ 551,192	\$ 1,224,773	\$ 192,031	\$ 52,796	\$ 3,914,902

Total All ATB Funds Payable to Horse Breed Registries \$ 2,337,955 \$ 639,510 \$ 1,381,816 \$ 209,024 \$ 67,174 \$ 4,635,478

ATB Funds from Live \$ 720,576
 ATB Funds from Simulcasting * \$ 3,914,902
Total ATB Funds \$ 4,635,478



Texas Racing Commission

2006 Projected ATB Funds from Simulcast Import

Under the Following Breed Splits

% Split IB - QH	98.50% Split		1.50% MB	Total					
	Thoroughbred	Quarter Horse		All Breeds	Total				
90% -10%	\$1,679,128	\$186,570	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$184,676	\$47,353	\$1,894,110
88% -12%	\$1,641,814	\$223,884	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$221,611	\$47,353	\$1,894,110
86% -14%	\$1,604,500	\$261,198	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$258,546	\$47,353	\$1,894,110
84% -16%	\$1,567,187	\$298,512	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$295,481	\$47,353	\$1,894,110
82% -18%	\$1,529,873	\$335,826	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$332,416	\$47,353	\$1,894,110
80% -20%	\$1,492,559	\$373,140	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$369,351	\$47,353	\$1,894,110
78% -22%	\$1,455,245	\$410,454	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$406,287	\$47,353	\$1,894,110
76% -24%	\$1,417,931	\$447,768	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$443,222	\$47,353	\$1,894,110
74% -26%	\$1,380,617	\$485,082	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$480,157	\$47,353	\$1,894,110
72% -28%	\$1,343,303	\$522,396	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$517,092	\$47,353	\$1,894,110
70% -30%	\$1,305,989	\$559,709	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$554,027	\$47,353	\$1,894,110
68% -32%	\$1,268,675	\$597,023	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$590,962	\$47,353	\$1,894,110
66% -34%	\$1,231,361	\$634,337	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$627,897	\$47,353	\$1,894,110
64% -36%	\$1,194,047	\$671,651	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$664,833	\$47,353	\$1,894,110
62% -38%	\$1,156,733	\$708,965	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$701,768	\$47,353	\$1,894,110
60% -40%	\$1,119,419	\$746,279	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$738,703	\$47,353	\$1,894,110
58% -42%	\$1,082,105	\$783,593	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$775,638	\$47,353	\$1,894,110
56% -44%	\$1,044,791	\$820,907	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$812,573	\$47,353	\$1,894,110
54% -46%	\$1,007,477	\$858,221	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$849,508	\$47,353	\$1,894,110
52% -48%	\$970,163	\$895,535	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$886,443	\$47,353	\$1,894,110
50% -50%	\$932,849	\$932,849	\$28,412	\$1,894,110	\$37,882	\$1,894,110	\$923,379	\$47,353	\$1,894,110
+2% / -2%	\$37,314	(\$37,314)	\$0	\$0	\$0	\$0	\$36,935	\$0	\$0
-2% / +2%	(\$37,314)	\$37,314	\$0	\$0	\$0	\$0	(\$36,935)	\$0	\$0

Data in blue represents the breed splits approved for use in 2005.

Lone Star Park, the Texas Arabian Breeders Association, the Texas Paint Horse and the Texas Thoroughbred Association have recommended using the same splits approved in 2005 for this racetrack in 2006.

Data in red represents the TQHA's recommended breed splits for 2006.

Texas Racing Commission

2006 Projected ATB Funds from Simulcast Import

Under the Following Breed Splits

% Split TB - QH	80-50% Split		1-50% MB		Total						
	Thoroughbred	Quarter Horse	MB	All Breeds							
90%-10%	\$488,631	\$54,292	\$8,268	\$551,192	\$54,017	\$11,023.83	\$551,192	\$483,671	\$53,741	\$13,780	\$551,192
88%-12%	\$477,773	\$65,151	\$8,268	\$551,192	\$64,820	\$11,023.83	\$551,192	\$472,922	\$64,489	\$13,780	\$551,192
86%-14%	\$466,914	\$76,009	\$8,268	\$551,192	\$75,623	\$11,023.83	\$551,192	\$462,174	\$75,238	\$13,780	\$551,192
84%-16%	\$456,056	\$86,868	\$8,268	\$551,192	\$86,427	\$11,023.83	\$551,192	\$451,426	\$85,986	\$13,780	\$551,192
82%-18%	\$445,197	\$97,726	\$8,268	\$551,192	\$97,230	\$11,023.83	\$551,192	\$440,678	\$96,734	\$13,780	\$551,192
80%-20%	\$434,339	\$108,585	\$8,268	\$551,192	\$108,034	\$11,023.83	\$551,192	\$429,929	\$107,482	\$13,780	\$551,192
78%-22%	\$423,480	\$119,443	\$8,268	\$551,192	\$118,837	\$11,023.83	\$551,192	\$419,181	\$118,231	\$13,780	\$551,192
76%-24%	\$412,622	\$130,302	\$8,268	\$551,192	\$129,640	\$11,023.83	\$551,192	\$408,433	\$128,979	\$13,780	\$551,192
74%-26%	\$401,764	\$141,160	\$8,268	\$551,192	\$140,444	\$11,023.83	\$551,192	\$397,685	\$139,727	\$13,780	\$551,192
72%-28%	\$390,905	\$152,019	\$8,268	\$551,192	\$151,247	\$11,023.83	\$551,192	\$386,936	\$150,475	\$13,780	\$551,192
70%-30%	\$380,047	\$162,877	\$8,268	\$551,192	\$162,050	\$11,023.83	\$551,192	\$376,188	\$161,224	\$13,780	\$551,192
68%-32%	\$369,188	\$173,736	\$8,268	\$551,192	\$172,854	\$11,023.83	\$551,192	\$365,440	\$171,972	\$13,780	\$551,192
66%-34%	\$358,330	\$184,594	\$8,268	\$551,192	\$183,657	\$11,023.83	\$551,192	\$354,692	\$182,720	\$13,780	\$551,192
64%-36%	\$347,471	\$195,453	\$8,268	\$551,192	\$194,460	\$11,023.83	\$551,192	\$343,944	\$193,468	\$13,780	\$551,192
62%-38%	\$336,613	\$206,311	\$8,268	\$551,192	\$205,264	\$11,023.83	\$551,192	\$333,195	\$204,216	\$13,780	\$551,192
60%-40%	\$325,754	\$217,169	\$8,268	\$551,192	\$216,067	\$11,023.83	\$551,192	\$322,447	\$214,965	\$13,780	\$551,192
58%-42%	\$314,896	\$228,028	\$8,268	\$551,192	\$226,870	\$11,023.83	\$551,192	\$311,699	\$225,713	\$13,780	\$551,192
56%-44%	\$304,037	\$238,886	\$8,268	\$551,192	\$237,674	\$11,023.83	\$551,192	\$300,951	\$236,461	\$13,780	\$551,192
54%-46%	\$293,179	\$249,745	\$8,268	\$551,192	\$248,477	\$11,023.83	\$551,192	\$290,202	\$247,209	\$13,780	\$551,192
52%-48%	\$282,320	\$260,603	\$8,268	\$551,192	\$259,281	\$11,023.83	\$551,192	\$279,454	\$257,958	\$13,780	\$551,192
50%-50%	\$271,462	\$271,462	\$8,268	\$551,192	\$270,084	\$11,023.83	\$551,192	\$268,706	\$268,706	\$13,780	\$551,192
+2% / -2%	\$10,858	(\$10,858)	\$0	\$0	\$10,803	\$0	\$0	\$10,748	(\$10,748)	\$0	\$0
-2% / +2%	(\$10,858)	\$10,858	\$0	\$0	(\$10,803)	\$0	\$0	(\$10,748)	\$10,748	\$0	\$0

Data in blue represents the breed splits approved for use in 2005.

Retama Park, the Texas Arabian Breeders Association, the Texas Paint Horse and the Texas Thoroughbred Association have recommended using the same splits approved in 2005 for this racetrack in 2006.

Data in red represents the AQHA's recommended breed splits for 2006.

Texas Racing Commission

2006 Projected ATB Funds from Simulcast Import

Under the Following Breed Splits

% Split IB - QH	98.50% Split		1.50% MB	Total All Breeds						
	Thoroughbred	Quarter Horse								
50%-50%	\$94,576	\$94,576	\$2,880	\$192,031	\$94,095	\$3,841	\$192,031	\$93,615	\$4,801	\$192,031
48%-52%	\$90,792	\$98,359	\$2,880	\$192,031	\$90,332	\$3,841	\$192,031	\$89,871	\$4,801	\$192,031
46%-54%	\$87,009	\$102,142	\$2,880	\$192,031	\$86,568	\$3,841	\$192,031	\$86,126	\$4,801	\$192,031
44%-56%	\$83,226	\$105,925	\$2,880	\$192,031	\$82,804	\$3,841	\$192,031	\$82,382	\$4,801	\$192,031
42%-58%	\$79,443	\$109,708	\$2,880	\$192,031	\$79,040	\$3,841	\$192,031	\$78,637	\$4,801	\$192,031
40%-60%	\$75,660	\$113,491	\$2,880	\$192,031	\$75,276	\$3,841	\$192,031	\$74,892	\$4,801	\$192,031
38%-62%	\$71,877	\$117,274	\$2,880	\$192,031	\$71,513	\$3,841	\$192,031	\$71,148	\$4,801	\$192,031
36%-64%	\$68,094	\$121,057	\$2,880	\$192,031	\$67,749	\$3,841	\$192,031	\$67,403	\$4,801	\$192,031
34%-66%	\$64,311	\$124,840	\$2,880	\$192,031	\$63,985	\$3,841	\$192,031	\$63,658	\$4,801	\$192,031
32%-68%	\$60,528	\$128,623	\$2,880	\$192,031	\$60,221	\$3,841	\$192,031	\$59,914	\$4,801	\$192,031
30%-70%	\$56,745	\$132,406	\$2,880	\$192,031	\$56,457	\$3,841	\$192,031	\$56,169	\$4,801	\$192,031
28%-72%	\$52,962	\$136,189	\$2,880	\$192,031	\$52,693	\$3,841	\$192,031	\$52,425	\$4,801	\$192,031
26%-74%	\$49,179	\$139,972	\$2,880	\$192,031	\$48,930	\$3,841	\$192,031	\$48,680	\$4,801	\$192,031
24%-76%	\$45,396	\$143,755	\$2,880	\$192,031	\$45,166	\$3,841	\$192,031	\$44,935	\$4,801	\$192,031
22%-78%	\$41,613	\$147,538	\$2,880	\$192,031	\$41,402	\$3,841	\$192,031	\$41,191	\$4,801	\$192,031
20%-80%	\$37,830	\$151,321	\$2,880	\$192,031	\$37,638	\$3,841	\$192,031	\$37,446	\$4,801	\$192,031
18%-82%	\$34,047	\$155,104	\$2,880	\$192,031	\$33,874	\$3,841	\$192,031	\$33,702	\$4,801	\$192,031
16%-84%	\$30,264	\$158,887	\$2,880	\$192,031	\$30,111	\$3,841	\$192,031	\$29,957	\$4,801	\$192,031
14%-86%	\$26,481	\$162,670	\$2,880	\$192,031	\$26,347	\$3,841	\$192,031	\$26,212	\$4,801	\$192,031
12%-88%	\$22,698	\$166,453	\$2,880	\$192,031	\$22,583	\$3,841	\$192,031	\$22,468	\$4,801	\$192,031
10%-90%	\$18,915	\$170,236	\$2,880	\$192,031	\$18,819	\$3,841	\$192,031	\$18,723	\$4,801	\$192,031
+2% / -2%	\$3,783	(\$3,783)	\$0	\$0	\$3,764	\$0	\$0	\$3,745	\$0	\$0
-2% / +2%	(\$3,783)	\$3,783	\$0	\$0	(\$3,764)	\$0	\$0	(\$3,745)	\$0	\$0

Data in blue represents the breed split approved for use in 2005.

The Texas Arabian Breeders Association, the Texas Paint Horse, the Texas Quarter Horse Association and the Texas Thoroughbred Association have recommended using the same splits approved in 2005 for this racetrack in 2006.

Manor Downs made no recommendation in regards to this item.

Texas Racing Commission

2006 Projected ATB Funds from Simulcast Import

Under the Following Breed Splits

% Split TB - QH	98.50% Split		1.50% MB	Total All Breeds	\$1,056	\$25,870	\$25,738	\$25,796	\$1,319.90	\$52,796
	Thoroughbred	Quarter Horse								
50%-50%	\$26,002	\$26,002	\$792	\$52,796	\$1,056	\$25,870	\$25,738	\$25,796	\$1,319.90	\$52,796
48%-52%	\$24,962	\$27,042	\$792	\$52,796	\$1,056	\$26,905	\$24,708	\$26,767	\$1,319.90	\$52,796
46%-54%	\$23,922	\$28,082	\$792	\$52,796	\$1,056	\$27,940	\$23,679	\$27,797	\$1,319.90	\$52,796
44%-56%	\$22,882	\$29,122	\$792	\$52,796	\$1,056	\$28,974	\$22,649	\$28,827	\$1,319.90	\$52,796
42%-58%	\$21,842	\$30,162	\$792	\$52,796	\$1,056	\$30,009	\$21,620	\$29,856	\$1,319.90	\$52,796
40%-60%	\$20,802	\$31,202	\$792	\$52,796	\$1,056	\$31,044	\$20,590	\$30,886	\$1,319.90	\$52,796
38%-62%	\$19,761	\$32,242	\$792	\$52,796	\$1,056	\$32,079	\$19,561	\$31,915	\$1,319.90	\$52,796
36%-64%	\$18,721	\$33,283	\$792	\$52,796	\$1,056	\$33,114	\$18,531	\$32,945	\$1,319.90	\$52,796
34%-66%	\$17,681	\$34,323	\$792	\$52,796	\$1,056	\$34,148	\$17,502	\$33,974	\$1,319.90	\$52,796
32%-68%	\$16,641	\$35,363	\$792	\$52,796	\$1,056	\$35,183	\$16,472	\$35,004	\$1,319.90	\$52,796
30%-70%	\$15,601	\$36,403	\$792	\$52,796	\$1,056	\$36,218	\$15,443	\$36,033	\$1,319.90	\$52,796
28%-72%	\$14,561	\$37,443	\$792	\$52,796	\$1,056	\$37,253	\$14,413	\$37,063	\$1,319.90	\$52,796
26%-74%	\$13,521	\$38,483	\$792	\$52,796	\$1,056	\$38,288	\$13,384	\$38,092	\$1,319.90	\$52,796
24%-76%	\$12,481	\$39,523	\$792	\$52,796	\$1,056	\$39,322	\$12,354	\$39,122	\$1,319.90	\$52,796
22%-78%	\$11,441	\$40,563	\$792	\$52,796	\$1,056	\$40,357	\$11,325	\$40,151	\$1,319.90	\$52,796
20%-80%	\$10,401	\$41,603	\$792	\$52,796	\$1,056	\$41,392	\$10,295	\$41,181	\$1,319.90	\$52,796
18%-82%	\$9,361	\$42,643	\$792	\$52,796	\$1,056	\$42,427	\$9,266	\$42,210	\$1,319.90	\$52,796
16%-84%	\$8,321	\$43,683	\$792	\$52,796	\$1,056	\$43,462	\$8,236	\$43,240	\$1,319.90	\$52,796
14%-86%	\$7,281	\$44,723	\$792	\$52,796	\$1,056	\$44,496	\$7,207	\$44,269	\$1,319.90	\$52,796
12%-88%	\$6,240	\$45,763	\$792	\$52,796	\$1,056	\$45,531	\$6,177	\$45,299	\$1,319.90	\$52,796
10%-90%	\$5,200	\$46,804	\$792	\$52,796	\$1,056	\$46,566	\$5,148	\$46,328	\$1,319.90	\$52,796
+2% / -2%	\$1,040	(\$1,040)	\$0	\$0	\$0	(\$1,035)	\$1,030	(\$1,030)	\$0	\$0
-2% / +2%	(\$1,040)	\$1,040	\$0	\$0	\$0	\$1,035	(\$1,030)	\$1,030	\$0	\$0

Data in blue represents the breed splits approved for use in 2005.

The Texas Arabian Breeders Association, the Texas Paint Horse, the Texas Quarter Horse Association and the Texas Thoroughbred Association have recommended using the same splits approved in 2005 for this racetrack in 2006.

Gillespie County Fair made no recommendation in regards to this item.

2004 ANNUAL REPORT

Year 2005 Approved Breed Splits

What is a "breed split"? Under the Texas Racing Act, a portion of the money wagered on simulcast races offered at horse racetracks is dedicated to purses and the Texas Bred Incentive Programs (ATB). Because this money is not directly related to live racing at Texas tracks, the Commission has developed a procedure for fairly dividing this money for payout to the owners and breeders of the different breeds of horses.

Pursuant to Commission rule, each year the racetracks consult with representatives of the organizations representing horse owners, trainers, and/or breeders. The tracks then recommend for Commission approval a specific allocation among the breeds for the funds generated at their respective tracks. This allocation of purse and ATB funds among the various breeds of horse is commonly referred to as the "breed splits".

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

TEXAS BRED INCENTIVE PROGRAM

Arabian	0.98325%	0.98325%	0.98325%	0.98325%	0.98325%
Paint	0.51675%	0.51675%	0.51675%	0.51675%	0.51675%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

Escrowed Horse Purse Account*

The money set aside for the escrowed horse purse account is derived from wagering on interstate horse racing simulcasts at greyhound racetracks. The Racing Act requires each greyhound racetrack to deposit with the Commission 4.5% of those wagers, to be paid to the various Texas horse racetracks. Each year, the horse racetracks are permitted to request money from this account. The Commission then approves a percentage allocation to be applied to money deposited in the account throughout the calendar year, based on purse levels, racing opportunities, and the financial status of the requesting racetracks.

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%

*These Escrowed Horse Purse splits are subject to Commission approval at the meeting scheduled for February 10, 2005. It is anticipated that the splits will remain the same as those in effect in 2004.

2003 ANNUAL REPORT

Year 2004 Approved Breed Splits

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

TEXAS BRED INCENTIVE PROGRAM

Arabian	1.225%	1.225%	1.225%	1.225%	1.225%
Paint	0.275%	0.275%	0.275%	0.275%	0.275%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

ESCROWED HORSE PURSE ACCOUNT

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%

2002 ANNUAL REPORT

YEAR 2003 APPROVED BREED SPLITS

PURSES	GILLESPIE COUNTY	MANOR	LONE STAR	RETAMA	SAM HOUSTON
Minor Breed	1.50%	1.50%	1.25%	2.00%	2.00%
Quarter Horse	68.95%	78.80%	14.81%	19.60%	19.60%
Thoroughbred	29.55%	19.70%	83.94%	78.40%	78.40%

TEXAS BRED INCENTIVE PROGRAM

Arabian	1.225%	1.225%	1.225%	1.225%	1.225%
Paint	0.275%	0.275%	0.275%	0.275%	0.275%
Quarter Horse	68.950%	68.950%	29.550%	29.550%	29.550%
Thoroughbred	29.550%	29.550%	68.950%	68.950%	68.950%

ESCROWED HORSE PURSE ACCOUNT

	1.6%	7.8%	18.4%	34.7%	37.5%
Minor Breed	2.0%	2.0%	2.0%	2.0%	2.0%
Quarter Horse	68.6%	29.4%	29.4%	29.4%	29.4%
Thoroughbred	29.4%	68.6%	68.6%	68.6%	68.6%

**Texas Racing Commission
Report on Racetrack Inspection Activities
October 18, 2005**

Date of Inspection	Track	Type of Inspection	Number of Unsatisfactory Items	Track Remediation Complete	Inspection resolved
9/20/05	Lone Star	Enforcement	1	1 resolved 9/22/05	9/22/05
6/3/05	Lone Star	Racing Stewards	0		