



RETAMA PARK™

January 29, 2007

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

Dear Charla Ann:

We are pleased to inform you that the horse tracks have agreed, subject only to a satisfactory agreement being reached by the Texas Quarter Horse Association and Texas Thoroughbred Association, on a split of the TRC Escrowed Purse Account distributed under Commission rule 321.509. The agreed upon split is as follows:

Gillespie County Fair	1.6%
Lone Star Park	27.18%
Manor Downs	7.8%
Retama Park	18.12%
Sam Houston Race Park	<u>45.3%</u>
	100%

We feel that the agreement reached and above sharing formula is important for the industry and request the Commission's approval.

Many thanks.

Yours truly,

Scott Sherwood
Gillespie County Fair

Drew M. Shubeck
Lone Star Park

Howard Phillips
Manor Downs

Bryan P. Brown
Retama Park

Robert L. Bork
Sam Houston Race Park

cc: Sammy Jackson

TERMS OF AGREEMENT
For
2007 Escrow Horse Purse Account
and
2007 Accredited Texas-Bred Incentive Program

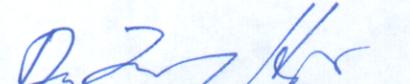
The Texas pari-mutuel horse industry---Lone Star Park, Retama Park, Sam Houston Race Park, Manor Downs, Gillespie County Fair, Texas Horsemen's Partnership, Texas Quarter Horse Association, Texas Thoroughbred Association, Texas Arabian Breeders' Association and Texas Paint Horse Association---affirms its agreement for 2007 on distribution of revenue by breed from the Texas Racing Commission Escrow Horse Purse Account and 2007 breed splits of the Accredited Texas-Bred Incentive Program based on the following terms:

Duration: The year 2007 only.

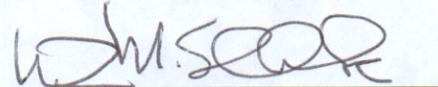
Escrow Horse Purse Account: 7% to Minor Breeds with 3.5% to Arabians and 3.5% to Paints; the remaining 93% to be divided 77.5% to Quarter Horses and 22.5% to Thoroughbreds.

Accredited Texas-Bred Incentive Program: 1.5% to Minor Breeds with 0.98% to Arabians and 0.52% to Paints; the remaining 98.5% to be divided 66.67% to Thoroughbreds and 33.3% to Quarter Horses.

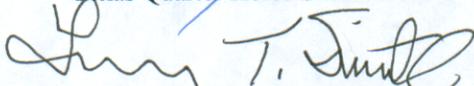
The Terms of Agreement meet with the approval of the following organizations:



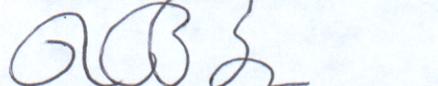
Texas Quarter Horse Association



Lone Star Park at Grand Prairie



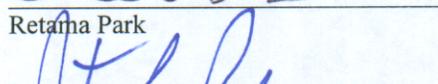
Texas Thoroughbred Association



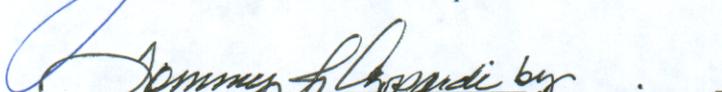
Retama Park



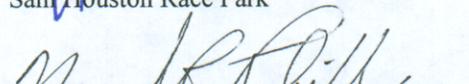
Texas Horsemen's Partnership



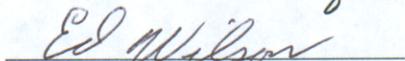
Sam Houston Race Park



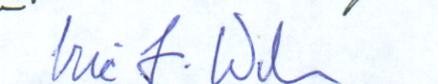
Texas Horsemen's Partnership
by permission for Larry Christopher



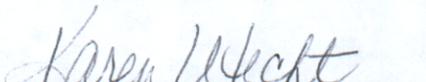
Manor Downs



Texas Arabian Breeder's Association



Gillespie County Fair Grounds



Texas Paint Horse Association