

**AUGUST 2023 COMMISSION
MEETING MATERIALS PUBLIC
VERSION**



TEXAS RACING COMMISSION
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Texas Racing Commission
Wednesday, August 16, 2023
10:30 a.m.
6100 Guadalupe St., Bldg. E
Criminal Law Enforcement Auditorium
Austin, Texas 78752

AGENDA

I. CALL TO ORDER

II. PLEDGES (U.S. AND TEXAS)

III. COMMISSIONER REMARKS

- A. Commission Chair
- B. Commission Vice Chair
- C. Commission Members

IV. PUBLIC COMMENTS

V. STAFF REPORTS

- A. Executive Director Report

VI. GENERAL BUSINESS

- A. Discussion and possible action to approve the interagency agreement with the Texas Veterinary Medical Diagnostic Lab (TVMDL) for FY 2024 under TEX. OCC. CODE § 2034.002.

VII. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT AND TEXAS BRED INCENTIVE FUND

- A. Discussion and possible action to approve the distribution allocation percentages to state horse breed registries and licensed racetracks for FY 2024 under TEX. OCC. CODE §2028.204 and § 2028.301.

VIII. RACETRACK PROCEEDINGS

- A. Discussion and possible action to approve officer and management change for Sam Houston Race Park, Manor Downs, and Valley Race Park. TEX. OCC. CODE §2026.153.
 - 1. Sam Houston Race Park, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube
 - 2. Valley Race Park, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube
 - 3. Hill Lane, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube.
- B. Discussion and possible action to ratify the two-year extension of the Penn Entertainment and Global Tote 2013 Master Agreement on behalf of Sam Houston Race Park in accordance with 16 TEX. ADMIN. CODE §309.162.
- C. Discussion on active racetrack licenses scheduled for review under 16 TEX. ADMIN. CODE §309.53:
 - 1. Valley Race Park
 - 2. Retama Park

IX. EXECUTIVE SESSION (AS NEEDED)

The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under TEX. GOV'T CODE §551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation or regarding a settlement offer.
- B. Under TEX. GOV'T CODE §551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the Commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Government Code § 551.074(a)(1), the Commission may enter an executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
- D. Under TEX. OCC. CODE §2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

X. NEXT COMMISSION MEETING

Wednesday, September 5, 2023, 10:30 a.m.

XI. ADJOURN

I.CALL TO ORDER

II. PLEDGES (U.S. and Texas)

“I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.”

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

III. COMMISSIONER REMARKS

A. Commission Chair

B. Commission Vice-Chair

C. Commission Members

IV. PUBLIC COMMENTS

V. STAFF REPORTS

A. Discussion and consideration of staff report

1. Executive Director

**CONFERENCE
COMMITTEE REPORT**
3RD Printing

**H.B. NO. 1
GENERAL APPROPRIATIONS
BILL**

**Texas Racing Commission
Extract
page VIII-43 through VIII-46**

BOARD OF PLUMBING EXAMINERS
(Continued)

service standards established by this Act, the Board of Plumbing Examiners shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

| | 2024 | 2025 |
|--|--------|--------|
| A. Goal: ENSURE PUBLIC SAFETY/PLUMBING | | |
| Outcome (Results/Impact): | | |
| Percentage of Complaints Resolved Resulting in Disciplinary Action | 57% | 60% |
| Percentage of Licensees/Registrants with No Recent Violations | 98% | 98% |
| Percent of Licensees and Registrants Who Renew Online | 90% | 90% |
| Percent of New Individual Licenses, Registrations and Endorsements Issued Online | 68% | 68% |
| A.1.1. Strategy: EXAMINE AND LICENSE PLUMBERS | | |
| Output (Volume): | | |
| Number of New Licenses, Registrations and Endorsements Issued | 13,200 | 13,500 |
| Number of Licenses, Registrations and Endorsements Renewed | 45,000 | 45,300 |
| A.1.3. Strategy: INSPECTIONS AND ENFORCEMENT | | |
| Output (Volume): | | |
| Total Number of Compliance Checks Performed | 10,000 | 10,000 |
| Number of Investigations Conducted | 850 | 900 |
| Number of Complaints Resolved | 900 | 950 |
| Explanatory: | | |
| Percentage of Compliance Checks Found with Violations | 4% | 4% |

2. Capital Budget. Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the general provisions of this Act.

| | 2024 | 2025 |
|---|-----------|-----------|
| a. Data Center/Shared Technology Services | | |
| (1) Department of Information Resources - Data Center Consolidation | \$ 18,820 | \$ 18,784 |
| Total, Capital Budget | \$ 18,820 | \$ 18,784 |
| Method of Financing (Capital Budget): | | |
| General Revenue Fund | \$ 18,820 | \$ 18,784 |
| Total, Method of Financing | \$ 18,820 | \$ 18,784 |

3. Surplus Property. Notwithstanding Article IX, Section 8.03. Surplus Property, one hundred percent of the receipts to the Board of Plumbing Examiners from the sale of scrap metal is appropriated to the Board for the purpose of providing materials necessary to conduct licensing examinations during the biennium in which the receipts are received.

RACING COMMISSION

| | For the Years Ending | |
|---|----------------------|---------------------|
| | August 31, 2024 | August 31, 2025 |
| Method of Financing: | | |
| General Revenue Fund | \$ 1,313,350 | \$ 1,444,685 |
| GR Dedicated - Texas Racing Commission Account No. 597 | \$ 5,186,030 | \$ 5,308,782 |
| Texas-bred Incentive Fund No. 327, estimated | \$ 2,530,000 | \$ 2,500,000 |
| Total, Method of Financing | \$ 9,029,380 | \$ 9,253,467 |
| Other Direct and Indirect Costs Appropriated Elsewhere in this Act | \$ 1,522,937 | \$ 1,534,421 |

RACING COMMISSION
(Continued)

This bill pattern represents an estimated 26.8% of this agency's estimated total available funds for the biennium.

| | | |
|--|---------------------|---------------------|
| Number of Full-Time-Equivalents (FTE): | 57.3 | 57.3 |
| Schedule of Exempt Positions: | | |
| Executive Director, Group 3 | \$139,851 | \$142,335 |
| Items of Appropriation: | | |
| A. Goal: ENABLE INDUSTRY GROWTH | | |
| Enable Industry Growth Through Modernization of Licensing Services. | | |
| A.1.1. Strategy: MODERNIZE LICENSING SERVICES | \$ 767,158 | \$ 767,158 |
| A.1.2. Strategy: CRIMINAL HISTORY & BACKGROUND CHECK Criminal History And Background Checks. Estimated And Nontransferable. | 90,000 | 90,000 |
| A.1.3. Strategy: TEXAS.GOV Texas.gov. Estimated and Nontransferable. | 10,000 | 10,000 |
| Total, Goal A: ENABLE INDUSTRY GROWTH | \$ 867,158 | \$ 867,158 |
| B. Goal: PROTECT RACING SAFETY & INTEGRITY | | |
| Protect The Integrity And Safety of Texas Racing. | | |
| B.1.1. Strategy: DETER, INVESTIGATE, AND ADJUDICATE Deter, Investigate, And Adjudicate Violations of The Texas Racing Act. | \$ 948,430 | \$ 948,429 |
| B.1.2. Strategy: WAGERING INTEGRITY AND SECURITY Increase the Integrity and Security of Pari-mutuel Wagering. | 465,459 | 465,459 |
| B.1.3. Strategy: PREVENT INJURIES/EMERGENCY RESPONSE Prevent Injuries and Respond to Medical Emergencies. | 563,797 | 563,796 |
| B.1.4. Strategy: ADMINISTER DRUG TESTS Administer Drug Tests to Detect Prohibited Substances in Competitors. | 1,510,677 | 1,642,012 |
| Total, Goal B: PROTECT RACING SAFETY & INTEGRITY | \$ 3,488,363 | \$ 3,619,696 |
| C. Goal: INDIRECT ADMINISTRATION | | |
| C.1.1. Strategy: CENTRAL ADMIN & OTHER SUPPORT SVCS Central Administration and Other Support Services. | \$ 1,400,306 | \$ 1,402,790 |
| C.1.2. Strategy: INFORMATION RESOURCES | 619,595 | 616,993 |
| Total, Goal C: INDIRECT ADMINISTRATION | \$ 2,019,901 | \$ 2,019,783 |
| D. Goal: TEXAS BRED INCENTIVE PROGRAM | | |
| Texas Bred Incentive Fund Administration. | | |
| D.1.1. Strategy: TEXAS BRED INCENTIVE PROGRAM Allocate Texas Bred Incentive Funds. Estimated and Nontransferable. | \$ 2,530,000 | \$ 2,500,000 |
| E. Goal: SALARY ADJUSTMENTS | | |
| E.1.1. Strategy: SALARY ADJUSTMENTS | \$ 123,958 | \$ 246,830 |
| Grand Total, RACING COMMISSION | \$ 9,029,380 | \$ 9,253,467 |
| Object-of-Expense Informational Listing: | | |
| Salaries and Wages | \$ 3,732,308 | \$ 3,857,664 |
| Other Personnel Costs | 82,340 | 82,340 |
| Professional Fees and Services | 1,724,566 | 1,853,299 |
| Consumable Supplies | 15,200 | 15,198 |
| Utilities | 15,000 | 15,000 |
| Travel | 149,000 | 149,000 |
| Rent - Machine and Other | 2,000 | 2,000 |
| Debt Service | 618,340 | 618,340 |

RACING COMMISSION
(Continued)

| | | |
|---|---------------------|---------------------|
| Other Operating Expense | 160,626 | 160,626 |
| Grants | 2,530,000 | 2,500,000 |
| Total, Object-of-Expense Informational Listing | \$ 9,029,380 | \$ 9,253,467 |

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

| | | |
|--------------------------|------------|------------|
| <u>Employee Benefits</u> | | |
| Retirement | \$ 206,097 | \$ 219,095 |
| Group Insurance | 674,680 | 698,972 |
| Social Security | 184,922 | 195,534 |
| Benefits Replacement | 631 | 504 |

| | | |
|--|---------------------|---------------------|
| Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act | \$ 1,066,330 | \$ 1,114,105 |
|--|---------------------|---------------------|

1. Performance Measure Targets. The following is a listing of the key performance target levels for the Racing Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Racing Commission. In order to achieve the objectives and service standards established by this Act, the Racing Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

| | 2024 | 2025 |
|--|-----------|-----------|
| A. Goal: ENABLE INDUSTRY GROWTH | | |
| A.1.1. Strategy: MODERNIZE LICENSING SERVICES | | |
| Output (Volume): | | |
| Number of New Occupational Licenses Issued | 1,800 | 1,800 |
| Number of Occupational Licenses Renewed | 4,000 | 4,000 |
| B. Goal: PROTECT RACING SAFETY & INTEGRITY | | |
| Outcome (Results/Impact): | | |
| Percent of Race Horses that Sustain a Catastrophic Injury | 0.08% | 0.08% |
| Percent of Greyhounds that Sustain a Catastrophic Injury | 0 | 0 |
| B.1.1. Strategy: DETER, INVESTIGATE, AND ADJUDICATE | | |
| Output (Volume): | | |
| Number of Racetrack Inspections | 4 | 4 |
| Number of Occupational Licenses Suspended or Revoked | 15 | 15 |
| Number of Investigations Completed | 25 | 25 |
| B.1.2. Strategy: WAGERING INTEGRITY AND SECURITY | | |
| Explanatory: | | |
| Total Take to the State Treasury from Pari-Mutuel Wagering on Live and Simulcast Races | 2,568,224 | 2,568,224 |
| B.1.3. Strategy: PREVENT INJURIES/EMERGENCY RESPONSE | | |
| Output (Volume): | | |
| Number of Horses Inspected Pre-race | 12,000 | 12,000 |
| Number of Greyhounds Inspected Pre-race | 0 | 0 |

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

| | 2024 | 2025 |
|--|------------|------------|
| a. Data Center/Shared Technology Services | | |
| (1) Data Center Services | \$ 117,716 | \$ 115,114 |
| Total, Capital Budget | \$ 117,716 | \$ 115,114 |
| Method of Financing (Capital Budget): | | |
| GR Dedicated - Texas Racing Commission Account No. 597 | \$ 117,716 | \$ 115,114 |
| Total, Method of Financing | \$ 117,716 | \$ 115,114 |

3. Texas Bred Incentive Program Receipts. The amounts appropriated above in Strategy D.1.1, Texas Bred Incentive Program, from the Texas-bred Incentive Fund No. 327 are estimated amounts set aside by the Texas Racing Act pursuant to Occupations Code, Sections 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program. Any

RACING COMMISSION

(Continued)

additional revenue set aside by the Texas Racing Act pursuant to Occupations Code, Sections 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program (estimated to be \$0) is appropriated to the Racing Commission in Strategy D.1.1, Texas Bred Incentive Program, in each fiscal year of the 2024-25 biennium.

None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.

4. Criminal History Checks and Background Checks.

- a. Funds appropriated above in Strategy A.1.2, Criminal History and Background Check, from GR Dedicated - Texas Racing Commission Account No. 597 (estimated to be \$90,000 in fiscal year 2024 and \$90,000 in fiscal year 2025) are for the purpose of reimbursing the Department of Public Safety (DPS), Federal Bureau of Investigation (FBI), and/or any other entity authorized to conduct criminal history background checks for costs incurred in conducting criminal history checks or background checks on individuals seeking to transfer ownership interest in an existing racetrack license and on Racing Commission license applicants and renewals. Any additional revenue received from occupational and business license fees to cover the costs of criminal history checks or background checks (estimated to be \$0) is appropriated to Strategy A.1.2, Criminal History and Background Check, for the purpose of reimbursing the DPS, FBI, and/or any other entity authorized to conduct criminal history background checks.
- b. Before May 31, 2024, the Racing Commission shall submit a report to the Legislative Budget Board, in a format prescribed by the Legislative Budget Board, that details the amount collected and expended on criminal history checks and background checks to date and the amount the agency is projecting to collect and expend on criminal history checks and background checks for the remainder of the 2024-25 biennium.
- c. Any appropriation authority identified in subsection (a) of this rider not used for criminal history checks or background checks shall be lapsed by the Racing Commission.

5. Witness Fees. From the appropriations made above, the Texas Racing Commission may pay the witness fees and travel expenses of out-of-state witnesses, subject to the advance, written approval of the Executive Director, for the law violation under investigation.

6. Recruitment and Retention Payments. In accordance with Article IX, Section 3.06, of this Act, and with the approval of the Executive Director, the Racing Commission may pay an individual a recruitment or retention bonus as provided by Government Code, Section 659.262.

7. Moving Expenses. Notwithstanding any other provision of this Act, and with the approval of the Executive Director, the Racing Commission may use appropriated funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of an employee of the Racing Commission who is transferred from one designated field office or headquarters to another so long as the Racing Commission determines that the best interests of the State will be served by such transfer.

8. Commissioner Travel. Notwithstanding any other provision of this Act, the Racing Commission may not expend more than \$5,000 each fiscal year for payment or reimbursement for expenses related to the travel of the seven appointed members of the Texas Racing Commission.

9. State Contribution to Group Insurance for Retired Employees of the Racing Commission. Notwithstanding the provisions of Article IX, Section 6.08, subsection (a), of this Act, the state contribution to group health insurance coverage for retired employees of the Racing Commission shall be paid from the General Revenue Fund.

**VI. GENERAL BUSINESS
INTERAGENCY
AGREEMENT WITH
TVMDL**

**TEXAS RACING COMMISSION
INTERAGENCY CONTRACT FOR
TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This INTERAGENCY CONTRACT is made and entered into by and between the Texas Racing Commission (hereinafter referred to as TXRC), a Texas state agency with its principal office located at 1801 N. Congress Ave., Ste. 7.600, Austin, Texas 78701, and the Texas A&M Veterinary Medical Diagnostic Laboratory (hereinafter referred to as TVMDL), part of a state institution of higher education with its principal office located at 483 Agronomy Rd, College Station, TX 77843, acting by and through its authorized representative(s), pursuant to authority granted in TEX. GOV'T CODE, Chapter 771, §771.003 *et seq.*

I. PURPOSE

1.1 Pursuant to TEX. OCC. CODE Chapter 2034, § 2034.002, the Drug Testing Laboratory of TVMDL is to provide drug testing services on race animals for TXRC. The purpose of this INTERAGENCY CONTRACT is to delineate and specify the responsibilities and obligations of the parties in administering TXRC's race animal drug testing program.

II. DEFINITIONS

2.1 Definitions include the following:

- a. Association - A person or entity holding a pari-mutuel racetrack license under the Texas Racing Act to conduct pari-mutuel wagering and/or horse or greyhound racing issued by the Texas Racing Commission.
- b. Authorized individual(s) – Person(s) entitled to access to laboratory grounds based upon tier and access level(s).
- c. ELISA - Enzyme-linked immunosorbent assay (“immunoassay”).
- d. Executive Director - Texas Racing Commission Executive Director or designee.
- e. GC/MS - Gas Chromatography-Mass Spectrometry.
- f. ICP/MS - Inductively Coupled Plasma Mass Spectrometry.
- g. IC-MS - Ion Chromatography-Mass Spectrometry.
- h. LC-MS/MS - Liquid Chromatography-Tandem Mass Spectrometry.
- i. LC-HRAMS - Liquid Chromatography-High-Resolution Accurate Mass Spectrometry.
- j. LIMS – Laboratory Information Management System. Electronic software program that stores results and releases case reports for TVMDL testing.
- k. MU - Measurement Uncertainty.
- l. Specimen - Bodily substance, such as hair, blood, urine, saliva, or other bodily tissues collected for analysis from a horse or greyhound in a manner prescribed by the TXRC. Specimen sample may also include, but not limited to, substances contained in vials, loaded syringes, or other similar containers.

III. DESCRIPTION OF SERVICES

3.1 Duties of TVMDL: TVMDL agrees:

1. To provide sufficient security to control access to the TVMDL Drug Testing Lab or to areas where records and samples are stored including security measures such as extra access required in LIMS system, security permissions for backup instrument data, and locked laboratory doors.
2. To ensure only authorized persons handle samples or have access to TVMDL processes. There are two tiers of access for TVMDL employees.
 - a. There are four types of access for authorized individuals. Tier 1 authorized individuals perform the testing; includes Access A authorized individuals requiring fingerprinting, background check and annual conflict of interest statement. Tier 2 authorized individuals support testing; includes Access B, C, and D authorized individuals requiring an annual conflict of interest statement.
 - b. Access A: TVMDL employees who are trained to handle samples and perform testing in the laboratory (restricted to only TVMDL drug testing staff).
 - c. Access B: TVMDL employees who have unescorted access to laboratory space. Examples include, but are not limited to, TVMDL drug testing laboratory staff, TVMDL senior agency executives, TVMDL quality assurance staff, and TAMUS IT support.
 - d. Access C: TVMDL employees and LIMS vendor staff who have access to case information in LIMS (racing results require an extra access in LIMS so not all TVMDL employees fall in this category). Examples include, but are not limited to, TVMDL drug testing staff, TVMDL quality assurance staff, TVMDL employees who create accessions in LIMS, TVMDL employees that perform data entry in LIMS, TAMUS IT support, TVMDL finance staff, and LIMS vendor staff.
 - e. Access D: TVMDL employees and TAMUS IT support staff who have access to backup instrumentation data generated during the testing (instrument printouts, control charts, etc...).
3. To inspect each shipment of all specimen samples on arrival at TVMDL for any evidence of possible tampering or compromise to the integrity of any specimen sample. Any evidence of tampering or compromise of specimen sample integrity shall be properly recorded and reported to the Executive Director in writing.
4. To use chain-of-custody procedures to maintain integrity, control, and accountability of specimen samples during all testing stages from specimen sample receipt to storage and final disposition.
5. To accession all specimen samples from Associations to the TXRC account.
6. To provide secured storage conditions to maintain specimen sample integrity while specimen samples for testing and split specimen samples are in the possession, custody, and control of TVMDL.
7. To maintain and follow approved quality control Standard Operating Procedures within the oversight of the TVMDL Quality Management System.
8. To provide analyses for alleged performance-enhancing drugs in submitted contraband samples (e.g., vials, loaded syringes, tubes of paste) by TVMDL methods including, but not limited to, LC-MS/MS, GC/MS, LC-HRAMS, or ELISA as requested by TXRC.

9. To provide specimen sample testing and split specimen sample testing, upon trainer's request, for the presence of prohibited substances and controlled therapeutic medications on equine urine specimen samples as follows:

a. Instrumental analysis (e.g., LC-MS/MS, GC/MS, LC-HRAMS, ICP-MS and IC-MS) on each equine urine specimen sample.

b. Specific gravity determination on each equine urine specimen sample with an accompanying serum furosemide concentration in excess of 100 ng/mL.

c. Each specimen sample with the presence of a therapeutic medication, at levels as published by TXRC, that exceed the maximum permissible concentration level shall be reported by TVMDL to TXRC as a positive result with the quantitative level and MU of the therapeutic medication.

d. Upon request by TXRC, specimen samples shall be tested by TVMDL for arsenic. Testing for arsenic shall be performed using ICP/MS, and the regulatory threshold maximum permissible level for arsenic is published in TXRC Permissible Therapeutic Substances List.

10. To provide testing for the presence of prohibited substances and controlled therapeutic medications on equine blood samples as follows:

a. Furosemide LC/MS screening on each equine serum sample to ensure compliance with TXRC's Bleeders and Furosemide Program. Evidence of non-compliance will be documented and reported to the TXRC. TVMDL will report as positive each specimen sample in which the concentration of furosemide exceeds 100 ng/mL and a urine specific gravity of less than 1.010. TVMDL will issue a report for each specimen sample in which the concentration of furosemide exceeds 100 ng/mL of furosemide and a urine specific gravity of 1.010- 1.012, or when no urine sample was submitted for testing. TVMDL will issue a report for each specimen sample in which the equine received furosemide treatment, but furosemide was not detected in the specimen sample. TVMDL will issue a report for each specimen sample in which the equine did not receive furosemide treatment, but furosemide was detected in the sample.

b. Test for total carbon dioxide on specimen samples of equine blood as requested by TXRC. Each specimen sample exceeding the maximum permissible level as published by TXRC shall be reported as positive to TXRC including the quantitative level. Alternatively, TVMDL may recommend another qualified laboratory conduct testing for total carbon dioxide.

c. Instrumental analysis by either LC-MS/MS, GC/MS, LC-HRAMS, ICP-MS, IC-MS on each equine blood sample. Additionally, each equine blood sample will be extracted and screened independently by instrumental analysis for the presence of dimethyl sulfoxide (DMSO). Pooling of no more than 4 samples is permissible.

d. Each specimen sample with the presence of a controlled therapeutic medication, as published by TXRC, that exceeds the corresponding maximum permissible concentration level shall be reported as positive to TXRC with the quantitative level and MU of the

medication.

e. Upon request by TXRC, samples shall be tested for cobalt in addition to or in lieu of the substances identified in Sections 9.a through 9.e. Testing for cobalt shall be performed using ICP/MS, and the regulatory threshold level for this element is as published in TXRC Therapeutic Substance List of the Endogenous, Dietary, or Environmental Substances Schedule (25 ppb in blood plasma or serum).

11. To perform testing for prohibited substance(s) including either a full comprehensive test panel or specified testing for beta-agonist drugs in equine hair samples by instrumental analysis as required or requested by TXRC.

12. To perform testing for the presence of prohibited substance(s) in canine urine samples. Testing shall be by instrumental analysis, LC-MS/MS, LC-HRAMS, ELISA, on each canine urine sample, with an emphasis on drugs classified as Category I or II in the published TXRC Medication Classification.

13. To perform confirmatory analysis on specimen samples whether equine or canine when a suspicious finding is identified in initial screening. At least one definitive analytical technique should be employed for the confirmatory analysis (e.g., mass spectrometry).

14. To perform tests as required by the Thoroughbred Owners and Breeders Association (TOBA) for substances in specimen samples from equine that participate in graded stakes races and listed stakes races at the \$75,000 purse level or above.

15. To expedite tests as requested for quarter horse trials with a goal of reporting test results to TXRC within five calendar days of receiving samples.

16. To screen blood samples labeled as "Vet Work" by LC-MS/MS or LC-HRAMS for non-steroidal anti-inflammatory drugs (NSAIDs), corticosteroids, or other drugs as requested by TXRC. Results for Vet Work samples will be reported by TVMDL to TXRC electronically within 120 hours of the specimen sample receipt by TVMDL.

17. To screen biological samples including, but not limited to, fresh tissue (e.g., muscle, liver and kidney, eye) collected as post-mortem tissue sampling in necropsy procedure(s) by instrumental analysis. Turnaround time depends upon the extent of confirmatory testing when the initial screening of a sample is deemed suspect but will not exceed ten business days. These samples results will be reported by TVMDL to TXRC electronically.

18. To perform other testing as requested by TXRC with prior approval by utilizing the most effective state-of-the-art or appropriate technology or platform testing methods.

19. To store all tested specimen samples and split specimen samples in secured conditions ensuring the specimens integrity before either disposal of or release to a third party (for various purposes). The minimum retention period for a negative specimen sample is five (5) calendar days after reporting to TXRC. The minimum retention period for a positive specimen sample is one (1) year after reporting to TXRC or until all legal proceedings concerning the sample conclude whichever is longer. The minimum retention period for all records is two years or until all legal proceedings concerning the specimen sample conclude whichever is longer.

20. To report negative test result(s) to TXRC within 120 hours from sample receipt, if possible. TVMDL will report positive test result(s) to TXRC within three weeks of TVMDL's receipt of specimen samples. On request by TXRC, TVMDL shall make available to TXRC a copy of the analytical case file results of any test conducted.
21. To provide qualified professional personnel to testify in an administrative hearing or other legal proceeding involving a test performed. TVMDL agrees to participate and assist with pretrial matters including, but not limited to, interrogatories and depositions.
22. To notify TXRC in writing at least thirty (30) days before implementing any change in analytical procedures which alters the detection sensitivity for any substance classified as Category III, IV, or V in the TXRC Medication Classification.
23. To participate in industry-recognized quality assurance program(s).
24. To refrain from disclosing any information relating to a specimen sample to any person other than specifically designated by TXRC to receive the information.
25. To maintain qualified Tier 1 and Tier 2 TVMDL staff with no financial interest in racehorses, racing greyhounds, a racetrack, or with any conflict of interest within the racing industry. All TVMDL laboratory personnel must be employees of the Texas A&M Veterinary Medical Diagnostic Laboratory, a member of the Texas A&M University System, and subject to the rules and policies of the A&M System as promulgated by the Board of Regents of the A&M System or the TVMDL Director.
26. To consent to background investigation for all Tier 1 TVMDL staff involved in the TXRC drug testing program under this agreement including, but not limited to, fingerprinting conducted by the Texas Department of Public Safety on behalf of TXRC.
27. To allow access by TXRC to all TVMDL records of drug testing services performed pursuant to this agreement.
28. To issue an electronic report to TXRC for all samples tested through this agreement.
29. To invoice TXRC for all samples tested through this agreement. TVMDL will make reasonable efforts to collect payment from TXRC after thirty (30) days from presentment to TXRC and will notify the Executive Director of any charges that are unpaid thirty (30) days after invoicing.

3.2 TXRC Duties. TXRC agrees:

1. To fund and directly provide all necessary supplies to Associations for the collection and shipment of specimen samples to TVMDL including, but not limited to, sample cards, sample jars, blood tubes, seals, labels, vacutainer sleeves, collection needles, and shipping containers.
2. To supervise the specimen sample collection site at each Association to ensure the site has the necessary personnel, supplies, equipment, facilities, and supervision to provide for the identification of animals and humans in the chain of custody and to collect, identify, secure, store, and ship each specimen sample to TVMDL.

3. To submit specimen samples from approximately 9,500 race animals per year. TXRC will make every effort to sample two (2) equine specimen samples per horse race and 0.9 canine specimen samples per greyhound race for testing at TVMDL. If the number of racing performances changes during the calendar year, the number of specimens may be adjusted accordingly. The TXRC Executive Director will notify the TVMDL Director as soon as practicable of changes in the number of racing performances. If the number of equine specimen samples, canine specimen samples, and/or racing performances decreases by more than 10% during the calendar year, TVMDL reserves the right to adjust test fees and agrees to notify the TXRC Executive Director at least thirty (30) days before any fee adjustments are made in writing.
4. To require each Association to deliver all samples to TVMDL in a secure manner ensuring specimen sample integrity in accordance with a TVMDL-approved delivery schedule at the Association's expense.
5. To apprise and update TVMDL in a timely manner of all drugs on the Medication Classification and Therapeutic Substance Lists and all changes in medication rules, policies, and procedures.
6. To promptly and completely submit payment for samples tested pursuant to this agreement to TVMDL. Payment is expected within thirty (30) days of the monthly invoice date.

IV. COST OF SERVICES

1. Except as otherwise provided in Section IV of this agreement, TVMDL agrees to charge, and TXRC approves, a per-specimen charge of \$150.00 for each blood and urine equine specimen sample tested [*#1031, Drug Screen - Racing Equine Basic (LC/MS)*].
2. TVMDL agrees to charge and TXRC approves, a charge of \$50.00 for each canine specimen sample tested pursuant to Article III, Sections 10 and 11 [*#1030, Drug Screen-Racing Canine (LC/MS)*].
3. TVMDL agrees to charge and TXRC approves, an \$8.00 accession fee for each race day from each racetrack to receive samples, enter test requests, and data [*#PROCESS01, Accession Fee*].
4. For total carbon dioxide tests conducted by TVMDL, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$28.50, unless TVMDL recommends a different laboratory conduct the testing for total carbon dioxide in which case the charge shall be separately determined.
5. For tests conducted pursuant to Article III, Sections 8.d. (arsenic) and 9.e. (cobalt), TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$23.00 [*#1006, Arsenic (ICP/MS), #1015 Cobalt (ICP/MS)*].
6. For tests conducted pursuant to Article III, Section 10, TVMDL agrees to charge, and TXRC approves, a per-sample hair specimen charge of \$145.00 for beta-agonist drug screening [*#1021, Drug Screen-Beta Agonists in Hair or Feathers (LC/MS)*].
7. For tests conducted pursuant to Article III, Section 13 (TOBA tests), TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$250.00 for each blood and each urine specimen sample respectively [*#1033, Drug Screen-Racing Equine Comprehensive (LC/MS)*]. TVMDL agrees to charge, and TXRC approves, the hair specimen sample charges in Item 6 above, if necessary.

8. For tests conducted pursuant to Article III, Section 15 (vet work/medical clearance}, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$90.00 [#1034, *Drug Screen – Racing Equine Medical Clearance (LC/MS)*].
9. For ocular fluid tests conducted pursuant to Article III, Section 16, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$60.00 [#1032, *Drug Screen – Racing Equine Breakdown (LC/MS)*].
10. For fresh tissue, muscle, liver, and kidney organ tests conducted pursuant to Article III, Section 16, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$110.00 [#1544, *Drug Screen – Unknowns (LC/MS)*].
11. For necropsy racing mortality tests conducted, TVMDL agrees to charge, and TXRC approves, a charge of \$190.00 [#1350, *Necropsy- Racing Mortality*].
12. For tests conducted pursuant to Article III, Section 17 (other testing as requested), TVMDL and TXRC will mutually agree on the per-sample charge depending on the methodology and platform employed for testing.
13. Upon request by TXRC, TVMDL agrees to charge and TXRC approves, a per-sample charge of \$88.00 for each serum or urine specimen sample tested for beta-agonists [#1023, *Drug Screen – Beta Agonists in Serum/Urine/Feed (LC/MS)*].
14. Upon request by TXRC, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$86.25 for each serum or urine specimen sample tested for corticosteroids [#1024, *Drug Screen – Corticosteroids (LC/MS)*].
15. Upon request by TXR.C, TVMDL agrees to charge, and TXRC approves, a per-sample charge of \$80.00 for each contraband sample including each vial, loaded syringe, and paste tube [#1018, *Drug Identification- Medications (LC/MS)*].
16. Upon request by TXRC, TVMDL agrees to charge, and TXRC approves, a charge of \$250.00 per sample for comprehensive racing equine testing [#1033, *Drug Screen – Racing Equine Comprehensive (LC/MS)*].
17. Upon request by TXRC and trainer, TVMDL agrees to charge and TXRC approves, a charge of \$25.50 for each split sample referred to package and ship a split sample forwarded to another approved laboratory for testing [#REFER03, *Referral Lab - Forwarding Fee*].
18. For storage of specimen samples, split samples, and discarding of samples beyond retention periods pursuant to Article III, Sections 1, 4 and 18, TVMDL agrees to charge, and TXRC approves, a flat annual charge of \$1,000 [#ADDL22, *Sample Storage*].
19. TVMDL agrees to charge and TXRC approves, a charge of \$108 per literature packet requested for use at a TXRC hearing [#PROCESS11, *Literature Packet*].

20. Pursuant to TEX. OCC. CODE § 2034.003, the Associations are responsible for payment of these charges. TVMDL will invoice TXRC, and TXRC agrees to pay TVMDL for the testing charges on behalf of each racetrack Association. Thereafter, TXRC will invoice the respective racetracks for payment of their portion of TVMDL costs incurred.

| Code | Name | FY 2024 | Notes |
|-----------|---|------------|---|
| PROCESS01 | Accession Fee | \$8.00 | Fee is per submission. |
| PROCESS11 | Literature Packet | \$108.00 | Fee is per packet prepared for TXRC Hearing. |
| ADDL22 | Sample Storage | \$1,000.00 | Fee to store TXRC original and split samples. Flat rate charged annually. |
| REFER03 | Referral Lab – Forwarding Fee | \$25.50 | Fee is per sample packaged and referred. |
| 1006 | Arsenic (ICP/MS) | \$23.00 | Fee is per sample tested. |
| 1015 | Cobalt (ICP/MS) | \$23.00 | Fee is per sample tested. |
| 1018 | Drug Identification – Medications (LC/MS) | \$80.00 | Fee is per sample tested. |
| 1021 | Drug Screen – Beta Agonists in Hair or Feathers (LC/MS) | \$145.00 | Fee is per sample tested. |
| 1023 | Drug Screen – Beta Agonists in Serum/Urine Feather/Feed (LC/MS) | \$88.00 | Fee is per sample tested. |
| 1024 | Drug Screen – Corticosteroids (LC/MS) | \$86.25 | Fee is per sample tested. |
| 1030 | Drug Screen – Racing Canine (LC/MS) | \$50.00 | Fee is per sample tested. |
| 1031 | Drug Screen – Racing Equine Basic (LC/MS) | \$150.00 | Fee is per sample tested. |
| 1032 | Drug Screen – Racing Equine Breakdown (LC/MS) | \$60.00 | Fee is per sample tested. |
| 1033 | Drug Screen – Racing Equine Comprehensive (LC/MS) | \$250.00 | Fee is per sample tested. |
| 1034 | Drug Screen – Racing Equine Medical Clearance | \$90.00 | Fee is per sample tested. |
| 1350 | Necropsy – Racing Mortality | \$190.00 | Fee is per animal. |
| 1544 | Drug Screen – Unknowns (LC/MS) | \$110.00 | Fee is per sample tested. |

V. MODIFICATION OF CONTRACT

1. Except when the terms of this INTERAGENCY CONTRACT expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both TVMDL and TXRC.

2. It is understood and agreed by the parties hereto, that changes in state and federal rules, regulations, or laws applicable hereto may occur during the term of this INTERAGENCY CONTRACT and that any such changes shall be automatically incorporated into this INTERAGENCY CONTRACT without written amendment and shall become a part of this agreement as of the effective date of the change in the rule, regulation, or law.

VI. NOTICES

Any notice required or permitted to be given under this INTERAGENCY CONTRACT shall be sufficient if given at the mailing addresses set forth below or to any other address of which written notice of change is given in writing:

Texas A&M Veterinary Medical Diagnostic Laboratory
Attn: Director
PO Drawer 3040
College Station, TX 77841-3040

Texas Racing Commission
Attn: Executive Director
1801 N. Congress Ave., Ste 7.600
Austin, TX 78701

VII. VENUE AND GOVERNING LAW

Venue of any court action brought directly or indirectly by reason of this INTERAGENCY CONTRACT shall be in Travis County, Texas. This INTERAGENCY CONTRACT is made and is to be performed in Travis County, Texas and is governed by the laws of the State of Texas.

VIII. ENTIRE AGREEMENT

This INTERAGENCY CONTRACT, including any Exhibits, embodies the final and entire agreement of the parties hereto, superseding all oral or written, previous and/or contemporaneous, agreements between the parties and relating to matters in this INTERAGENCY CONTRACT. No other agreements, oral or otherwise, regarding the matters of this INTERAGENCY CONTRACT shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date herein and executed by the parties.

IX. LEGAL AUTHORITY

The signers of this INTERAGENCY CONTRACT represent, warrant, and guarantee that the signor has full legal authority to execute this INTERAGENCY CONTRACT and to bind the respective party to all the terms, conditions, provisions, and obligations contained in this agreement.

X. SEVERABILITY

If any clause or provision of this INTERAGENCY CONTRACT is held invalid, illegal, or unenforceable under present or future federal, state, or local laws, then it is the intention of the parties that such invalidity, illegality, or unenforceability does not affect any other clause or provision and that the remainder of this INTERAGENCY CONTRACT shall be construed as if such invalid, illegal, or unenforceable provision was never contained in this agreement. It is also the intention of the parties that in lieu of each provision of this INTERAGENCY CONTRACT that is determined to be invalid, illegal, or unenforceable that there be added as part of the INTERAGENCY CONTRACT, a provision similar in terms to such invalid, illegal, or unenforceable provision, as may be possible, to make the provision legal and enforceable.

XI. EXECUTION

The Parties agree to use due diligence in the exercise of their responsibilities as outlined in this INTERAGENCY CONTRACT. The term of this INTERAGENCY CONTRACT is from the date of Commission approval or September 1, 2023, whichever is later, through August 31, 2024. To ensure the continuity of the drug testing program in pari-mutuel racing, all terms of this INTERAGENCY CONTRACT continue in effect until a new INTERAGENCY CONTRACT is executed with the understanding that TVMDL reserves the right to adjust fees prior to execution of the new INTERAGENCY CONTRACT and will notify the TXRC Executive Director in writing at least 30 days in advance of fee adjustments. If either Party determines that events have changed and significantly affected a material term of the INTERAGENCY CONTRACT including, but not limited to, the closing of a racetrack or a significant increase in the cost of drug testing or testing supplies, the Parties agree to renegotiate the terms of this INTERAGENCY CONTRACT prior to the date of termination.

For the faithful performance of this agreement, this agreement is executed by the undersigned persons in their capacities described below. This agreement takes effect on the date of approval by the Commissioners of the Texas Racing Commission or September 1, 2023, whichever is later.

Amy F. Cook, Executive Director
TEXAS RACING COMMISSION

Date

Dr. Amy K. Swinford, Director
TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY

Date

**VII. PROCEEDINGS ON HORSE
INDUSTRY ESCROW
ACCOUNT AND TEXAS BRED
INCENTIVE FUND**

**AGREEMENT BETWEEN
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE
BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND
TEXAS THOROUGHBRED ASSOCIATION**

Discussion and possible action to extend the existing 2023 allocation of funds for the Texas-bred incentive program as provided under 16 TAC §321.505(b) to align with the expiration of the Horse Industry Escrow Account agreement expiration date.

Pursuant to Section 321.505(b) of the Texas Rules of Racing, the Commission shall determine the percentages by which Texas Bred Incentive Program funds generated from simulcasting are divided among the various breeds of horses.

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

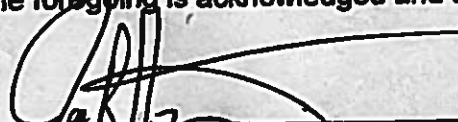
As previously allocated for calendar years 2011 – 2023, it is agreed that ATB incentive funds generated from simulcasting shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

In order to be aligned with other breed split agreements, this agreement shall be in effect for calendar year 2024.

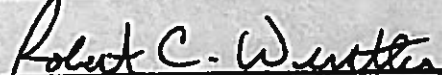
The foregoing is acknowledged and agreed to on this 7 day of August, 2023.



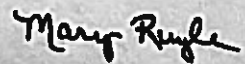
Texas Arabian Breeders Association



Texas Paint Horse Breeders Association



Texas Quarter Horse Association



Texas Thoroughbred Association

August 7, 2023

Amy Cook
Executive Director
Texas Racing Commission
1801 N Congress Ave Suite 7.600
Austin, TX 78711

Dear Ms. Cook,

We, the undersigned representatives of Texas licensed pari-mutuel racetracks, the Texas Quarter Horse Association, the Texas Horsemen's Association, the Texas Thoroughbred Horsemen's Association, the Texas Thoroughbred Association, the Texas Paint Horse Breeders' Association and the Texas Arabian Breeders' Association unanimously agree to the allocation of \$17,500,000 per year in purse funds that became available specifically via the successful passage of House Bill 2463 during the 2019 session of the Texas Legislature; as well as the continued allocation of the purse money generated for horses via cross-species simulcasting. These funds collectively comprise the Horse Industry Escrow Purse Account.

We take very seriously our responsibility to utilize these funds in a manner that will be recognized as their highest and best use in growing the Texas Horse Racing Industry.

This document replicates all allocations stated in our previous agreement dated September 1, 2021 and we have mutually agreed upon the following recommendations for distribution for calendar year 2024. This agreement replaces and supersedes any prior agreements of the parties covering any portion of this time period for distribution of any funds from the Escrow Purse Account:

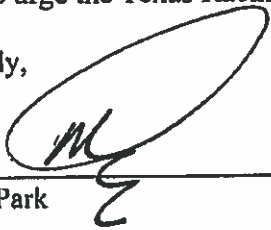
| | Gillespie | Lone Star | Retama | Sam Houston |
|---------------|-----------|-----------|--------|-------------|
| | 3.57% | 36.29% | 18.64% | 41.50% |
| Arabian | 1.22% | 1.23% | 2.79% | 1.44% |
| Paint Horse | 5.84% | 1.30% | 1.77% | 1.19% |
| Quarter Horse | 78.33% | 46.69% | 70.72% | 39.77% |
| Thoroughbred | 14.61% | 50.78% | 24.72% | 57.60% |

We firmly collectively believe this proposed allocation will be the best way to increase interest, attendance, handle and field size in Texas, as well as stimulating increases in all categories of the Texas horse breeding industry.

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,



Lone Star Park

Sam Houston Race Park

Retama Park

Gillespie County Fair & Festivals Assn.

Texas Horsemen's Association

Texas Quarter Horse Association

Texas Thoroughbred Horsemen's Association

Texas Thoroughbred Association

Texas Paint Horse Breeders Association


John R. Henningsgard (Aug 10, 2023 07:31 CDT)

Texas Arabian Breeders Association

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,

Lone Star Park



Sam Houston Race Park



Retama Park


Gillespie County Fair & Festivals Assn.

Texas Horsemen's Association

Texas Quarter Horse Association

Texas Thoroughbred Horsemen's Association

Texas Thoroughbred Association



Texas Paint Horse Breeders Association

Texas Arabian Breeders Association

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,

Lone Star Park

Sam Houston Race Park

Retama Park

Sally B Briggs
Gillespie County Fair & Festivals Assn.

Texas Horsemen's Association

Texas Quarter Horse Association

Texas Thoroughbred Horsemen's Association

Texas Thoroughbred Association

Texas Paint Horse Breeders Association

Texas Arabian Breeders Association

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,

Lone Star Park

Sam Houston Race Park

Retama Park

Gillespie County Fair & Festivals Assn.

Masha Rountree

Texas Horsemen's Association

Texas Quarter Horse Association

Masha Rountree

Texas Thoroughbred Horsemen's Association

Texas Thoroughbred Association

Texas Paint Horse Breeders Association

Texas Arabian Breeders Association

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,

Lone Star Park

Sam Houston Race Park

Retama Park

Gillespie County Fair & Festivals Assn.

Texas Horsemen's Association

Robert C. Winters 8/7/23

Texas Quarter Horse Association

Texas Thoroughbred Horsemen's Association

Texas Thoroughbred Association

Texas Paint Horse Breeders Association

Texas Arabian Breeders Association

The parties agree to the Commission paying out the allocated track distributions as indicated on the calendar of live race dates and agree to the Commission providing payment of funds to the racetracks based on the scheduling of live race dates.

We urge the Texas Racing Commission to approve this proposal as presented.

Respectfully,

Lone Star Park

Sam Houston Race Park

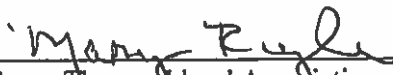
Retama Park

Gillespie County Fair & Festivals Assn.

Texas Horsemen's Association

Texas Quarter Horse Association

Texas Thoroughbred Horsemen's Association



Texas Thoroughbred Association

Texas Paint Horse Breeders Association

Texas Arabian Breeders Association

2023- 2024 Monthly HIEA Payments to Horse Racetracks by Breed based on Percentage Splits Using Proposed Methodology (Identical to 2022 and 2021)

| Sam Houston | | | | | |
|---------------------------------------|-----------------|-----------------|---------------|--------------|-----------------|
| HIEA Purse Payments by Breed by Month | | | | | |
| Fiscal Month | Thoroughbred | Quarter Horse | Arabian | Paints | Total Payment |
| | 57.60% | 39.77% | 1.44% | 1.19% | |
| Sep-23 | \$ 1,422,763.90 | \$ - | \$ 35,569.10 | | \$ 1,458,333.00 |
| Oct-23 | \$ 1,422,763.90 | \$ - | \$ 35,569.10 | | \$ 1,458,333.00 |
| Nov-23 | \$ 1,337,672.20 | \$ 40,648.82 | \$ 33,441.80 | \$ 1,216.30 | \$ 1,412,979.12 |
| Dec-23 | \$ - | \$ 679,662.99 | \$ - | \$ 20,337.01 | \$ 700,000.00 |
| Jan-24 | \$ - | \$ 679,662.99 | \$ - | \$ 20,337.01 | \$ 700,000.00 |
| Feb-24 | \$ - | \$ 679,662.99 | \$ - | \$ 20,337.01 | \$ 700,000.00 |
| Mar-24 | \$ - | \$ 679,662.99 | \$ - | \$ 20,337.01 | \$ 700,000.00 |
| Apr-24 | \$ - | \$ 128,995.22 | \$ - | \$ 3,859.66 | \$ 132,854.88 |
| May-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jun-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jul-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Aug-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 4,183,200.00 | \$ 2,888,296.00 | \$ 104,580.00 | \$ 86,424.00 | \$ 7,262,500.00 |

| Ione Star | | | | | |
|---------------------------------------|-----------------|-----------------|--------------|--------------|-----------------|
| HIEA Purse Payments by Breed by Month | | | | | |
| Fiscal Month | Thoroughbred | Quarter Horse | Arabian | Paints | Total Payment |
| | 50.78% | 46.69% | 1.23% | 1.30% | |
| Sep-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Oct-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nov-23 | \$ 45,353.88 | \$ - | \$ - | \$ - | \$ 45,353.88 |
| Dec-23 | \$ 758,333.00 | \$ - | \$ - | \$ - | \$ 758,333.00 |
| Jan-24 | \$ 758,333.00 | \$ - | \$ - | \$ - | \$ 758,333.00 |
| Feb-24 | \$ 758,333.00 | \$ - | \$ - | \$ - | \$ 758,333.00 |
| Mar-24 | \$ 758,333.00 | \$ - | \$ - | \$ - | \$ 758,333.00 |
| Apr-24 | \$ 146,225.12 | \$ - | \$ - | \$ - | \$ 146,225.12 |
| May-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jun-24 | \$ - | \$ 198,419.18 | \$ 5,226.92 | \$ 5,524.88 | \$ 209,170.98 |
| Jul-24 | \$ - | \$ 1,383,372.90 | \$ 36,443.54 | \$ 38,517.56 | \$ 1,458,334.00 |
| Aug-24 | \$ - | \$ 1,383,372.90 | \$ 36,443.54 | \$ 38,517.56 | \$ 1,458,334.00 |
| Total | \$ 3,224,911.00 | \$ 2,965,164.98 | \$ 78,114.00 | \$ 82,560.00 | \$ 6,350,749.98 |

| Retama | | | | | |
|---------------------------------------|---------------|-----------------|--------------|--------------|-----------------|
| HIEA Purse Payments by Breed by Month | | | | | |
| Fiscal Month | Thoroughbred | Quarter Horse | Arabian | Paints | Total Payment |
| | 24.72% | 70.72% | 2.79% | 1.77% | |
| Sep-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Oct-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nov-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Dec-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jan-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Feb-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mar-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Apr-24 | \$ 244,869.53 | \$ 700,532.89 | \$ 27,636.97 | \$ 17,533.13 | \$ 990,572.52 |
| May-24 | \$ 302,820.25 | \$ 866,320.70 | \$ 34,177.53 | \$ 21,682.52 | \$ 1,225,001.00 |
| Jun-24 | \$ 258,676.22 | \$ 740,033.17 | \$ 29,195.76 | \$ 18,521.35 | \$ 1,046,426.50 |
| Jul-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Aug-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 806,366.00 | \$ 2,306,886.76 | \$ 91,010.26 | \$ 57,737.00 | \$ 3,262,000.02 |

| Gillespie | | | | | |
|---------------------------------------|--------------|---------------|-------------|--------------|---------------|
| HIEA Purse Payments by Breed by Month | | | | | |
| Fiscal Month | Thoroughbred | Quarter Horse | Arabian | Paints | Total Payment |
| | 14.61% | 78.33% | 1.22% | 5.84% | |
| Sep-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Oct-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nov-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Dec-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jan-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Feb-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mar-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Apr-24 | \$ 27,566.22 | \$ 147,793.42 | \$ 2,301.90 | \$ 11,018.94 | \$ 188,680.48 |
| May-24 | \$ 34,089.95 | \$ 182,769.74 | \$ 2,846.66 | \$ 13,626.65 | \$ 233,333.00 |
| Jun-24 | \$ 29,619.83 | \$ 158,803.84 | \$ 2,473.44 | \$ 11,839.41 | \$ 202,736.52 |
| Jul-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Aug-24 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 91,276.00 | \$ 489,367.00 | \$ 7,622.00 | \$ 36,485.00 | \$ 624,750.00 |

Proposed HIEA Purse Payment Methodology 2024 (Identical to 2022)

| TxRC Fiscal Month | Funding from State | | TxRC | | | Total TxRC HIEA Purse Payments |
|-------------------|---|---|---|---------------------------------|---|--------------------------------|
| | Comptroller's Office to Texas Racing Commission | TxRC Payment of HIEA Purse of Sam Houston | TxRC Payment of HIEA Purse of Lone Star | Payment of HIEA Purse to Retama | TxRC Payment of HIEA Purse to Gillespie | |
| Sep-23 | \$ 1,458,333 | \$ 1,458,333 | \$ | \$ | \$ | \$ 1,458,333 |
| Oct-23 | \$ 1,458,333 | \$ 1,458,333 | \$ | \$ | \$ | \$ 1,458,333 |
| Nov-23 | \$ 1,458,333 | \$ 1,412,979 | \$ 45,354 | \$ | \$ | \$ 1,458,333 |
| Dec-23 | \$ 1,458,333 | \$ 700,000 | \$ 758,333 | \$ | \$ | \$ 1,458,333 |
| Jan-24 | \$ 1,458,333 | \$ 700,000 | \$ 758,333 | \$ | \$ | \$ 1,458,333 |
| Feb-24 | \$ 1,458,333 | \$ 700,000 | \$ 758,333 | \$ | \$ | \$ 1,458,333 |
| Mar-24 | \$ 1,458,333 | \$ 700,000 | \$ 758,333 | \$ | \$ | \$ 1,458,333 |
| Apr-24 | \$ 1,458,333 | \$ 132,856 | \$ 146,224 | \$ 990,573 | \$ 188,680 | \$ 1,458,333 |
| May-24 | \$ 1,458,334 | \$ | \$ | \$ 1,225,001 | \$ 233,333 | \$ 1,458,334 |
| Jun-24 | \$ 1,458,334 | \$ | \$ 209,171 | \$ 1,046,427 | \$ 202,736 | \$ 1,458,334 |
| Jul-24 | \$ 1,458,334 | \$ | \$ 1,458,334 | \$ | \$ | \$ 1,458,334 |
| Aug-24 | \$ 1,458,334 | \$ | \$ 1,458,334 | \$ | \$ | \$ 1,458,334 |
| Total | \$ 17,500,000 | \$ 7,262,500 | \$ 6,350,750 | \$ 3,262,000 | \$ 624,750 | \$ 17,500,000 |

| | Sam Houston Meet #1 Thoroughbreds | | Sam Houston Meet #2 Quarter Horse | | Lone Star Meet #1 Thoroughbred | | Retama Meet #1 Quarter Horse | | Gillespie Meet #1 Mixed | | Lone Star Meet #2 Quarter Horse | |
|--------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|--------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|---------------------------------|-----------------------|
| | \$ 4,287,780 | | \$ 2,974,720 | | \$ 3,224,911 | | \$ 3,262,000 | | \$ 624,750 | | \$ 3,125,839 | |
| | Number of Race Dates in Month | Remaining Balance Due | Number of Race Dates in Month | Remaining Balance Due | Number of Race Dates in Month | Remaining Balance Due | Number of Race Dates in Month | Remaining Balance Due | Number of Race Dates in Month | Remaining Balance Due | Number of Race Dates in Month | Remaining Balance Due |
| Sep-23 | 0 | \$ 2,829,447 | 0 | \$ 2,974,720 | 11 | \$ 3,224,911 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Oct-23 | 0 | \$ 1,371,114 | 0 | \$ 2,974,720 | 11 | \$ 3,224,911 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Nov-23 | 0 | \$. | 0 | \$ 2,932,855 | 10 | \$ 3,179,557 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Dec-23 | 0 | \$. | 0 | \$ 2,232,855 | 0 | \$ 2,421,224 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Jan-24 | 0 | \$. | 0 | \$ 1,532,855 | 0 | \$ 1,662,891 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Feb-24 | 0 | \$. | 0 | \$ 832,855 | 0 | \$ 904,558 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Mar-24 | 0 | \$. | 0 | \$ 132,856 | 0 | \$ 146,224 | 0 | \$ 3,262,000 | 0 | \$ 624,750 | 0 | \$ 3,125,839 |
| Apr-24 | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$ 2,271,427 | 0 | \$ 436,070 | 0 | \$ 3,125,839 |
| May-24 | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$ 1,046,427 | 0 | \$ 202,736 | 0 | \$ 3,125,839 |
| Jun-24 | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$ 2,916,668 |
| Jul-24 | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$ 1,458,334 |
| Aug-24 | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. | 0 | \$. |
| Total | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |

Association Recommended Allocation of 2024 Simulcast Purse Funds

Association Name: Fredericksburg Downs, Inc (Gillespie County Fair & Festivals)

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | .75% |
| Paint Horse | 1.5 % |
| Quarter Horse | 68.57% |
| Thoroughbred | 29.18% |

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

| Negotiations Conducted | |
|--|---|
| <input type="checkbox"/> Texas Arabian Breeders' Association | <input type="checkbox"/> Texas Paint Horse Breeders Association |
| <input type="checkbox"/> Texas Thoroughbred Association | <input type="checkbox"/> Texas Quarter Horse Association |
| <input type="checkbox"/> Texas Horsemen's Partnership | |

Prepared by:  **Date:** 8/8/2023
 Lee Delong, Director of

Association Request for 2024 Escrowed Purse Account Distribution

Association Name: Fredericksburg Downs, Inc (Gillespie County Fair & Festivals)

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

| Type of Distribution Requested <small>(select one)</small> | Percentage Requested |
|--|----------------------|
| <input checked="" type="checkbox"/> Monthly | 3.57% |
| <input type="checkbox"/> Annual | |

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 1.22% |
| Paint Horse | 5.84% |
| Quarter Horse | 78.33% |
| Thoroughbred | 14.61% |

Prepared by: 
 Lee Delong, Director of

Date: 8/8/2023

Racetrack Association Request for 2024 Horse Industry Escrow Account Distribution

Racetrack Association Name: **Sam Houston Race Park**

Rule 303.302(a) stipulates at least once a year, the Commission shall make an allocation of funds from the horse industry escrow account in accordance with §§ 2028.204 and 2028.205 of the Act. The Commission may not allocate more than 70 percent of the amount deposited into the account to horse racetrack associations for use as purses. An association shall request to the Commission for a distribution from the horse industry escrow account.

| Type of Distribution Requested <i>(select one)</i> | Percentage Requested <i>(of the total allocation designated to racetracks)</i> |
|--|---|
| <input checked="" type="checkbox"/> Monthly | 41.50% |
| <input type="checkbox"/> Annual | |
| <input type="checkbox"/> Other (provide detail) | |

Rule 303.311(a) stipulates that an association when requesting an allocation from the horse industry escrow account shall also recommend the percentages by which it will divide the revenue for purses among the various breeds of horses. Rule 303.311(c) stipulates that the recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 1.44% |
| Paint Horse | 1.19% |
| Quarter Horse | 39.77% |
| Thoroughbred | 57.60% |

Prepared by:  Date: **8/7/2023**

Association Recommended Allocation of 2024 Simulcast Purse Funds

Association Name: **Sam Houston Race Park**

Rule 321.505(a)(1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 1.40% |
| Paint Horse | 0.60% |
| Quarter Horse | 21.56% |
| Thoroughbred | 76.44% |

Rule 321.505(a)(2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

| Negotiations Conducted | |
|--|---|
| <input type="checkbox"/> Texas Arabian Breeders' Association <input type="checkbox"/> Texas Thoroughbred Association <input type="checkbox"/> Texas Horsemen's Partnership | <input type="checkbox"/> Texas Paint Horse Breeders Association <input type="checkbox"/> Texas Quarter Horse Association |

Prepared by:



Date:

8/7/2023

Racetrack Association Request for 2024 Horse Industry Escrow Account Distribution

Racetrack **Retama Park**
Association Name: _____

Rule 303.302(a) stipulates at least once a year, the Commission shall make an allocation of funds from the horse industry escrow account in accordance with §§ 2028.204 and 2028.205 of the Act. The Commission may not allocate more than 70 percent of the amount deposited into the account to horse racetrack associations for use as purses. An association shall request to the Commission for a distribution from the horse industry escrow account.

| Type of Distribution Requested <i>(select one)</i> | Percentage Requested <i>(of the total allocation designated to racetracks)</i> |
|--|---|
| <input checked="" type="checkbox"/> Monthly | 18.64% |
| <input type="checkbox"/> Annual | |
| <input type="checkbox"/> Other (provide detail) | |

Rule 303.311(a) stipulates that an association when requesting an allocation from the horse industry escrow account shall also recommend the percentages by which it will divide the revenue for purses among the various breeds of horses. Rule 303.311(c) stipulates that the recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 2.79% |
| Paint Horse | 1.77% |
| Quarter Horse | 70.72% |
| Thoroughbred | 24.72% |

Prepared by: Steven M. Ross

Date: 8/7/2023

Association Recommended Allocation of 2024 Simulcast Purse Funds

Association Name: **Retama Park**

Rule 321.505(a)(1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 1.50% |
| Paint Horse | 0.50% |
| Quarter Horse | 23.52% |
| Thoroughbred | 74.48% |

Rule 321.505(a)(2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

| Negotiations Conducted | |
|--|---|
| <input type="checkbox"/> Texas Arabian Breeders' Association | <input type="checkbox"/> Texas Paint Horse Breeders Association |
| <input type="checkbox"/> Texas Thoroughbred Association | <input type="checkbox"/> Texas Quarter Horse Association |
| <input type="checkbox"/> Texas Horsemen's Partnership | |

Prepared by:

Steven M. Ross

Date: **8/7/2023**

Racetrack Association Request for 2024 Horse Industry Escrow Account Distribution

Racetrack **Lone Star Park**

Association Name: _____

Rule 303.302(a) stipulates at least once a year, the Commission shall make an allocation of funds from the horse industry escrow account in accordance with §§ 2028.204 and 2028.205 of the Act. The Commission may not allocate more than 70 percent of the amount deposited into the account to horse racetrack associations for use as purses. An association shall request to the Commission for a distribution from the horse industry escrow account.

| Type of Distribution Requested <i>(select one)</i> | Percentage Requested <i>(of the total allocation designated to racetracks)</i> |
|--|---|
| <input checked="" type="checkbox"/> Monthly | 36.29% |
| <input type="checkbox"/> Annual | |
| <input type="checkbox"/> Other (provide detail) | |

Rule 303.311(a) stipulates that an association when requesting an allocation from the horse industry escrow account shall also recommend the percentages by which it will divide the revenue for purses among the various breeds of horses. Rule 303.311(c) stipulates that the recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 1.23% |
| Paint Horse | 1.30% |
| Quarter Horse | 46.69% |
| Thoroughbred | 50.78% |

Prepared by: Barton T. Lang

Date: 8/7/2023

Association Recommended Allocation of 2024 Simulcast Purse Funds

Association Name: **Lone Star Park**

Rule 321.505(a)(1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

| Recognized Breeds of Horses | Recommended Allocation Percentages |
|-----------------------------|------------------------------------|
| Arabian | 0.8125% |
| Paint Horse | 0.4375% |
| Quarter Horse | 18.2875% |
| Thoroughbred | 80.4625% |

Rule 321.505(a)(2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

| Negotiations Conducted | |
|--|---|
| <input type="checkbox"/> Texas Arabian Breeders' Association | <input type="checkbox"/> Texas Paint Horse Breeders Association |
| <input type="checkbox"/> Texas Thoroughbred Association | <input type="checkbox"/> Texas Quarter Horse Associatio |
| <input type="checkbox"/> Texas Horsemen's Partnership | |

Prepared by: Barton T. Lang

Date: 8/7/2023

VIII. RACETRACK PROCEEDINGS

A. APPOINTMENT OF NEW VICE PRESIDENT AND GENERAL MANAGER FOR SAM HOUSTON RACE PARK, VALLEY RACE PARK AND MANOR DOWNS

From: [Christopher McErlean](#)
To: [Virginia Fields](#)
Cc: [Amy Cook](#); cbryanpettigrew@gmail.com; [Hill, Jaime](#); [Quinn, Joe](#); [Moffitt, Rae](#)
Subject: June Meeting Agenda Item
Date: Wednesday, May 31, 2023 3:45:03 PM

Virginia,

Not sure if a formal letter request is needed for this but we would like to request for the June 21, 2023 Texas Racing Commission meeting to have the following items be considered for approval:

1. The following entities request Commission approval of the following changes to their officers, effective June 5, 2023:
 - a. Sam Houston Race Park, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube
 - b. Valley Race Park, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube
 - c. Hill Lane, LLC to appoint Bryan Pettigrew as Vice President and General Manager replacing Dwight Berube

Thank you in advance for your consideration. If any additional information is required please advise.

CHRISTOPHER McERLEAN

VICE PRESIDENT - RACING

christopher.mcerlean@pennentertainment.com

P +1.717.469.3313 **M** +1.717.460.8774

pennentertainment.com



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VIII. RACETRACK PROCEEDINGS

B. Discussion and possible action to ratify the two-year extension of the Penn Entertainment and Global Tote 2013 Master Agreement in accordance with 16 TEX. ADMIN. CODE §309.162.

CONFIDENTIAL

VIII. RACETRACK PROCEEDINGS

C. Discussion Discussion
on active racetrack
licenses scheduled for
review under 16 TEX.
ADMIN. CODE §309.53:

1. Valley Race Park



TEXAS RACING COMMISSION
P.O. Box 12080
Austin, Texas 78711-2080
(512) 833-6699

July 10, 2023

PENN Entertainment, Inc.
Attn: Christopher McErlean
Berkshire Blvd., Ste. 200
Wyomissing, PA 19610

(Via Email and Federal Express)
Christopher.McErlean@pennentertainment.com

825

Re: Greyhound Racetrack License Review – Valley Race Park

Dear Mr. Pettigrew and Mr. McErlean:

This letter serves as a follow-up and update to my letter of October 21, 2022, concerning the five-year review of your Greyhound racetrack license by the Texas Racing Commission in accordance with the Texas Racing Act, TEX. OCC. CODE §§2025.104 and 2025.106, and the Texas Rules of Racing, 16 TEX. ADMIN. CODE §§309.51 and 309.53.

As you may be aware, the 88th Texas Legislature declined to approve the contingency funding the agency sought for Greyhound racing regulation in the *General Appropriations Act for the 2024-25 Biennium*. As a result, effective October 1, 2023, the Texas Racing Commission must determine the future of your greyhound license.

The Texas Racing Commission intends to consider the status of your license on August 16, 2023, during a public meeting, in Austin, and will be guided by the following:

Texas Racing Act, Sec. 2025.104(e): "An active license is effective until the license is designated as an inactive license or is surrendered, suspended, or revoked under this subtitle."

Texas Rules of Racing, Sec. 309.51(c): "Subsequent Designation. After the initial racetrack designation is made under subsection (a) of this section, the Commission may change the designation of the racetrack license at any time if the facts that supported the current designation change."

Please provide me with the name and contact information for the designated representative(s) at your earliest convenience, and I will coordinate with and provide this person or persons with additional information related to the meeting and testimonial expectations. The Commission may or may not act on the racetrack license during this meeting but will complete its review and decide about the status of the license no later than December 31, 2023.

The designated representative(s) should be prepared to discuss the status of the license and actions taken during the past five years to justify renewal as an active greyhound race track. During the meeting, the Commission may renew the current greyhound active license, inactivate its' license, or refer the license to the State Office of Administrative Hearings for licensure revocation for failing to meet the requirements of the *Texas Racing Act* or *Texas Rules of Racing*.

The Texas Rules of Racing, 16 Tex. Admin. Code §309.53 sets the requirements for the five-year ownership and management review with any additional documents the Commission may deem necessary. To comply Valley Race Park

Greyhound Racetrack License Review
July 10, 2023
Page 2

with the rule's requirements, please submit to the Commission the following information in a single, comprehensive communication on or before 5:00 p.m. (CDT), Friday, July 28, 2023:

- (1) copies of the association's current management, concession, and totalisator contracts;
- (2) a copy of the association's current security plan;
- (3) for each person owning an interest of at least five percent of the association and for each officer, director, or management committee member who is not currently licensed as an Association Officer or Director by the Commission: a. a completed background information form and written authorization for the Commission and the Department of Public Safety to conduct any investigation deemed necessary; and b. a set of fingerprints on a form prescribed by the Department of Public Safety, or if the person already has a set of fingerprints classified and on file with the Department of Public Safety, authorization to resubmit those fingerprints to the Federal Bureau of Investigation and the Department of Public Safety for investigation; and
- (4) a review fee of \$5,000.

Additionally, include with this report a copy of all management, totalizator, and concessionaire contracts with documentation of Commission approval under Sec. 309.162, and proof of adequate liability insurance for the racetrack under Sec. 309.153.

Upon receiving this information, we will prepare a report to the Commission based on information provided by the association, the results of any inspections or investigations conducted as part of the review, and any other information that is relevant to the association's ownership or management, including any letters of community support or concern provided to the Commission. Notwithstanding the above items, the Commission may require additional information or documentation to determine whether Valley Race Park should remain a greyhound racetrack. I appreciate your continued engagement as Commission Staff works through this process and the agency continues to address the past concerns of the Sunset Advisory Commission and the Texas Legislature.

If you provide correspondence seeking redesignation as an inactive license or decide to surrender your license, I can follow-up with any additional materials needed and recommend Commission concurrence. If you have any questions, contact Virginia S. Fields, General Counsel, at (512) 937-9807.

Sincerely,

Amy F. Cook

Amy F. Cook
Executive Director

Enclosure

Cc: Valley Race Park
Attn: Bryan Pettigrew
7575 N. Sam Houston Pkwy, West
Houston, TX 77064-3417

(via Email and FedEx)

Bryan.Pettigrew@pennentertainment.com



TEXAS RACING COMMISSION
P.O. Box 12080
Austin, TX 78711-2080
(512) 833-6699

October 21, 2022

Dwight Berube, Vice President
Valley Race Park
7575 N. Sam Houston Pkwy, West
Houston, Texas 77064-3417

*Via Email: Dwight.Berube@pngaming.com and
U.S. Regular Mail*

Re: License Status Review for Valley Race Park.

Dear Mr. Berube:

Please be advised that the Texas Racing Commission will be conducting a review of the above greyhound racetrack in the year 2023 under the Texas Racing Act, TEX. OCC. CODE §§2025.104 and 2025.106, and the Texas Rules of Racing, 16 TEX. ADMIN. CODE §§ 309.51 and 309.53.

The Texas Rules of Racing §309.51 define an active racetrack as either:

1. "Active operating" which means the license holder conducted live racing events at the racetrack during the previous state fiscal year and has been granted future live race dates; or
2. "Active other" which means the license holder has applied for and received pending live race dates under §303.41 (allocation of race dates) and undertaken actions demonstrating good faith efforts to conduct live racing including, but not limited to,

(A) presently conducting pre-opening simulcasting;

(B) demonstrated that simulcast and live racing is imminent by the license holder including: (i) securing sufficient financial commitments to fund construction of the racetrack facility; (ii) security the real property of the designated racetrack location for which the license was granted; (iii) entering into contracts for construction of the simulcasting and racetrack facilities; (iv) security Commission approval of the racetrack construction plans; (v) security permits and utilities necessary for the facilities; (vi) beginning and sustaining construction of both the simulcast and live racing facilities; and (vii) providing to the Commission a construction and operations management schedule that reflects imminent simulcasting and that the facilities will be ready to conduct live racing by the beginning of the approved live race dates; or

(C) voluntarily providing a \$400,000 bond on or before September 1 to ensure the license holder conducts pre-opening simulcasting and completes the pending allocated live race dates.

After the initial racetrack designation is made under the Rules of Racing §309.51(a), the Commission may change the designation of the racetrack license at any time if the facts that supported the current designation change. The designation change could also include the designation of "inactive" defined simply as not meeting the requirements for the racetrack license to be designated as "active-operating" or "active-other". The

Commission can also refer an inactive license designation to the State Office of Administrative Hearings without sufficient evidence of any factors relevant to the consideration of an inactive designation under the Rules of Racing §309.52(a), (e), and (h)(2).

In performing the review, the Commission requires one designated point of contact who is authorized to make decisions regarding the status of the racetrack license including the person's name, address, telephone number and email address. We may also require as part of the review process any information that would be required with an original license application under Chapter 2025 of the Racing Act in addition to the documentation required in the Rules of Racing §§309.52 and 309.53(b).

In preparation for the 2023 reviews before the Commission, I will meet with the representatives of each racetrack license in person, either in Austin or at each current or proposed location. It is critical that we work together to clearly define the status of each racetrack license to facilitate an appropriate staff recommendation to the Commission. An agency representative will also conduct on-site visits in preparation for the Commission's review anticipated to be no earlier than the regularly scheduled Commission meeting in August 2023. I look forward to spending time with your designated primary point of contact and other stakeholders as we prepare for the racetrack license review.

Very truly yours,



Amy F. Cook
Executive Director

Texas Racing Commission
Staff Review of Racetrack Licenses
August 2023

Valley Race Park (Harlingen)

| | |
|-------------------------------|---|
| Description | Greyhound Track License |
| Current Status | Active (Last Review of Record: 2016) |
| Live Race Dates (2022) | Granted five (5) days in 2022, cancelled the days |

Renewal Criteria: *Texas Racing Act* §2025.105 identifies the following factors as criteria the Commission shall consider in determining whether to renew a racetrack license: *Financial Stability, Ability to Conduct Live Racing, Ability to Construct and Maintain a Racetrack, Other Good Faith Efforts to Conduct Live Racing*

| <i>Financial Stability</i> | <i>Ability to Conduct Live Racing</i> | <i>Ability to Construct and Maintain a Track</i> | <i>Other Good Faith Efforts to Conduct Live Racing</i> |
|----------------------------|--|--|--|
| Under Review | Dwight Berube notified the agency on April 11, 2023, from Dwight Berube that live race dates granted would not be conducted in 2023. | Under Review | Under Review |

Staff Analysis: A review of the agency’s records indicates that Valley Race Park currently holds an Active-Operating Greyhound Track License. Fiscal Note: The 88th Texas Legislature did not appropriate funds for the Texas Racing Commission to regulate pari-mutuel greyhound racing in this state for the 2024-2025 biennium.

Staff Recommendation: TBD





VALLEY RACE PARK LICENSE REVIEW

August 16, 2023

INTRODUCTION TO PENN ENTERTAINMENT REPRESENTATIVES

- Todd George, Executive Vice President, Operations
- Chris Rogers, Executive Vice President/Chief Strategy Officer
- Erin Chamberlin, Senior Vice President, Operations
- Bryan Pettigrew, Vice President and General Manager, Texas Racing Operations
- Chris McErlean, Vice President, Racing Operations

CONTENTS

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| 2 | VALLEY RACE PARK | 9 |

COMPANY OVERVIEW



PENN ENTERTAINMENT

- Founded in 1972 as the Mountainview Thoroughbred Racing Association
- Through development and acquisitions of racetracks and gaming companies, Penn National grew to be the largest racing and regional gaming operator in the US
- Today, PENN Entertainment (NASDAQ:PENN) operates 43 properties in 20 states, including 11 racetracks, and a collection of unique, differentiated brands, products and experiences to drive the future of next-generation, omni-channel entertainment



PENN Entertainment



07/16

PENN ENTERTAINMENT'S RACING OPERATIONS NATIONWIDE

- North America's leader in operations and management of pari-mutuel racing operations
- 11 racetracks in eight jurisdictions
- 1,200+ live racing events in 2022 – Thoroughbred, Quarter Horse & Harness Racing
- \$1.1 Billion in pari-mutuel wagering in 2022 - live, import & export simulcasting
- 5 Off-Track Wagering locations in three states and National ADW (Hollywood Races) operating in 24 states



OUR HISTORY IN TEXAS

- **2011** – Joined MAXXAM as 50/50 partner in Sam Houston Race Park, Valley Race Park & Laredo Downs licenses
- **2013** – Established Houston Racing Festival and Houston Ladies Classic; richest thoroughbred race in Texas at the time
- **2016** – Acquired Hill Lane, LLC (former Manor Downs) license
- **2018** – Assumed management contract of Retama Park as part of Pinnacle Entertainment acquisition
- **2020** – COVID-19 shuttered racing nationwide; Retama Park then shifts to an all-Quarter Horse meet
- **2021** – Significant winter storm damage requires relocation of Retama Park race meet to Sam Houston Race Park
- **2021** – Acquired 100% of MAXXAM properties
- **2023** – Live Racing @ SHRP (42 TB/25 QH) & Retama (23 QH)



OUR INVESTMENT IN TEXAS

- ~\$110 Million in acquisition, related costs and capital reinvestment.
- ~\$10.8 Million in operating losses since 2011
- ~540 Team Members, \$7.5M in annual salaries and benefits
 - 48% female
 - 63% minority
- Support organizations such as the Air Force Sergeants Association, Racetrack Chaplaincy of America, Permanently Disabled Jockeys Fund, Gillespie County Fair Scholarship Program, Lonestar Outreach to Place Ex-Racers (“L.O.P.E.”) & Texas Horse Racing Hall of Fame



Texas 4-H Equine Ambassadors @ Sam Houston Race Park





PENN
ENTERTAINMENT

VIII. RACETRACK PROCEEDINGS

C. Discussion Discussion
on active racetrack
licenses scheduled for
review under 16 TEX.
ADMIN. CODE §309.53:

2. Retama Park



TEXAS RACING COMMISSION
P.O. Box 12080
Austin, TX 78711-2080
(512) 833-6699

July 1, 2023

Retama Park Association, Inc.
Attn: Sharolyn Grammer and Angela Cooper (Via Email and Federal Express)
One Retama Parkway
Selma, Texas 78154

RPL Holdings, Ltd.
Retama Park Association, Inc. Registered Agent (Via Federal Express)
One Retama Parkway
Selma, Texas 78154

Retama Park Association, Inc.
Joseph R. Straus, Jr., Registered Agent (Via Federal Express)
1964 S. Alamo
P.O. Box 600
San Antonio, Texas 78292

Re: 2023 Commission Review of Racetrack License – Retama Park Racetrack

Dear Ladies and Gentlemen:

Retama Park Racetrack's Class 1 horse racetrack license is currently under its five-year review by the Texas Racing Commission, which was last renewed in 2018. As part of this review, the Commission's Chairman, Judge Robert C. Pate, has directed a licensee representative or a representative from PENN Entertainment, Inc., the licensee's management company, provide public testimony at the Commission's next scheduled meeting, on Wednesday, August 16, 2023, in Austin.

Please provide me with the name and contact information for the designated representative(s) at your earliest convenience and I will coordinate with and provide this person or persons with additional information related to the meeting and testimonial expectations. The Commission may or may not act on the racetrack license during this meeting but will complete its review and decide about the status of the license no later than December 31, 2023.

Specifically, the designated representative(s) should be prepared to discuss the status of the license and actions taken during the past five years to justify renewal as a Class 1 horse track. During the meeting, the Commission may renew Retama Park's current license, or consider it for redesignation to a Class 2 horse track, inactivate its' license, or refer the license to the State Office of Administrative Hearings for licensure revocation for failing to meet the requirements of the *Texas Racing Act* or *Texas Rules of Racing*.

The Texas Rules of Racing, 16 Tex. Admin. Code §309.53 sets the requirements for the five-year ownership and management review with any additional documents the Commission may deem necessary.

Cont.

To comply with the rule's requirements, please submit to the Commission the following information in a single, comprehensive communication on or before 5:00 p.m. (CDT), Friday, July 23, 2023:

- (1) copies of the association's current management, concession, and totalisator contracts;
- (2) a copy of the association's current security plan;
- (3) for each person owning an interest of at least five percent of the association and for each officer, director, or management committee member who is not currently licensed as an Association Officer or Director by the Commission:
 - a. a completed background information form and written authorization for the Commission and the Department of Public Safety to conduct any investigation deemed necessary; and
 - b. a set of fingerprints on a form prescribed by the Department of Public Safety, or if the person already has a set of fingerprints classified and on file with the Department of Public Safety, authorization to resubmit those fingerprints to the Federal Bureau of Investigation and the Department of Public Safety for investigation; and
- (4) a review fee of \$5,000.

Additionally, include with this report a copy of all management, totalizator, and concessionaire contracts with documentation of Commission approval under Sec. 309.162, and proof of adequate liability insurance for the racetrack under Sec. 309.153.

Upon receiving this information, we will prepare a report to the Commission based on information provided by the association, the results of the Commission's inspections over the previous five years, the results of any inspections or investigations conducted as part of the review, and any other information that is relevant to the association's ownership or management, including any letters of community support or concern provided to the Commission.

Notwithstanding the above items, the Commission may require additional information or documentation to determine whether Retama Park should remain a Class 1 horse track. I appreciate your continued engagement as Commission Staff works through this process and the agency continues to address the past concerns of the Sunset Advisory Commission and the Texas Legislature.

If you have any questions, contact Virginia S. Fields, General Counsel, at (512) 937-9807.

Sincerely,

Amy F. Cook

Amy F. Cook
Executive Director

cc: PENN Entertainment, Inc.
Attn: Chris McErlean
825 Berkshire Blvd., Ste. 200
Wyomissing, PA 19610

(Via Email and Federal Express)



TEXAS RACING COMMISSION
P.O. Box 12080
Austin, TX 78711-2080
(512) 833-6699

October 21, 2022

Angela Cooper, General Manager
Retama Park
One Retama Pkwy
Selma, Texas 78154

*Via Email: Angela.Cooper@pngaming.com and
U.S. Regular Mail*

Re: License Status Review for Retama Park.

Dear Ms. Cooper:

Please be advised that the Texas Racing Commission will be conducting a review of the above horse racetrack in the year 2023 under the Texas Racing Act, TEX. OCC. CODE §§2025.104 and 2025.106, and the Texas Rules of Racing, 16 TEX. ADMIN. CODE §§ 309.51 and 309.53.

The Texas Rules of Racing §309.51 define an active racetrack as either:

1. "Active operating" which means the license holder conducted live racing events at the racetrack during the previous state fiscal year and has been granted future live race dates; or
2. "Active other" which means the license holder has applied for and received pending live race dates under §303.41 (allocation of race dates) and undertaken actions demonstrating good faith efforts to conduct live racing including, but not limited to,

(A) presently conducting pre-opening simulcasting;

(B) demonstrated that simulcast and live racing is imminent by the license holder including: (i) securing sufficient financial commitments to fund construction of the racetrack facility; (ii) security the real property of the designated racetrack location for which the license was granted; (iii) entering into contracts for construction of the simulcasting and racetrack facilities; (iv) security Commission approval of the racetrack construction plans; (v) security permits and utilities necessary for the facilities; (vi) beginning and sustaining construction of both the simulcast and live racing facilities; and (vii) providing to the Commission a construction and operations management schedule that reflects imminent simulcasting and that the facilities will be ready to conduct live racing by the beginning of the approved live race dates; or

(C) voluntarily providing a \$400,000 bond on or before September 1 to ensure the license holder conducts pre-opening simulcasting and completes the pending allocated live race dates.

After the initial racetrack designation is made under the Rules of Racing §309.51(a), the Commission may change the designation of the racetrack license at any time if the facts that supported the current designation change. The designation change could also include the designation of "inactive" defined simply as not meeting the requirements for the racetrack license to be designated as "active-operating" or "active-other". The

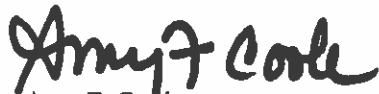
License Status Review for Retama Park
October 21, 2022
Page 2

Commission can also refer an inactive license designation to the State Office of Administrative Hearings without sufficient evidence of any factors relevant to the consideration of an inactive designation under the Rules of Racing §309.52(a), (c), and (h)(2).

In performing the review, the Commission requires one designated point of contact who is authorized to make decisions regarding the status of the racetrack license including the person's name, address, telephone number and email address. We may also require as part of the review process any information that would be required with an original license application under Chapter 2025 of the Racing Act in addition to the documentation required in the Rules of Racing §§309.52 and 309.53(b).

In preparation for the 2023 reviews before the Commission, I will meet with the representatives of each racetrack license in person, either in Austin or at each current or proposed location. It is critical that we work together to clearly define the status of each racetrack license to facilitate an appropriate staff recommendation to the Commission. An agency representative will also conduct on-site visits in preparation for the Commission's review anticipated to be no earlier than the regularly scheduled Commission meeting in August 2023. I look forward to spending time with your designated primary point of contact and other stakeholders as we prepare for the racetrack license review.

Very truly yours,



Amy F. Cook
Executive Director

Texas Racing Commission
Staff Review of Racetrack Licenses
 August 2023

Retama Park (San Antonio)

| | |
|-------------------------------|--|
| Description | Class I Horse Track License |
| Current Status | Active-Operating (Last Review of Record: 2017) |
| Live Race Dates (2022) | 22 Dates Granted, 22 Dates Conducted |

Renewal Criteria: *Texas Racing Act* §2025.105 identifies the following factors as criteria the Commission shall consider in determining whether to renew a racetrack license: *Financial Stability, Ability to Conduct Live Racing, Ability to Construct and Maintain a Racetrack, Other Good Faith Efforts to Conduct Live Racing*

| <i>Financial Stability</i> | <i>Ability to Conduct Live Racing</i> | <i>Ability to Construct and Maintain a Track</i> | <i>Other Good Faith Efforts to Conduct Live Racing</i> |
|-----------------------------------|--|---|---|
| Under Review | Under Review | Under Review | Under Review |

Staff Analysis: A review of the agency’s records indicates that Retama Park currently holds an Active-Operating Horse License. Although Retama Park has not fully complied with the Texas Racing Act, the management team has taken several steps toward achieving compliance during the past year to improve the park’s track and increase racing and training opportunities for horsemen.

Staff Recommendation: TBD





RETAMA PARK™

5-Year Ownership and Management Review

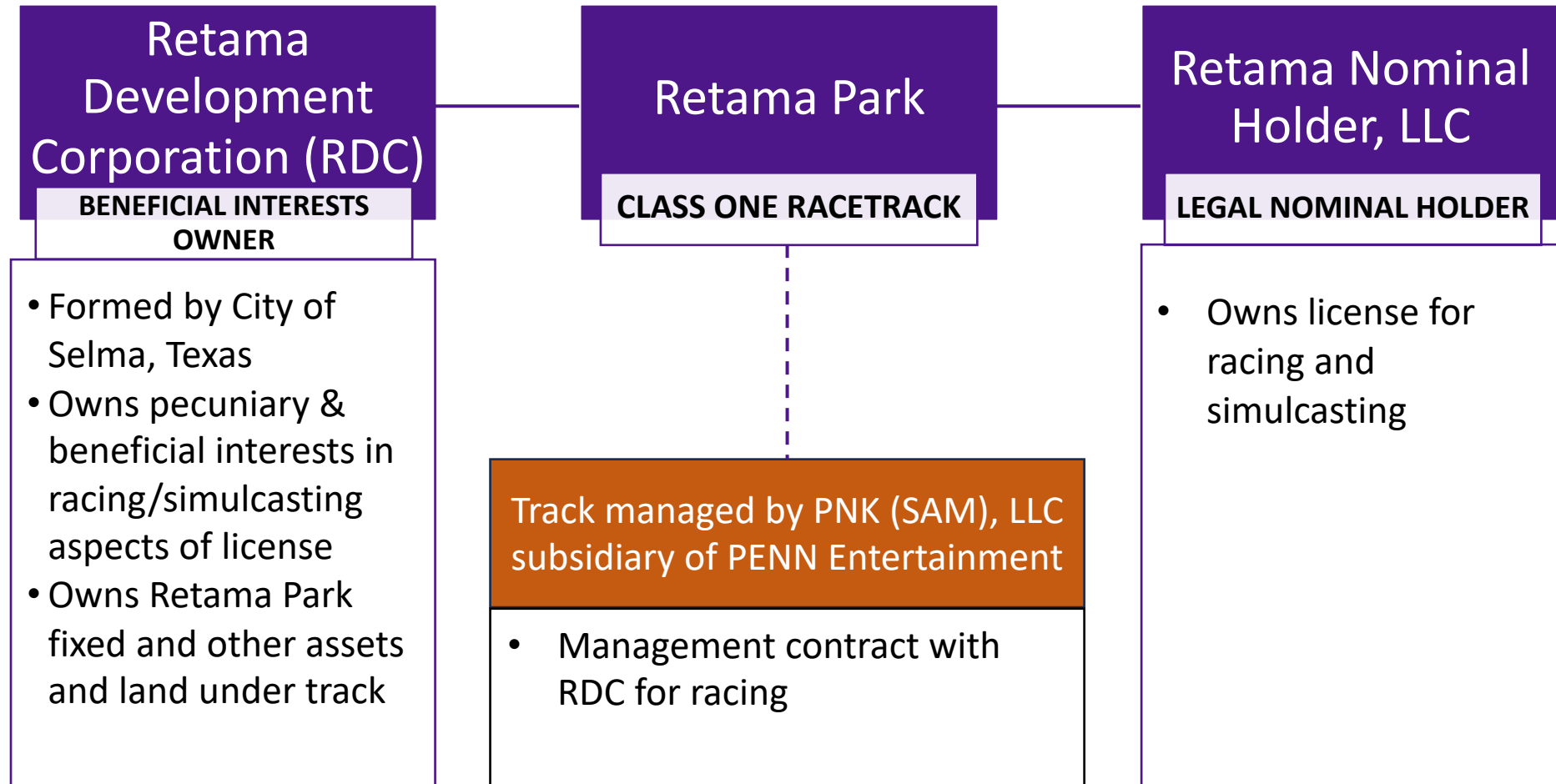
August 16, 2023

Introductions

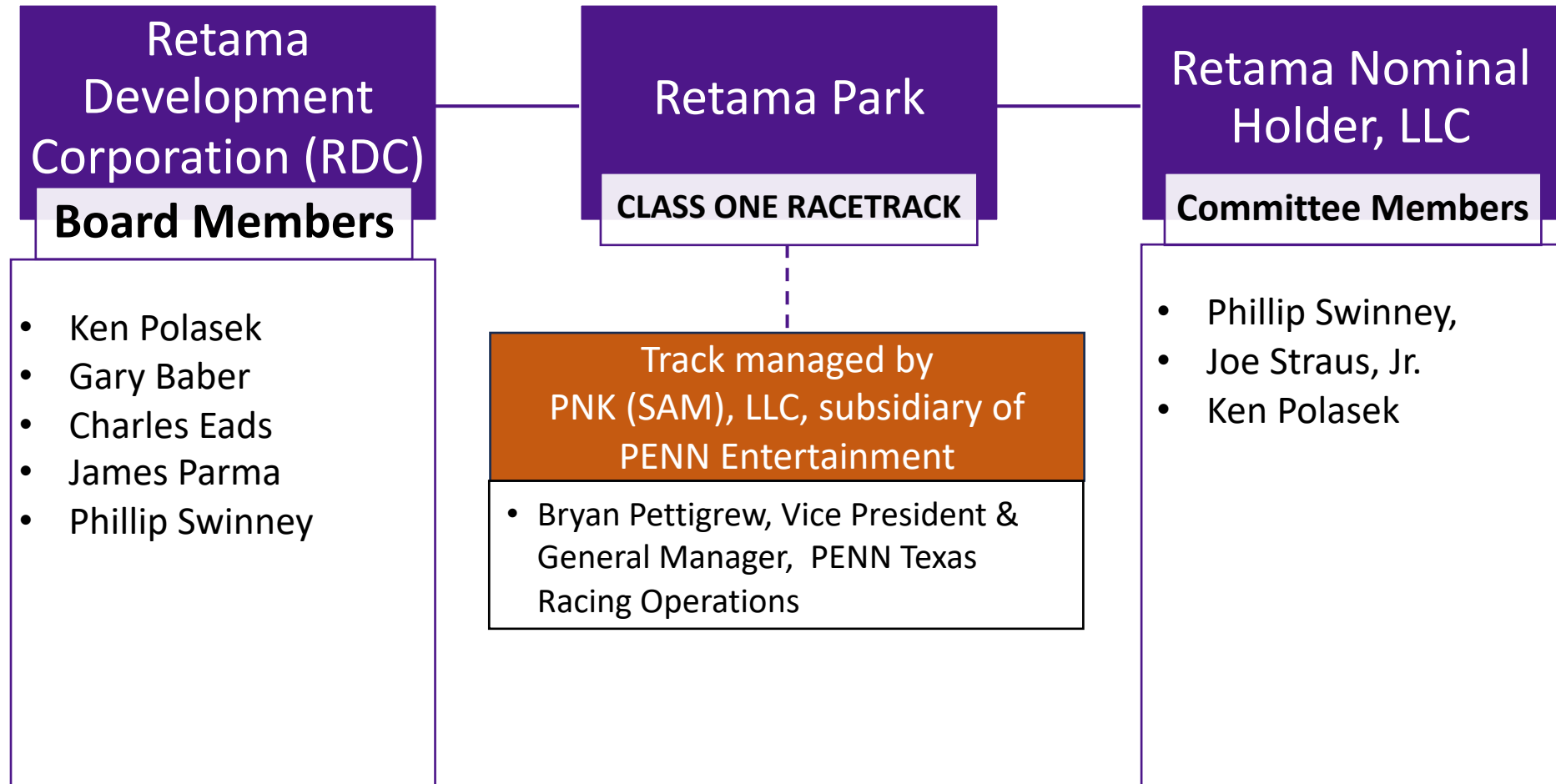


1. Ownership Team
2. Track Management Team

Retama Park Ownership and Operational Structure



Retama Park Ownership and Operational Structure



Our Commitment to Texas Racing

1. Financial Wherewithal to Operate Racetrack
2. Ability to Conduct Live Racing
3. Ability to Construct and Maintain Racetrack
4. Good Faith Effort to Maintain Active Racing Operations



1. Financial Wherewithal to Operate Racetrack



- PENN Entertainment (NASDAQ:PENN) is the primary backstop for all operational costs and capital expenditures
 - Backstop has been satisfied by management companies since 2013
- PENN is the largest regional racing and gaming operator in the United States
 - 43 properties in 20 states, including 11 racetracks
- 2022 Revenue of ~\$6.4 Billion
- 2022 EBITDAR of ~\$1.94 Billion
- Market Cap of ~\$4.18 Billion

2. Ability to Conduct Live Racing



- 59 year-round Team Members; 125 during racing season
 - 42% female, 45% minority
- \$300K capital to be spent in 2023 - new main building generator; food and beverage equipment and HVAC units for the jockey rooms
- \$750K in additional investment in dormitories
- \$250K+ in operational safety related repairs
- New track material added to the surface to ensure safe racing
- Four new tractors, three new harrows and one new water truck to complement existing supply; transfer of an equine ambulance from SHRP
- 2023 Highlights: July 22nd handle highest since 2019; re-opening week included 3 of the best total handle days since 2018; richest race in Retama history took place on August 5th, 2023 – \$700K TQHA Sale Futurity

3. Ability to Construct and Maintain Racetrack

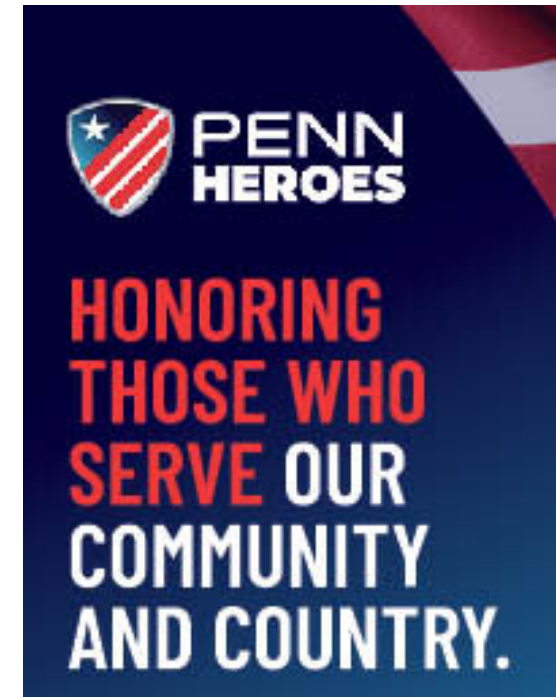


- Committed to working with TXRC to achieve industry-leading equine and human safety levels
- Engaged nationally renowned Racing Surfaces Testing Laboratories (RSTL) to inspect and test track surface and materials
 - Results consistent with other regional tracks
 - Daily material depth and moisture measurements taken – provided to TXRC and monitored by RSTL
- Track maintenance personnel and external resources brought in from other PENN tracks to supplement and assist Retama track team
- New material added to track surface prior to start of meet
- Positive feedback from horsemen and racing participants on track surface and facility maintenance in 2023

4. Good Faith Effort to Maintain Active Racing Operations



- \$2M in planned infrastructure review and improvements
 - New HVAC system planned for Q3 2024
 - Complete electrical review and expected replacement/upgrades of several systems
 - New televisions, upgrades and additional customer-friendly building improvements are in process.
 - Barn improvements – leveling stalls, landscaping, safety items, etc.
- Marketing and Sponsorship Development
 - Replicate best marketing practices from PENN operations nationwide to drive visitation
 - Work with stakeholders to explore feasibility of expanded racing opportunities that benefit the entire TX racing industry
 - Music festivals, family events and promotions scheduled for 2024
 - Develop strong local corporate support base in San Antonio



Support for Retama Park

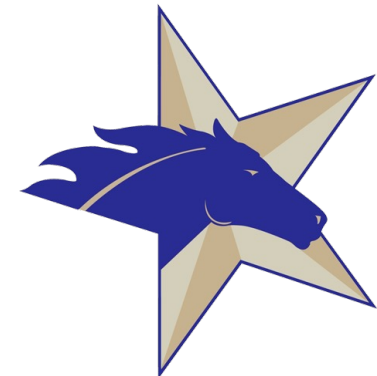
- Texas Horsemen's Partnership
- Texas Quarter Horse Association
- American Quarter Horse Association
- Texas Arabian Breeders Association
- Texas Thoroughbred Association



T E X A S
H O R S E M E N ' S
P A R T N E R S H I P



AQHA
AMERICAN QUARTER
HORSE ASSOCIATION





Thank You

August 7, 2023

Texas Racing Commission
Chairman Robert Pate
1801 Congress Ave.
Austin, TX 78701

Re: Retama Park

Dear Chairman Pate,

As Chief Racing Officer of the American Quarter Horse Association, I applaud the Texas Horse Racing Commission for your efforts to safeguard racing through your oversight of property compliance. We too want to see racing safe for participants – both horsemen and horses, as well as the fans.

As a horseman, I participated in racing at Retama Park since the track first opened in 1995. I had a stable there when the inaugural Quarter Horse meet closed abruptly and have since witnessed different management entities employ varying degrees of regard for the track itself. I am writing this letter to say that now I am more encouraged than I have been in the last 28 years about the future of the track, and management's intention to implement improvements to restore the facility to a higher standard.

Penn Entertainment has been involved in Retama Park for a short time and endured a pandemic and an ice freeze, both of which set them back considerably. None the less, they demonstrate a history of commitment to horse racing. By my own assessment, bringing in Bryan Pettigrew has been a breath of fresh air. Bryan is dedicated to Texas horseracing, and I am quite pleased with his efforts to date to improve the facility. He hit the ground running, rolled up his sleeves and worked to get things done. I witnessed marked improvement when there on July 28th over my visit in 2022. Horsemen were pleased to share with me their delight in the improvement of the racing surface and the investments Penn Entertainment has made in the dorm rooms. In addition to work on site, I have faith that Bryan's marketing efforts will bring increased interest to the San Antonio oval.

Know that I want to support your endeavors to make horseracing in the state of Texas flourish. Having track ownership that shares that goal is imperative, and I believe we have it in Penn Entertainment. Thank you for considering my thoughts on the matter.

Respectfully,



Chief Racing Officer
American Quarter Horse Association
ivanbebbber@aqha.org
(713)446-4052



RETAMA DEVELOPMENT CORPORATION

**1 Retama Parkway
Selma, Texas 78154
(210) 651-7000**

August 8, 2023

Texas Racing Commission
1801 N. Congress, Suite 7.600
Austin, TX 78701

Re: Retama Park

Dear Texas Racing Commission:

The Retama Development Corporation, a local government corporation created by the City of Selma, is the owner of the Retama Park Racetrack property and participates in the operation of Retama Park in conjunction with PNK (SAM), LLC, with which it has entered into a Management Agreement for the Racetrack.

The Retama Development Corporation has received consistent financial and other support from Penn Entertainment, Inc. and its affiliates since 2018 and is confident that the financial and other support from Penn Entertainment, Inc. and its affiliates will be continued without interruption through the next five years and thereafter.

The Retama Development Corporation is pleased to be part of the Commission's review of the license for Class 1 horse racing conducted at Retama Park.

Sincerely,

Retama Development Corporation

By: 
Ken Polasek, President

Retama Nominal Holder LLC

1 Retama Parkway

Selma TX 78154

210-651-7000

August 9, 2023

Judge Robert C. Pate
Chairman
Texas Racing Commission
PO Box 12080
Austin, TX 78711

Dear Chairman Pate,

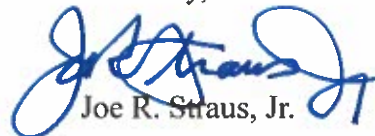
As a manager of Retama Nominal Holder LLC, holder of the record title of the license for racing and simulcasting at Retama Park Racetrack (Retama), I wish to ask the Commission for your earnest consideration in reviewing the license for Retama. I have been associated with Retama since its inception and we have endured many ups and downs over the years. I can earnestly say it is only because of some very dedicated and responsible employees that we are still able to present a great venue for the people of San Antonio and South Texas.

Retama maintains a training center year-round for the benefit of horses not only at Retama, but for all other racetracks in Texas. Retama even houses horses that leave and race at Gillespie County Fair, but train at Retama.

As proof that our efforts are working, Retama has attendance that is much better than expected and attendance for the summer Quarter Horse meet overall has been better than projected. It was the first time in the 28-year history of Retama that we had one day of purses over \$1,000,000 for any breed.

PNK (SAM) LLC, who holds the management contract, has received assurance from its principal, Penn Entertainment, that they will provide the necessary support to insure the trust of the patrons and the Commission for the future of Class 1 Retama Park.

Sincerely,



Joe R. Straus, Jr.

Cc: Amy F. Cook
Executive Director
Texas Racing Commission



August 9, 2023

Amy F. Cook
Executive Director
Texas Racing Commission
1801 N. Congress, Suite 7.600
Austin, TX 78701

Dear Amy:

I wanted to express my appreciation to the executives of PENN Entertainment and staff the of Retama Park. The commitment they are showing to return Retama Park to one of the great racetracks in Texas has been refreshing. It's one thing to slap some fresh paint on fence boards, but it's an entirely different level of commitment to make a significant financial investment in improving facilities for both the public and the horseman not to mention what they have done with the racing surface. This is a true sign of an organization that understands who the true constituent is.....The Horses and their safety.

The partnership TABA has with Retama Park is an important one and we look forward to continuing that for years to come. We all know Rome was not built in a day, but what PENN Entertainment has done already and what it is planning to do is good for Texas Racing and good for the Arabian racehorse.

We fully support their efforts and expect you will as well.

Sincerely,

Jon R. Henningsgard
President TABA

IX. EXECUTIVE SESSION

**X. NEXT COMMISSION MEETING
SEPTEMBER 6, 2023**

XI. ADJOURN