

**TEXAS RACING COMMISSION**

P. O. BOX 12080  
AUSTIN, TEXAS 78711-2080  
(512) 833-6699  
FAX (512) 833-6907

Texas Racing Commission  
Formal Meeting Agenda  
Wednesday, June 22, 2005  
10:30 a.m.  
Animal Health Commission  
2105 Kramer Lane  
Auditorium  
Austin, Texas 78758

**Call to Order**

Roll Call

**PROCEEDINGS ON RULEMAKING**

**Consideration of and action on the following rules:**

**(1) Adoptions (Tab 1)**

- §303.17. Vendor Protests. (New)
- §303.81. Audits, Financial Statements and Performance Measures. (Amendment)
- §309.124. Public Address System. (Amendment)
- §315.106. Liability for Fees in Stakes Races. (Amendment)

**(2) Proposals (Tab 2)**

- §309.164. Accounting Practices. (Amendment)
- §309.120. Parking for Licensees. (Amendment)
- §311.211. Weapons Prohibited. (Amendment)
  
- §309.8. Racetrack License Fees. (Amendment)
- §313.501. Training Facility License. (Amendment)

**(3) Rule Review (Tab 3)**

- Chapter 321. Pari-mutuel Wagering.

Persons with disabilities planning to attend this meeting who may need auxiliary aids or services, such as sign language interpreters or large print agendas should contact Gloria Giberson no later than June 17, 2005, by phone at (512) 833-6699, by fax at (512) 833-6907, or through RELAY Texas at 1-800-735-2989.

## **PROCEEDINGS ON RACETRACKS**

### **Consideration of and action on the following matters:**

- (1) Request by Corpus Christi Greyhound Racing Associates for approval of transfers of ownership. (Tab 4)
- (2) Request by Retama Partners, Ltd. for approval of transfers of ownership. (Tab 5)
- (3) Request by Sam Houston Race Park for change in 2005 live race dates. (Tab 6)
- (4) Report on Racetrack Inspections. (Tab 7)

## **GENERAL BUSINESS**

### **Consideration of and possible action on the following matters:**

- (1) Budget and Finance update. (Tab 8)
- (2) Update on milkshake testing.
- (3) Selection of Executive Secretary.

## **EXECUTIVE SESSION**

Under Govt. Code §551.074(a)(1), the Commission may open an executive session to deliberate personnel matters, specifically the interview of and deliberation on the selection of the Executive Secretary.

Under Govt. Code §551.071, the Commission may open an executive session to confer with its attorney regarding potential litigation on any matter listed in this agenda.

### **Old Business**

### **New Business**

- (1) Schedule next Commission Meeting

### **Adjourn**

Sec. 303.17. VENDOR PROTESTS.

(a) Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Commission's chief fiscal officer. The protest must be in writing and received in the Commission's main office in Austin not later than the 10th day after the date the aggrieved person knows, or should have known, of the occurrence of the action which is protested.

(b) The chief fiscal officer is authorized to settle and resolve the dispute concerning the solicitation or award of a contract. If the protest is not resolved by mutual agreement, the chief fiscal officer shall issue a written determination on the protest.

(c) Not later than the 10th day after receiving notice of the chief fiscal officer's determination, the protesting party may file a written appeal to the executive secretary. The executive secretary's decision on the appeal is final.

Sec. 303.83. AUDITS, FINANCIAL STATEMENTS AND PERFORMANCE MEASURES.

(a) An official breed registry shall expend the funds available to it under the Act in the manner required by law. The Commission may require or conduct an audit of the financial records of a breed registry to ensure the breed registry is complying with the applicable law.

(b) Not later than June 15 of each year, each breed registry designated by the Act shall submit to the Commission audited financial statements regarding its operation of the Texas Bred Incentive Program for that breed~~[operations]~~. The executive secretary may prescribe the form for the financial statements. In conjunction with the financial statements, each breed registry shall submit to the Commission a schedule of awards payable in a format prescribed by the executive secretary.

(c) Not later than June 15 of each year, each breed registry designated by the Act shall submit to the Commission a report on performance measures on a form prescribed by the executive secretary.

TEXAS RACING COMMISSION.  
Chapter 309. Racetrack Licenses and Operations.  
Subchapter B. Operations of Racetracks.  
Division 2. Facilities and Equipment.

Page 1 of 1

Sec. 309.124. PUBLIC ADDRESS SYSTEM. An association shall provide and maintain a public address system capable of transmitting announcements to the patrons and, if the association is a horse racing association, to the stable [~~or kennel~~] area.

Sec. 315.106. LIABILITY FOR FEES IN STAKES RACES [~~ENTRY FEE~~].

(a) The owner of a greyhound nominated to a stakes race is liable for all nomination, sustaining, and other fees associated with the race. The death of a greyhound, failure to start, or mistake in its entry does not release the owner from liability for the applicable fees. If ownership of the greyhound is transferred after the greyhound is nominated for the race, the new owner is liable for all fees associated with the race that accrue after the date the ownership is transferred. [A greyhound that is entered in a purse race shall start in the race, unless the greyhound is declared or scratched.]

(b) (No change.)

Sec. 309.164. ACCOUNTING PRACTICES.

(a) An association shall maintain an accounting system under the supervision of a certified public accountant. ~~[The system must include detailed information regarding the purchase of goods for sale, inventory of goods held for sale, and goods sold. The system must indicate the unit of measure, the unit cost of items purchased and sold and in inventory and must provide adequate control and traceability without reconstruction of detailed records. The accounting system must be approved by the executive secretary.]~~

(b) An association shall ensure that all purse money and nomination race money is distributed in accordance with the Act, the rules of the Commission, the association's rules, and the conditions for the race for which the money is payable.

~~(c) [An association shall maintain a system of internal accounting controls approved by the executive secretary.]~~

~~[(d)]~~ The Commission may review and conduct audits of all systems maintained under this section.

Chapter 309. Racetrack Licenses and Operations.

Subchapter B. Operation of Racetracks.

Division 2. Facilities and Equipment.

Sec. 309.120. PARKING FOR LICENSEES. An association shall provide a parking area for licensees [faeility] outside the stable or kennel area [~~enclosure for licensees working on association grounds~~].

Sec. 311.211. WEAPONS PROHIBITED.

(a) Except as otherwise provided by this section, a person may not possess [~~on association grounds~~] a weapon prohibited by [~~listed under~~] Penal Code, §46.03(a) if the person is in an area on association grounds to which admission ordinarily can be obtained only on payment of an admission fee or presentation of official credentials.

(b) This section does not apply to a person who is:

- (1) a peace officer; or
- (2) a commissioned security officer licensed by the Texas Commission on Private Security Agencies and approved by the executive secretary.

**FEES REQUIRED IF GOVERNOR VETOES STATE EMPLOYEE PAY INCREASE**

TEXAS RACING COMMISSION.  
Chapter 309. Racetrack Licenses and Operations.  
Subchapter A. Racetrack Licenses.

Page 1 of 4

Sec. 309.8. RACETRACK LICENSE FEES.

(a) Purpose of Fees. An association shall pay a license fee to the Commission to pay the Commission's costs to administer and enforce the Act and provide racing officials for the association's live races.

(b) Live Racing Fee. An association shall pay a live racing fee for each live race day conducted by the association. The fee is due to the Commission no later than 5:00 p.m. of the day following the race day. The executive secretary may waive a live racing fee for a day or performance if circumstances beyond the control of the association cause a live race day or performance to be cancelled.

(1) The live racing fee for a greyhound racing association is \$550 for each performance that is scheduled for five or more races. For a performance that is scheduled for fewer than five races, the live racing fee is \$45 per scheduled race.

(2) The live racing fee for a horse racing association is:

(A) for a Class 1 or Class 2 racetrack, \$2075 per day; and

(B) for a Class 3 or Class 4 racetrack, \$650 per day.

(c) Inactive License Fee. An association that is licensed but is not conducting live racing or simulcasting shall pay an inactive license fee. The fee is due to the Commission on September 1 of each year. The inactive license fee for a greyhound racing association is \$25,000. The inactive license fee for a horse racing association is:

- (1) for a Class 1 racetrack, \$25,000;
- (2) for a Class 2 racetrack, \$20,000 [~~\$10,000~~];
- (3) for a Class 3 racetrack, \$3,500; and
- (4) for a Class 4 racetrack, \$1,250.

(d) Simulcast Fee. An association shall pay a simulcast fee for each day on which the association offers a simulcast race for wagering. The fee is due to the Commission no later than 5:00 p.m. of the day following the day on which the simulcast is offered. The simulcast fee is:

(1) for a Class 1, Class 2, or greyhound racetrack, \$370 [~~\$310~~] per day; and

(2) for a Class 3 or Class 4 racetrack, \$275 [~~\$245~~] per day.

(e) Adjustment of Fee.

(1) After the end of the Commission's fiscal year, the executive secretary shall determine annually whether the total amount of the fees paid by all associations, together with the revenues received by the Commission from all other sources, excluding occupational license fees, is sufficient to pay the Commission's costs to administer and enforce the Act and to provide racing officials for the association's live races.

(2) If the executive secretary determines the total revenue from those sources is insufficient to pay those costs, the executive secretary shall recommend a revised fee schedule to the Commission that will generate the necessary revenue.

(3) If the executive secretary determines the total revenue from those sources exceeds the amount needed to pay those costs, the executive secretary may order a moratorium on any or all license fees to any or all of the associations. Before entering a moratorium order, the executive secretary shall develop a formula for providing the moratorium in an equitable manner among the associations. In developing the formula, the executive secretary shall consider the amount of excess revenue received by the Commission, the source of the revenue, the Commission's costs associated with regulating each association, the Commission's projected receipts for the next

fiscal year, and the Commission's projected expenses during the next fiscal year.

(f) Breeders' Cup Fee. Due to the additional travel, personnel, and drug testing costs incurred by the Commission in conjunction with regulating the Breeders' Cup races, an association that conducts the Breeders' Cup races shall pay a fee of \$10,000. The fee is due not later than 5:00 p.m. on the 30th day after the date the Breeders' Cup races are conducted.

**FEES REQUIRED IF GOVERNOR DOES NOT VETO  
STATE EMPLOYEE PAY INCREASE**

TEXAS RACING COMMISSION.  
Chapter 309. Racetrack Licenses and Operations.  
Subchapter A. Racetrack Licenses.

Page 1 of 4

Sec. 309.8. RACETRACK LICENSE FEES.

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(b) Live Racing Fee. An association shall pay a live racing fee for each live race day conducted by the association. The fee is due to the Commission no later than 5:00 p.m. of the day following the race day. The executive secretary may waive a live racing fee for a day or performance if circumstances beyond the control of the association cause a live race day or performance to be cancelled.

(1) The live racing fee for a greyhound racing association is \$550 for each performance that is scheduled for five or more races. For a performance that is scheduled for fewer than five races, the live racing fee is \$45 per scheduled race.

(2) The live racing fee for a horse racing association is:

(A) for a Class 1 or Class 2 racetrack, \$2075 per day; and

(B) for a Class 3 or Class 4 racetrack, \$650 per day.

(c) Inactive License Fee. An association that is licensed but is not conducting live racing or simulcasting shall pay an inactive license fee. The fee is due to the Commission on September 1 of each year. The inactive license fee for a greyhound racing association is \$25,000. The inactive license fee for a horse racing association is:

(1) for a Class 1 racetrack, \$25,000;

(2) for a Class 2 racetrack, \$20,000 [~~\$10,000~~];

(3) for a Class 3 racetrack, \$3,500; and

(4) for a Class 4 racetrack, \$1,250.

(d) Simulcast Fee. An association shall pay a simulcast fee for each day on which the association offers a simulcast race for wagering. The fee is due to the Commission no later than 5:00 p.m. of the day following the day on which the simulcast is offered. The simulcast fee is:

(1) for a Class 1, Class 2, or greyhound racetrack, \$410 [~~\$310~~] per day; and

(2) for a Class 3 or Class 4 racetrack, \$300 [~~\$245~~] per day.

(e) Adjustment of Fee.

(1) After the end of the Commission's fiscal year, the executive secretary shall determine annually whether the total amount of the fees paid by all associations, together with the revenues received by the Commission from all other sources, excluding occupational license fees, is sufficient to pay the Commission's costs to administer and enforce the Act and to provide racing officials for the association's live races.

(2) If the executive secretary determines the total revenue from those sources is insufficient to pay those costs, the executive secretary shall recommend a revised fee schedule to the Commission that will generate the necessary revenue.

(3) If the executive secretary determines the total revenue from those sources exceeds the amount needed to pay those costs, the executive secretary may order a moratorium on any or all license fees to any or all of the associations. Before entering a moratorium order, the executive secretary shall develop a formula for providing the moratorium in an equitable manner among the associations. In developing the formula, the executive secretary shall consider the amount of excess revenue received by the Commission, the source of the revenue, the Commission's costs associated with regulating each association, the Commission's projected receipts for the next

fiscal year, and the Commission's projected expenses during the next fiscal year.

(f) Breeders' Cup Fee. Due to the additional travel, personnel, and drug testing costs incurred by the Commission in conjunction with regulating the Breeders' Cup races, an association that conducts the Breeders' Cup races shall pay a fee of \$10,000. The fee is due not later than 5:00 p.m. on the 30th day after the date the Breeders' Cup races are conducted.

Sec. 313.501. TRAINING FACILITY LICENSE.

(a) A training facility must be licensed by the Commission in accordance with this section to provide official workouts. Except as otherwise provided by this subchapter, an official workout obtained at a training facility licensed under this section satisfies the workout requirements of §313.103 of this title (relating to Eligibility Requirements).

(b) A training facility license expires on December 31 of the year in which the license was issued. The annual fee for a training facility license is \$1,800 [~~\$1,500~~], which is due and payable to the Commission on receipt of the license certificate.

(c) A training facility license is personal to the licensee and may not be transferred.



Received TxRC

MAY 19 2005

May 17, 2005

Paula C. Flowerday, Executive Secretary  
Texas Racing Commission  
PO Box 12080  
Austin, TX 78711-2080

Re: Fee Increases

Dear Paula:

I do agree that a revenue shortfall does affect all licensees and that all licensees should be a part of the solution; but, I think that there should be a more equitable solution.

You have raised the simulcast fees for Class 1, Class 2 and greyhounds about 20% and Class 3 and Class 4 by less than that. But you propose a 100% increase for an inactive license, of which there are only two. In fact, these two inactive licenses are the only ones not costing you any revenue.

I would greatly suggest a 20% increase across the board as being a more equitable and just solution.

I look forward to seeing you at the June 22<sup>nd</sup> meeting.

Sincerely,

Drew Alexander  
CEO/President



Received TxRC

MAY 12 2005

May 09, 2005

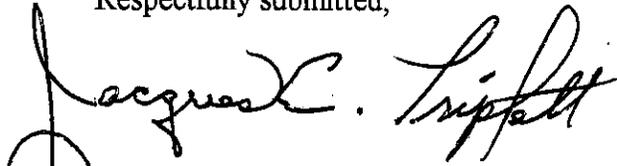
Paula Flowerday, Executive Director  
Texas Racing Commission  
P.O.Box 12080  
Austin, TX 78711-2080

Dear Ms. Flowerday,

The Corpus Christi Greyhound Race Track would respectfully ask that the enclosed request of assignment of limited partnerships interests be included on the June 22nd, agenda of The Texas Racing Commission meeting.

If this request meets with the time restraints to be allowed to be on the agenda would anyone other than Mr. Allen be required to be present?

Respectfully submitted,

  
Jacques Triplett, APR  
General Manager

**GREYHOUND INVESTMENTS, LTD.****ASSIGNMENT OF LIMITED PARTNERSHIP INTERESTS**

This ASSIGNMENT OF LIMITED PARTNERSHIP INTERESTS (this "Assignment") is made and entered into as of April \_\_\_, 2005, to be effective as provided in Section 6 of this Assignment, by and among R.C. Allen, Inc. (hereinafter referred to as the "Assignor"); R.C. Allen, Trustee of The Elizabeth Allen Holmes 2005 Trust, R.C. Allen, Trustee of The Janet Wallace Allen 2005 Trust, R.C. Allen, Trustee of The Ford Welder Allen 2005 Trust, and P.C. Allen, Trustee of The James Power Allen 2005 Trust (hereinafter collectively referred to as the "Assignees"); R. C. Allen, Inc. and Nueces Racing, Inc. (hereinafter collectively referred to as the "General Partners") in their capacities as the general partners of Greyhound Investments, Ltd. (the "Texas Partnership"); and Corpus Christi Racing Corporation ("CCRC") in its capacity as a partner of Corpus Christi Greyhound Racing Associates (the "Joint Venture"), a Texas joint venture between CCRC and the Texas Partnership.

**RECITALS**

WHEREAS, the Texas Partnership is a Texas limited partnership operating and existing under the Agreement of Limited Partnership of Greyhound Investments, Ltd., dated February 27, 1989, as amended by Amendment No. 1 thereto dated as of October 27, 1989 (the "Texas Partnership Agreement");

WHEREAS, Assignor is a limited partner of the Texas Partnership, currently owning a 29.42% limited partnership interest in the Texas Partnership;

WHEREAS, Assignor wishes to give and assign a 1.96% limited partnership interest in the Texas Partnership to each of the Assignees out of its 29.42% limited partnership interest in the Texas Partnership;

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WHEREAS, each of the Assignees wishes to accept the foregoing gift and to be admitted as a substituted limited partner of the Partnership with respect to the limited partnership interest given to it hereunder; and

WHEREAS, the General Partners and CCRC wish to consent to the conveyances described herein and to the admission of the Assignees as substituted limited partners of the Texas Partnership with respect to the limited partnership interests given to them hereunder;

NOW, THEREFORE, this Assignment is made in consideration of the love and affection the sole owner of the Assignor has for the beneficiaries of the Assignees and the mutual covenants set forth herein; and each of the parties to this Assignment agrees as follows:

**Section 1. Assignment of Limited Partnership Interests.**

(a) For and in consideration of the love and affection that the sole owner of the Assignor has for his daughter, Elizabeth Allen Holmes, Assignor does hereby give, transfer, convey, and assign to R.C. Allen, Trustee of The Elizabeth Allen Holmes 2005 Trust a 1.96% limited partnership interest in the Texas Partnership out of Assignor's 29.42% limited partnership interest in the Texas Partnership.

(b) For and in consideration of the love and affection that the sole owner of the Assignor has for his daughter, Janet Wallace Allen, Assignor does hereby give, transfer, convey, and assign to R.C. Allen, Trustee of The Janet Wallace Allen 2005 Trust a 1.96% limited partnership interest in the Texas Partnership out of Assignor's 29.42% limited partnership interest in the Texas Partnership.

(c) For and in consideration of the love and affection that the sole owner of the Assignor has for his son, Ford Welder Allen, Assignor does hereby give, transfer, convey, and assign to R.C. Allen, Trustee of The Ford Welder Allen 2005 Trust a 1.96% limited

partnership interest in the Texas Partnership out of Assignor's 29.42% limited partnership interest in the Texas Partnership.

(d) For and in consideration of the love and affection that the sole owner of the Assignor has for his son, James Power Allen, Assignor does hereby give, transfer, convey, and assign to R.C. Allen, Trustee of The James Power Allen 2005 Trust a 1.96% limited partnership interest in the Texas Partnership out of Assignor's 29.42% limited partnership interest in the Texas Partnership.

(e) After giving effect to this Assignment, Assignor will own a 21.58% limited partnership interest in the Texas Partnership, as well as a 1.96% general partnership interest in the Texas Partnership.

(f) After giving effect to this Assignment, each of the Assignees will own a 1.96% limited partnership interest in the Texas Partnership.

**Section 2. Acceptance of Assignments.** Each of the Assignees hereby accepts the limited partnership interest in the Texas Partnership assigned to it hereunder and agrees that such limited partnership interest shall be and remain subject to all of the terms and provisions of the Texas Partnership Agreement. Furthermore, each of the Assignees (for itself or its beneficial owners) hereby agrees to comply with and be bound by all the terms and provisions of the Texas Partnership Agreement and to assume all of the obligations under the Texas Partnership Agreement with respect to the limited partnership interest assigned to it hereunder.

**Section 3. Admission as a Substituted Limited Partner.** Each of the Assignees agrees to become a substituted limited partner of the Texas Partnership with respect to the limited partnership interest assigned to it hereunder, and each of the Assignees is hereby admitted as a substituted limited partner of the Texas Partnership with respect to such interest.

**Section 4. Representations of Assignor and Assignees.** The Assignor represents to the General Partners that the transfers of limited partnership interests in the Texas Partnership made pursuant to this Assignment (collectively, the "Transfers") are exempt from registration under all state and federal securities laws. Each of the Assignees, for itself and on behalf of its beneficial owner, represents that its beneficial owner is a bona fide resident of the State of Texas and has been for at least a period of ten (10) years prior to the date hereof

**Section 5. Racing Commission Approval.** The Transfers are made subject to the Transfers being approved by the Texas Racing Commission and, in connection therewith, Assignor and each of the Assignees (i) agree to permit and do permit the Texas Partnership's attorneys (the "Attorneys") to apply for and seek to obtain such approval, and (ii) agree to provide and will provide or cause to be provided to the Attorneys any and all documents and instruments required by the Texas Racing Commission in order to apply for and/or in connection with obtaining the Texas Racing Commission's approval of the Transfers. Notwithstanding anything to the contrary contained herein and in all events, the Transfers shall only be effective and the Assignees shall only become substituted limited partners of the Texas Partnership with respect to the limited partnership interests given to them hereunder after the approval in writing of the Transfers by the Texas Racing Commission.

**Section 6. Effective Date of Transfers.** The Transfers shall become effective and the Assignees shall become substituted limited partners of the Texas Partnership with respect to the limited partnership interests given to them hereunder on the last day of the calendar month in which the Texas Racing Commission gives its written approval of the Transfers.

**Section 7. Consents of the General Partners.** Each of the General Partners in its capacity as a general partner of the Texas Partnership hereby consents to the Transfers without

being furnished with the opinion of counsel described in section 8.2(b) of the Texas Partnership Agreement, subject to the Transfers being approved by the Texas Racing Commission.

**Section 8. Consent of CCRC.** CCRC in its capacity as a partner of the Joint Venture hereby consents to the Transfers, subject to the Transfers being approved by the Texas Racing Commission, evidence of which shall be promptly provided to CCRC.

**Section 9. Successors and Assigns.** This Assignment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns

**Section 10. Counterparts.** Any number of counterparts of this Assignment may be executed. Each counterpart will be deemed to be an original instrument and all counterparts taken together will constitute one agreement.

**Section 11. Governing Law.** This Assignment will be governed by the laws of the State of Texas, without giving effect to principles of conflict of laws of that State.

**Section 12. Additional Documents.** Contemporaneously with its execution and delivery of this Assignment, each of the Assignees has delivered to the Texas Partnership and CCRC (i) a Signature Page for Substituted Limited Partner in the form annexed hereto as Exhibit A executed by such Assignee, and (ii) a Beneficial Owner's Agreement in the form annexed hereto as Exhibit B executed by or on behalf of each beneficial owner of such Assignee.

*[The Signature Page Follows This Page]*

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first written above.

**ASSIGNOR:**

R.C. Allen, Inc.

By: [Signature]  
R.C. Allen, President

**GENERAL PARTNERS:**

R.C. Allen, Inc.

By: [Signature]  
R.C. Allen, President

**ASSIGNEES:**

[Signature]  
R.C. Allen, Trustee of The Elizabeth Allen Holmes 2005 Trust

Nueces Racing, Inc.

By: [Signature]  
R.C. Allen, President

[Signature]  
R.C. Allen, Trustee of The Janet Wallace Allen 2005 Trust

**CCRC:**

Corpus Christi Racing Corporation

[Signature]  
R.C. Allen, Trustee of The Ford Welder Allen 2005 Trust

By: [Signature]  
Name: FRED HAVENICK  
Title: RES

[Signature]  
R.C. Allen, Trustee of The James Power Allen 2005 Trust

# Nick Kralj

3608 Dali Lane  
Austin, Texas 78703

June 14, 2005

Ms. Paula Flowerday  
Executive Director  
Texas Racing Commission  
P.O. Box 12080  
Austin, Texas 78711-2080

Dear Ms. Flowerday:

As trustee of the Nicholas Elliot Kralj Investment Trust which owns 12.745% of Greyhound Investments Ltd. and the Nicole Alexis Kralj Investment Trust, which owns 12.745% of Greyhound Investments Ltd., I would like to:

Transfer .98% of their interests in Greyhound Investments Ltd to Graves Management Inc. Defined Benefit Plan, which equals  $\frac{1}{2}$  of 1% of Corpus Christi Greyhound Racing Associates

Transfer 4.9% of their interests in Greyhound Investments Ltd to Michael Timothy Gallagher which represents  $2\frac{1}{2}$  % of Corpus Christi Greyhound Racing Associates.

This would leave each trust with 9.805% of Greyhound Investments Ltd.

Yours truly,



Nick Kralj

Retama Partners, Ltd.  
P. O. Box 47535  
San Antonio, TX 78265-7535  
210-651-7120 Fax 210-651-7097

June 10, 2005

Received TxRC  
JUN 13 2005

Ms. Paul Flowerday  
Executive Director  
Texas Racing Commission  
PO Box 12080  
Austin, TX 78711-2080

Dear Paula:

Enclosed is a set of the transfer documents for the 2003 Straus Irrevocable Trust. I believe this transfer was approved by the Commission in February 2004.

I am also enclosing the documents required for transfer of the following ownership interests in Retama Partners Ltd.

- Estate of Earl A. Brown transferred its 10 interests (effective January 1, 2004) as follows:
  - Betty Galt Brown Marital Trust      5 interests
  - Betty Galt Brown, Individually      5 interests
  
- Estate of Albert C. Poujol transferred its 20 interests (effective May 6, 2003) as follows:
  - Albert C. Poujol Grandchildren's Trust      20 interests

Please let me know if you need any further information for approval of these transfers by the Texas Racing Commission. Thank you.

Sincerely,

  
Sharolyn Grammer

enclosures

**AMENDMENT NO. 17 TO THE SECOND AMENDED AND RESTATED  
AGREEMENT OF LIMITED PARTNERSHIP OF RETAMA PARTNERS LTD.**

This Amendment No. 17 to the Second Amended and Restated Agreement of Limited Partnership of Retama Partners Ltd. dated December 21, 1993, is made and entered into as of ~~July 14, 2001~~ May 6, 2001, by and between Retama Park Association, Inc., a Texas corporation (the "General Partner"), Michael A. Poujol, Trustee of The Albert C. Poujol Grandchildren's Trust (the "Substitute Limited Partner"), and the Limited Partners of the Partnership as shown on Exhibit "A" to the Partnership Agreement, as hereinafter defined.

**WITNESSETH:**

WHEREAS, Retama Partners Ltd. (the "Partnership") is governed by the terms of that certain Second Amended and Restated Agreement of Limited Partnership of Retama Partners Ltd. dated December 21, 1993, as amended (the "Partnership Agreement"); and

WHEREAS, the parties hereto desire to further amend the Partnership Agreement to reflect the admission of the Substitute Limited Partner to the Partnership;

NOW, THEREFORE, for and in consideration of the premises and other mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Exhibit "A" to the Partnership Agreement is hereby amended to delete Albert C. Poujol as a Limited Partner, and to substitute The Albert C. Poujol Grandchildren's Trust as Substitute Limited Partner in the place of Mr. Poujol. Henceforth, the Albert C. Poujol Grandchildren's Trust will be the holder of the following number of limited partnership interests transferred to it by the Estate of Albert C. Poujol, Deceased:

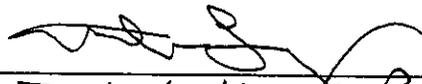
<u>Name and Address of Limited Partner</u>	<u>Number of Interests</u>
The Albert C. Poujol Grandchildren's Trust 22 East Rivercrest Houston, Texas 77042	20

2. Except as herein expressly amended, the Partnership Agreement is hereby reaffirmed by the parties and shall be and remain in full force and effect as therein written. All capitalized terms used in this Amendment which are not defined herein shall have the same meanings as those terms are defined in the Partnership Agreement.

EXECUTED as of this 14 day of Oct, 2004.

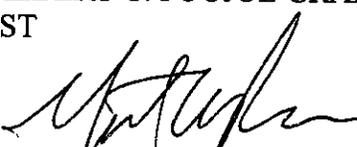
**GENERAL PARTNER:**

RETAMA PARK ASSOCIATION, INC.

By:   
A. Drake Ledy, its President

**SUBSTITUTE LIMITED PARTNER:**

THE ALBERT C. POUJOL GRANDCHILDREN'S  
TRUST

By:   
Michael A. Poujol, Trustee

22 East Rivercrest  
Houston, Texas 77042

**LIMITED PARTNERS:**

RETAMA PARK ASSOCIATION, INC.

By:   
A. Drake Ledy, its PRESIDENT

AS ATTORNEY-IN-FACT FOR EACH PERSON  
NAMED ON EXHIBIT "A" ATTACHED TO THE  
PARTNERSHIP AGREEMENT PURSUANT TO  
POWERS OF ATTORNEY EXECUTED IN  
FAVOR OF, AND DELIVERED TO THE  
GENERAL PARTNER

## ASSIGNMENT

This "Assignment" is made and entered into effective as of the 16<sup>th</sup> day of Oct 1993 2003 by and among Michael A. Poujol, Independent Executor of the Estate of Albert C. Poujol (the "Estate"), Albert C. Poujol Grandchildren's Trust ("Assignee"), Retama Park Association, Inc., a Texas corporation (the "General Partner"), and Retama Partners Ltd., a Texas limited partnership (the "Partnership").

### WITNESSETH:

WHEREAS, the Estate owns 20 limited partnership interests in the Partnership (the "Interests"); and

WHEREAS, the Estate wishes to convey the Interests to the Assignee; and

WHEREAS, the Estate and the Assignee desire to evidence the conveyance by this Assignment; and

WHEREAS, the Estate desires to sell, transfer and convey, and the Assignee is willing to accept, all of the Estate's right, title and interest in that one certain Retama Development Corporation Special Facilities Taxable Subordinated Revenue Note (Retama Park Racetrack Project) Series 1993B issued by Retama Development Corporation, a Texas local government corporation (the "Issuer"), dated December 1, 1993, and in the original registered principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Note"); and

WHEREAS, the Assignee and the Estate have requested the General Partner of the Partnership to consent to the transfer of the Interests from the Estate to the Assignee and to admit the Assignee as a Substitute Limited Partner to the Partnership;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties agree as follows:

### I. TRANSFER OF INTERESTS

1.1. Acknowledgment of Assignment. The Estate and the Assignee hereby acknowledge that effective as of the date of this Assignment, the Estate assigns and conveys to the Assignee and the Assignee accepts, all rights, title and interest in and to the 20 Limited Partnership Interests owned by the Estate in the Partnership.

1.2. Assignment of Interest in Note. The Estate has sold, assigned, transferred and set over, and by these presents does sell, assign, transfer and set over unto the Assignee, all of the Estate's right, title and interest in and to the Note.

1.3. Acceptance of Interests. Assignee has accepted, and by these presents does hereby accept, the aforesaid assignment of the Estate's interest in the 20 Limited Partnership

Interests, and after having received and reviewed the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated December 21, 1993, as amended from time to time (the "Partnership Agreement"), the Assignee agrees to become a Substitute Limited Partner in the Partnership and, as such, agrees to be bound by all the terms and provisions of the Partnership Agreement, as the same may be amended, as though the Assignee was an original Limited Partner thereto.

1.5. Acceptance of Interest in Note. Pursuant to an Assignment of Promissory Note dated January 1, 1994, the Partnership distributed the Note to its Partners as co-tenants. The interest in the Note held by the Estate is hereby conveyed by the Estate to the Assignee free and clear of all liens and encumbrances.

## II. REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of the Assignee. Assignee hereby represents and warrants to the Estate, the General Partner, the Partnership, and the other Limited Partners of the Partnership, and to each officer, employee and agent of each of the foregoing that:

(a) Assignee recognizes that an investment in the Partnership involves a high degree of risk.

(b) Assignee has adequate means of providing for its current needs and possible contingencies, and has no need now and anticipates no need in the foreseeable future, to sell the Interests or any portion thereof. Assignee is able to bear the economic risks of this investment, and consequently, without limiting the generality of the foregoing, is able to hold the Interests for an indefinite period of time and its financial capacity or net worth is such that its investment in the Partnership is not material when compared with its total financial capacity, and the total value of the Interests being gifted to Assignee does not exceed ten percent (10%) of its net worth.

(c) Assignee is at least 21 years of age.

(d) Assignee is acquiring the Interests and the undivided interest in the Note for its own account for investment and not with a view to the distribution or resale thereof.

(e) Assignee has not offered or sold any portion of the Interests or the undivided interest in the Note, and, has no present intention of dividing its Interests with others or of reselling or otherwise disposing of any portion of the Interests or the undivided interest in the Note either currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined event or circumstance.

(f) Assignee is aware that it must bear the economic risk of an investment in the Partnership for an indefinite period of time because (i) the Interests have not been registered under the Securities Act, or under the securities laws of any state, and, therefore, cannot be sold unless they are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available, and further that only the Partnership can take action to so register Interests and the Partnership is under no obligation and does not propose to attempt to do so, (ii) the Partnership Agreement provides that a Limited Partner may not sell, assign or transfer his, her or its Interests without the approval of the General Partner, which approval may be withheld, and (iii) the Texas Racing Act and the regulations promulgated thereunder (the "Racing Act"), place certain restrictions on the transferability of the Interests.

(g) Assignee acknowledges that no assurances have been made to it regarding the tax advantages which may inure to the benefit of the Limited Partners, nor has any assurance been made that existing tax laws and regulations will not be modified in the future, thus denying the Limited Partners all or a portion of the tax benefits which they may hope to receive.

(h) Assignee has not received any representations from the Partnership, the General Partner, or their employees or agents, other than those contained in the Partnership Agreement. In making a decision to become a Substitute Limited Partner, Assignee has relied solely upon a review of the documents mentioned in paragraph (f) above and independent investigations without assistance of the Partnership or the General Partner.

(i) Assignee understands and agrees that the following restrictions and limitations are applicable to any purchases and resales, pledges, hypothecations or other transfers of the Interests:

(1) Assignee agrees that its Interests shall not be sold, pledged, hypothecated or otherwise transferred unless registered under the Securities Act and applicable state securities laws or an exemption from registration is available.

(2) The Racing Act restricts the transferability of the Interests.

(3) A legend has been placed on the Partnership Agreement and will be placed on any certificate(s) or other document(s) evidencing the Interests in substantially the following form:

THE SECURITIES REPRESENTED BY THIS INSTRUMENT OR DOCUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT

BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, EXCEPT UPON DELIVERY TO THE PARTNERSHIP OF AN OPINION OF COUNSEL SATISFACTORY TO THE GENERAL PARTNER OF THE PARTNERSHIP THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE GENERAL PARTNER OF THE PARTNERSHIP OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE GENERAL PARTNER TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.

(4) Stop transfer instructions have been or will be placed with respect to the Interests so as to restrict the sale, pledge, hypothecation or other transfer thereof.

(5) During the term of the Partnership, the legend and stop transfer instructions described in subparagraphs (ii) and (iii) above will be placed with respect to any new certificate(s) or other document(s) issued upon presentment by the undersigned of certificate(s) or other document(s) for transfer.

(j) Assignee acknowledges that it has been advised that Rule 144 promulgated under the Securities Act is not applicable nor contemplated to become applicable to the Interests and further acknowledges that neither the Partnership nor the General Partner will be obligated to make the filings and reports, or make available publicly the information, which is currently a condition to the availability to such Rule 144.

(k) Assignee represents and warrants that:

(1) It has not been convicted in a court of competent jurisdiction of a violation of the Racing Act, or any rule adopted by the Texas Racing Commission (the "Commission"), or it has not aided, abetted, or conspired with any person to commit such a violation;

(2) It has not been convicted of a felony or of any crime involving moral turpitude, including convictions for which the punishment received was a suspended sentence, probation, or a non-adjudicated conviction, that is reasonably related to the Partnership's fitness to hold a license under the Racing Act;

(3) It has not violated or caused to be violated the Racing Act or a rule of the Commission in a manner that involves moral turpitude, as

distinguished from a technical violation of the Racing Act or of a rule of the Commission;

(4) It has answered and will answer truthfully and correctly any questions required by it in any application to the Commission or in any amendment to or renewal of such an application;

(5) It is not indebted to the State of Texas for any fees or for the payment of a penalty imposed by the Racing Act or by a rule of the Commission;

(6) It is of good moral character; its reputation as a peaceable, law-abiding citizen in the community where it resides is good;

(7) It is not in the habit of using alcoholic beverages to an excess and does not use a controlled substance as defined in the Texas Controlled Substances Act or a dangerous drug as defined in the dangerous drug law (Articles 4476-15 and 4476-14, Vernon's Texas Civil Statutes), and it is not mentally incapacitated;

(8) It may not be excluded from a track enclosure under Article 13 or 14 of the Racing Act;

(9) It has not improperly used a license, certificate, credential, or identification card issued under the Racing Act; and

(10) It is not residentially domiciled with a person whose license has ever been revoked by the Racing Commission for cause.

### III. INDEMNIFICATION

Assignee acknowledges that it understands the meaning and legal consequences of the representations, warranties and covenants set forth in Article II of this Assignment and that the Estate, the Partnership, each Limited Partner of the Partnership and the General Partner have relied, or will rely upon, such representations, warranties and covenants and the Assignee hereby agrees to indemnify and hold harmless the Estate, the Partnership, each Limited Partner thereof, and the General Partner and their officers, directors, controlling persons, agents or employees from and against any and all loss, claim, damage, liability or expense, and any such action in respect thereof, joint or several, to which any such person may become subject, due to or arising out of a breach of any such representation, warranty or covenant contained in this Agreement, together with all reasonable costs and expenses (including reasonable attorneys' fees) incurred by any such person in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters so indemnified against. Notwithstanding the foregoing, no representation, warranty, acknowledgment or agreement made herein by Assignee shall in any

manner be deemed to constitute a waiver of any rights granted to Assignee under federal or state securities laws.

#### IV. POWER OF ATTORNEY

Assignee hereby irrevocably constitutes and appoints the General Partner as its true and lawful agent and attorney-in-fact with full power and authority in its name, place and stead to execute the Partnership Agreement in its name, and agrees that the execution thereof by the General Partner will be deemed to be the execution by it of the Partnership Agreement, binding it to the terms thereof, including, but not limited to, the power of attorney set forth in Section 12.5 of the Partnership Agreement. Assignee further authorizes the General Partner to take any such further action which the General Partner shall consider necessary or advisable in connection with the foregoing, hereby giving the General Partner full power and authority to do and perform each and every act and thing whatsoever requisite or advisable to be done in and about the foregoing as fully and to the same extent Assignee might or could do if personally present, hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, is irrevocable and survives of the death of the Assignee.

#### V. CONSENT

Subject to (i) all of the terms contained herein, (ii) if applicable, the receipt of an opinion letter from counsel for Estate regarding the transfer of the Interests in a form acceptable to the General Partner and the Partnership and which complies with the provisions of Section 7.2(b)(4) of the Partnership Agreement, (iii) the Estate paying the fees and expenses of the Partnership, if any, in processing this Assignment, and (iv) if applicable, the Assignee being approved by the Texas Racing Commission pursuant to the regulations promulgated under the Texas Racing Act to succeed to an interest in the Partnership, the General Partner hereby consents to the transfer of 20 Limited Partnership Interests from the Estate to the Assignee and hereby admits the Assignee as a Substitute Limited Partner to the Partnership.

#### VI. MISCELLANEOUS

6.1. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors and assigns.

6.2. Notice. Any written notice required or permitted by the Partnership Agreement to be delivered to Assignee may be delivered at the address opposite Assignee's signature below.

6.3. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

6.4. Severability. If any provision hereof shall be determined to be invalid or contrary to existing or future law, such invalidity shall not impair the operation or affect those portions of the Assignment that are valid.

6.5. Entire Agreement. This Assignment constitutes the entire agreement among the parties. This Assignment supersedes any prior agreement or understanding among the parties and may not be modified or amended in any manner other than as set forth herein.

6.6. Capitalized Terms. Any capitalized terms not defined herein shall have the meaning ascribed to them in the Partnership Agreement.

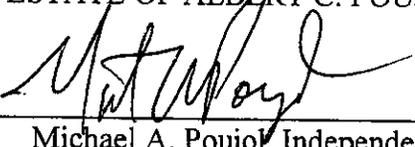
**ESTATE:**

Addresses:

22 East Rivercrest  
Houston, Texas 77042

THE ESTATE OF ALBERT C. POUJOL

By:

  
Michael A. Poujol, Independent Executor

**ASSIGNEE:**

22 East Rivercrest  
Houston, Texas 77042

ALBERT C. POUJOL GRANDCHILDREN'S  
TRUST

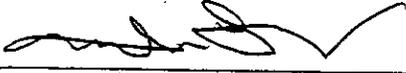
By:

  
Michael A. Poujol, Trustee

**GENERAL PARTNER:**

RETAMA PARK ASSOCIATION, INC.

By:

  
A. Drake Leddy, its President

**PARTNERSHIP:**

RETAMA PARTNERS LTD.

BY: RETAMA PARK ASSOCIATION, INC.,  
its General Partner

By:

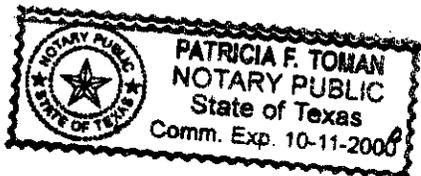
  
A. Drake Leddy, its President

STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 14<sup>th</sup> day of October, 2004, by Michael A. Poujol, Trustee of the Albert C. Poujol Grandchildren's Trust.



*Patricia F. Toman*

Notary Public, State of Texas

AMENDMENT NO. 18 TO THE SECOND AMENDED AND RESTATED  
AGREEMENT OF LIMITED PARTNERSHIP OF RETAMA PARTNERS LTD.

This Amendment No. 18 to the Second Amended and Restated Agreement of Limited Partnership of Retama Partners Ltd. dated December 21, 1993, is made and entered into as of January 1, 2004, by and between Retama Park Association, Inc., a Texas corporation (the "General Partner"), Betty Galt Brown, Trustee of The Betty Galt Brown Marital Trust established under the Will of Earl A. Brown, Deceased, Betty Galt Brown, Individually (together, the "Substitute Limited Partners"), and the Limited Partners of the Partnership as shown on Exhibit "A" to the Partnership Agreement, as hereinafter defined.

**WITNESSETH:**

WHEREAS, Retama Partners Ltd. (the "Partnership") is governed by the terms of that certain Second Amended and Restated Agreement of Limited Partnership of Retama Partners Ltd. dated December 21, 1993, as amended (the "Partnership Agreement"); and

WHEREAS, the parties hereto desire to further amend the Partnership Agreement to reflect the admission of the Substitute Limited Partners to the Partnership;

NOW, THEREFORE, for and in consideration of the premises and other mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Exhibit "A" to the Partnership Agreement is hereby amended to delete Earl A. Brown as a Limited Partner, and to substitute The Betty Galt Brown Marital Trust and Betty Galt Brown, individually, as Substitute Limited Partners in the place of Mr. Brown. Henceforth, The Betty Galt Brown Marital Trust will be the holder of the following number of limited partnership interests transferred to it by the Estate of Earl A. Brown, Deceased, and Betty Galt Brown will be the holder of her community one-half interest in the limited partnership interests previously owned by her and Mr. Brown jointly:

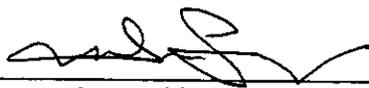
<u>Name and Address of Limited Partner</u>	<u>Number of Interests</u>
The Betty Galt Brown Marital Trust 4212 San Felipe, #457 Houston, Texas 77027-2902	5
Betty Galt Brown, Individually 4212 San Felipe, #457 Houston, Texas 77027-2902	5

2. Except as herein expressly amended, the Partnership Agreement is hereby reaffirmed by the parties and shall be and remain in full force and effect as therein written. All capitalized terms used in this Amendment which are not defined herein shall have the same meanings as those terms are defined in the Partnership Agreement.

EXECUTED as of this 13<sup>th</sup> day of MAY, 2004.

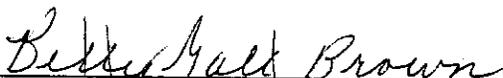
**GENERAL PARTNER:**

RETAMA PARK ASSOCIATION, INC.

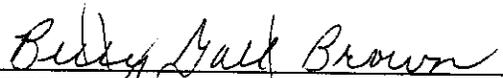
By:   
H. Drake Leddy, its President

**SUBSTITUTE LIMITED PARTNERS:**

4212 San Felipe, #457  
Houston, Texas 77027-2902

  
BETTY GALT BROWN, TRUSTEE OF THE  
BETTY GALT BROWN MARITAL TRUST

4212 San Felipe, #457  
Houston, Texas 77027-2902

  
BETTY GALT BROWN, Individually

**LIMITED PARTNERS:**

RETAMA PARK ASSOCIATION, INC.

By:   
H. Drake Leddy, its President

AS ATTORNEY-IN-FACT FOR EACH PERSON NAMED ON EXHIBIT "A" ATTACHED TO THE PARTNERSHIP AGREEMENT PURSUANT TO POWERS OF ATTORNEY EXECUTED IN FAVOR OF, AND DELIVERED TO THE GENERAL PARTNER

## ASSIGNMENT

This "Assignment" is made and entered into effective January 1, 2004, by and among the Estate of Earl A. Brown, Jr., Deceased (the "Estate"), Betty Galt Brown, Trustee of The Betty Galt Brown Marital Trust established under the Will of Earl A. Brown (the "Trust"), Betty Galt Brown, Individually ("Mrs. Brown"), Retama Park Association, Inc., a Texas corporation (the "General Partner"), and Retama Partners Ltd., a Texas limited partnership (the "Partnership"). The Trust and Mrs. Brown are collectively, the "Assignees").

### WITNESSETH:

WHEREAS, Earl A. Brown, Jr. owned 10 limited partnership interests (the "Limited Partnership Interests") in the Partnership; and

WHEREAS, Earl A. Brown, Jr. is deceased; and

WHEREAS, the Estate, in accordance with the provisions of Earl A. Brown, Jr.'s Last Will and Testament, wishes to convey Mr. Brown's one-half community property interest in the Limited Partnership Interests to the Trust; and

WHEREAS, the Estate is distributing Mrs. Brown's community interest in the Limited Partnership Interests to her; and

WHEREAS, the Estate and the Assignees desire to evidence the conveyances by this Assignment; and

WHEREAS, the Estate desires to convey, and the Assignees are willing to accept, all of the Estate's right, title and interest in that one certain Retama Development Corporation Special Facilities Taxable Subordinated Revenue Note (Retama Park Racetrack Project) Series 1993B issued by Retama Development Corporation, a Texas local government corporation (the "Issuer"), dated December 1, 1993, and in the original registered principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Note"); and

WHEREAS, the Assignees and the Estate have requested the General Partner of the Partnership to consent to the transfer of the Interests from the Estate to the Assignees and to admit the Assignees as Substitute Limited Partners to the Partnership;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties agree as follows:

### I.

#### TRANSFER OF INTERESTS

1.1 Acknowledgment of Assignment. The Estate and each of the Assignees hereby acknowledge that effective as of the date of this Assignment, the Estate assigns and conveys to each of the Assignees and each of the Assignees accepts, all rights, title and interest in and to five (5) Limited Partnership Interests owned by the Estate in the Partnership.

1.2. Assignment of Interest in Note. The Estate has assigned, transferred and set over, and by these presents does assign, transfer and set over unto each of the Assignees, one-half (1/2) of the Estate's right, title and interest in and to the Note.

1.3. Acceptance of Interests. Each of the Assignees has accepted, and by these presents does hereby accept, the aforesaid assignment of the Estate's interest in five (5) Limited Partnership Interests, and after having received and reviewed the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated December 21, 1993, as amended from time to time (the "Partnership Agreement"), each of the Assignees agrees to become a Substitute Limited Partner in the Partnership and, as such, agrees to be bound by all the terms and provisions of the Partnership Agreement, as the same may be amended, as though each of the Assignees was an original Limited Partner thereto.

1.4. Acceptance of Interest in Note. Pursuant to an Assignment of Promissory Note dated January 1, 1994, the Partnership distributed the Note to its Partners as co-tenants. The interest in the Note held by the Estate is hereby conveyed by the Estate to the Assignee free and clear of all liens and encumbrances.

## II.

### REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of the Estate. The Estate hereby represents and warrants to the Assignees, the General Partner and to the Partnership that the transfer of the Limited Partnership Interests to the Assignees was made without consideration being received by the Estate therefor.

2.2. Representations and Warranties of the Assignees. Each of the Assignees hereby represents and warrants to the Estate, the General Partner, the Partnership, and the other Limited Partners of the Partnership, and to each officer, employee and agent of each of the foregoing that:

(a) Such Assignee has not paid nor is it contemplated that it will pay compensation to the Estate as consideration for the transfer.

(b) Such Assignee recognizes that an investment in the Partnership involves a high degree of risk.

(c) Such Assignee has adequate means of providing for its current needs and possible contingencies, and has no need now and anticipates no need in the foreseeable future, to sell the Interests or any portion thereof. Such Assignee is able to bear the economic risks of this investment, and consequently, without limiting the generality of the foregoing, is able to hold the Interests for an indefinite period of time and its financial capacity or net worth is such that its investment in the Partnership is not material when compared with its total financial capacity, and the total value of the Interests being gifted to Assignee does not exceed ten percent (10%) of its net worth.

(d) Such Assignee is at least 21 years of age.

(e) Such Assignee is acquiring the Interests and the undivided interest in the Note for its own account for investment and not with a view to the distribution or resale thereof.

(f) Such Assignee has not offered or sold any portion of the Interests or the undivided interest in the Note, and, has no present intention of dividing its Interests with others or of reselling or otherwise disposing of any portion of the Interests or the undivided interest in the Note either currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined event or circumstance.

(g) Such Assignee is aware that it must bear the economic risk of an investment in the Partnership for an indefinite period of time because (i) the Interests have not been registered under the Securities Act, or under the securities laws of any state, and, therefore, cannot be sold unless they are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available, and further that only the Partnership can take action to so register Interests and the Partnership is under no obligation and does not propose to attempt to do so, (ii) the Partnership Agreement provides that a Limited Partner may not sell, assign or transfer his, her or its Interests without the approval of the General Partner, which approval may be withheld, and (iii) the Texas Racing Act and the regulations promulgated thereunder (the "Racing Act"), place certain restrictions on the transferability of the Interests.

(h) Such Assignee acknowledges that no assurances have been made to it regarding the tax advantages which may inure to the benefit of the Limited Partners, nor has any assurance been made that existing tax laws and regulations will not be modified in the future, thus denying the Limited Partners all or a portion of the tax benefits which they may hope to receive.

(i) Such Assignee has not received any representations from the Partnership, the General Partner, or their employees or agents, other than those contained in the Partnership Agreement. In making a decision to become a Substitute Limited Partner, such Assignee has relied solely upon a review of the documents mentioned in paragraph (g) above and independent investigations without assistance of the Partnership or the General Partner.

(j) Such Assignee understands and agrees that the following restrictions and limitations are applicable to any purchases and resales, pledges, hypothecations or other transfers of the Interests:

(1) Such Assignee agrees that its Interests shall not be sold, pledged, hypothecated or otherwise transferred unless registered under the Securities Act and applicable state securities laws or an exemption from registration is available.

(2) The Racing Act restricts the transferability of the Interests.

(3) A legend has been placed on the Partnership Agreement and will be placed on any certificate(s) or other document(s) evidencing the Interests in substantially the following form:

THE SECURITIES REPRESENTED BY THIS INSTRUMENT OR DOCUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, EXCEPT UPON DELIVERY TO THE PARTNERSHIP OF AN OPINION OF COUNSEL SATISFACTORY TO THE GENERAL PARTNER OF THE PARTNERSHIP THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE GENERAL PARTNER OF THE PARTNERSHIP OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE GENERAL PARTNER TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.

(4) Stop transfer instructions have been or will be placed with respect to the Interests so as to restrict the sale, pledge, hypothecation or other transfer thereof.

(5) During the term of the Partnership, the legend and stop transfer instructions described in subparagraphs (ii) and (iii) above will be placed with respect to any new certificate(s) or other document(s) issued upon presentment by the undersigned of certificate(s) or other document(s) for transfer.

(k) Such Assignee acknowledges that it has been advised that Rule 144 promulgated under the Securities Act is not applicable nor contemplated to become applicable to the Interests and further acknowledges that neither the Partnership nor the General Partner will be obligated to make the filings and reports, or make available publicly the information, which is currently a condition to the availability to such Rule 144.

(l) Such Assignee represents and warrants that:

(1) It has not been convicted in a court of competent jurisdiction of a violation of the Racing Act, or any rule adopted by the Texas Racing Commission (the "Commission"), or it has not aided, abetted, or conspired with any person to commit such a violation;

(2) It has not been convicted of a felony or of any crime involving moral turpitude, including convictions for which the punishment received was a suspended sentence, probation, or a non-adjudicated conviction, that is reasonably related to the Partnership's fitness to hold a license under the Racing Act;

(3) It has not violated or caused to be violated the Racing Act or a rule of the Commission in a manner that involves moral turpitude, as distinguished from a technical violation of the Racing Act or of a rule of the Commission;

(4) It has answered and will answer truthfully and correctly any questions required by it in any application to the Commission or in any amendment to or renewal of such an application;

(5) It is not indebted to the State of Texas for any fees or for the payment of a penalty imposed by the Racing Act or by a rule of the Commission;

(6) It is of good moral character; its reputation as a peaceable, law-abiding citizen in the community where it resides is good;

(7) It is not in the habit of using alcoholic beverages to an excess and does not use a controlled substance as defined in the Texas Controlled Substances Act or a dangerous drug as defined in the dangerous drug law (Articles 4476-15 and 4476-14, Vernon's Texas Civil Statutes), and it is not mentally incapacitated;

(8) It may not be excluded from a track enclosure under Article 13 or 14 of the Racing Act;

(9) It has not improperly used a license, certificate, credential, or identification card issued under the Racing Act; and

(10) It is not residentially domiciled with a person whose license has ever been revoked by the Racing Commission for cause.

### III.

#### INDEMNIFICATION

Each of the Assignees acknowledges that it understands the meaning and legal consequences of the representations, warranties and covenants set forth in Article II of this Assignment and that the Estate, the Partnership, each Limited Partner of the Partnership and the General Partner have relied, or will rely upon, such representations, warranties and covenants and each of the Assignees hereby agrees to indemnify and hold harmless the Estate, the Partnership, each Limited Partner thereof, and the General Partner and their officers, directors, controlling persons, agents or employees from and against any and all loss, claim, damage, liability or expense, and any such action in respect thereof, joint or several, to which any such person may become subject, due to or arising out of a breach of any such representation, warranty or covenant contained in this Agreement, together with all reasonable costs and expenses (including reasonable attorneys' fees) incurred by any such person in connection with

any action, suit, proceeding, demand, assessment or judgment incident to any of the matters so indemnified against. Notwithstanding the foregoing, no representation, warranty, acknowledgment or agreement made herein by each of the Assignees shall in any manner be deemed to constitute a waiver of any rights granted to Assignee under federal or state securities laws.

#### IV.

### POWER OF ATTORNEY

Each of the Assignees hereby irrevocably constitutes and appoints the General Partner as its true and lawful agent and attorney-in-fact with full power and authority in his name, place and stead to execute the Partnership Agreement in its name, and agrees that the execution thereof by the General Partner will be deemed to be the execution by it of the Partnership Agreement, binding it to the terms thereof, including, but not limited to, the power of attorney set forth in Section 12.5 of the Partnership Agreement. Each of the Assignees further authorizes the General Partner to take any such further action which the General Partner shall consider necessary or advisable in connection with the foregoing, hereby giving the General Partner full power and authority to do and perform each and every act and thing whatsoever requisite or advisable to be done in and about the foregoing as fully and to the same extent Assignee might or could do if personally present, hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, is irrevocable and survives of the death of the Assignee.

#### V.

### CONSENT

Subject to (i) all of the terms contained herein, (ii) if applicable, the receipt of an opinion letter from counsel for Estate regarding the transfer of the Interests in a form acceptable to the General Partner and the Partnership and which complies with the provisions of Section 7.2(b)(4) of the Partnership Agreement, (iii) the Estate paying the fees and expenses of the Partnership, if any, in processing this Assignment, and (iv) if applicable, each of the Assignees being approved by the Texas Racing Commission pursuant to the regulations promulgated under the Texas Racing Act to succeed to an interest in the Partnership, the General Partner hereby consents to the transfer of five (5) Limited Partnership Interests from Estate to each of the Assignees and hereby admits the Assignees as Substitute Limited Partners to the Partnership.

#### VI.

### MISCELLANEOUS

6.1. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors and assigns.

6.2. Notice. Any written notice required or permitted by the Partnership Agreement to be delivered to Assignee may be delivered at the address opposite Assignees' signature below.

6.3. GOVERNING LAW. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

6.4. Severability. If any provision hereof shall be determined to be invalid or contrary to existing or future law, such invalidity shall not impair the operation or affect those portions of the Assignment that are valid.

6.5. Entire Agreement. This Assignment constitutes the entire agreement among the parties. This Assignment supersedes any prior agreement or understanding among the parties and may not be modified or amended in any manner other than as set forth herein.

6.6. Capitalized Terms. Any capitalized terms not defined herein shall have the meaning ascribed to them in the Partnership Agreement.

IN WITNESS WHEREOF, this Assignment has been executed as of the day and year first above written.

**ESTATE:**

Addresses:

THE ESTATE OF EARL A. BROWN, JR.,  
DECEASED

4212 San Felipe, #457  
Houston, Texas 77027-2902

By: Betty Galt Brown  
Betty Galt Brown, Independent Executrix

**ASSIGNEES:**

4212 San Felipe, #457  
Houston, Texas 77027-2902

Betty Galt Brown  
BETTY GALT BROWN, TRUSTEE OF THE  
BETTY GALT BROWN MARITAL TRUST  
ESTABLISHED UNDER THE WILL OF EARL  
A. BROWN, JR., DECEASED

4212 San Felipe, #457  
Houston, Texas 77027-2902

Betty Galt Brown  
BETTY GALT BROWN, Individually

**GENERAL PARTNER:**

RETAMA PARK ASSOCIATION, INC.

By: [Signature]  
H. Drake Leddy, Its President

**PARTNERSHIP:**

RETAMA PARTNERS LTD.

BY: RETAMA PARK ASSOCIATION, INC.,  
its General Partner

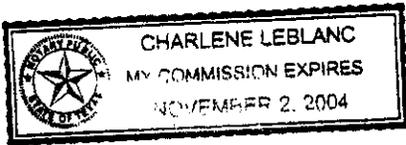
By:   
H. Drake Leddy, its President

STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 13<sup>th</sup> day of MAY,  
2004, by Betty Galt Brown, Individually and as Trustee of The Betty Galt Brown Marital Trust.



  
Notary Public, State of Texas



June 8, 2005

John Ferrara  
Director of Racing  
Texas Racing Commission  
P.O. Box 12080  
Austin, Texas 78711-2080

Re: Amended 2005 Race Dates

Dear John,

Sam Houston Race Park hereby requests the following changes to the 2005 Thoroughbred Racing schedule.

Delete -      Wednesday, October 26  
                  Wednesday, November 2, 9, 16, and 23  
                  Wednesday, Thursday, & Friday: December 21, 22 and 23

The reason for these changes are that analysis of previous years reflect a shortage of horses in October and November, until racing in neighboring states is finished, and the dates immediately before Christmas are a perfect time to take a seasonal break.

Thank you for your consideration.

Sincerely,

Robert L. Bork  
President & General Manager

RLB/jlc

cc: Eric Johnston  
Mike Vitek  
Ann McGovern

6-1

**Houston's Best Bet!**

SAM HOUSTON RACE PARK, LTD.

7575 NORTH SAM HOUSTON PARKWAY WEST, HOUSTON, TEXAS 77064-3417, (281) 807-8700

**Texas Racing Commission**  
**Report on Racetrack Inspection Activities**  
 June 22, 2005

Date of Inspection	Track	Type of Inspection	Number of Unsatisfactory Items	Track Remediation Complete	Inspection resolved
11/18/04	Valley	Racing-Veterinary	1		
2/9/05	Manor	Enforcement, Safety & Security	3	2 resolved 3/6/05 1 resolved 3/9/05	3/9/05
2/25/05	Corpus	Racing-Veterinary	5	5 resolved 5/2/05	5/2/05
3/11/05	Valley	Executive	0		
3/25/05	Lone Star	Executive	0		
3/30/05	Sam Houston	Executive	0		
3/30/05	Lone Star	Pari-mutuel	0		
3/30/05	Gulf	Racing-Judges	0		
3/31/05	Gulf	Executive	0		
4/1/05	Gulf	Veterinary-GH	2		
4/11/05	Lone Star	Racing-Stewards	0		
4/13/05	Lone Star	Enforcement, Safety & Security	0		
4/19/05	Retama	Pari-mutuel	0		
4/28/05	Retama	Enforcement, Safety & Security	0		
5/11/05	Retama	Executive	0		
6/2/05	Lone Star	Racing-Stewards	1	1 resolved 6/3/05	6/3/05

# Texas Racing Commission

FYE 8/31/2005

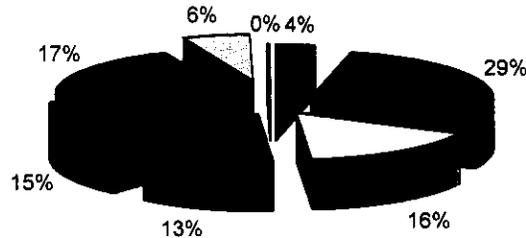
Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 4/30/2005	FY 2005 Unexpended Bal 4/30/2005	With 66.67% of Year Lapsed % of Budget Expended
\$ 0	GR Dedicated Fund 597 (Operational) Sum Of All Strategies other than A.2.1				
	1001 Salaries and Wages	3,287,161	2,113,344	1,173,816	64.29%
	1002 Other Personnel Cost	213,450	33,095	180,355	15.50%
	2001 Prof Fees and Services	116,178	18,954	97,224	16.31%
	2003 Consumables	28,600	3,289	25,311	11.50%
	2004 Utilities	28,250	12,197	16,053	43.18%
	2005 Travel	187,646	93,320	94,326	49.73%
	2006 Rent Building	169,750	117,780	51,970	69.38%
	2007 Rent Machine	15,000	8,842	6,158	58.95%
	2009 Other Operating Cost	256,479	115,170	141,309	44.90%
	CB Computer Equipment	34,457	25,007	9,450	72.57%
\$ 4,336,971	Total Operational Budget	\$ 4,336,971	\$ 2,540,998	\$ 1,795,972	58.59%
\$ 5,418,494	GR Dedicated Fund 597 (Tx Bred) Strategy A.2.1. TX Bred Incentive	\$ 5,418,494	\$ 3,448,318	\$ 1,970,176	63.64%
\$ 9,755,465	GR Dedicated Fund 597 (All Strategies) Total Expenditures for FYE 8/31/2005	\$ 9,755,465	\$ 5,989,316	\$ 3,766,149	61.39%
\$ 2,000,000	GR Fund "Breeder Cup Development" Total Breeders Cup Reimbursement	\$ 2,000,000	\$ 1,835,887	\$ 164,113	91.79%
\$ 11,755,465	Total Appropriated Funds Expended	\$ 11,755,465	\$ 7,825,203	\$ 3,930,262	66.57%

### Expended Operational Budget By Strategy

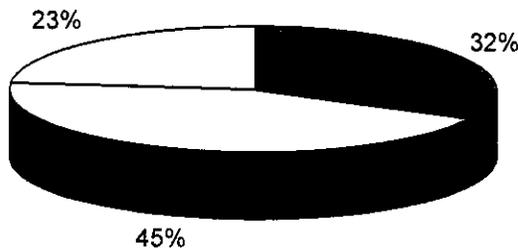
Regulate Racetrack Owners	\$ 92,982
Supervise Racing Conduct	\$ 729,261
Health & Drug Testing	\$ 415,579
Occupational Licensing	\$ 318,138
Pari-Mutuel Wagering	\$ 389,315
Central Administration	\$ 436,604
Information Resources	\$ 150,714
Other Support Services	\$ 8,405

### Expended Operational Budget



■ Regulate Racetrack Owners	■ Supervise Racing Conduct
□ Health & Drug Testing	■ Occupational Licensing
■ Pari-Mutuel Wagering	■ Central Administration
□ Information Resources	■ Other Support Services

### Expended Appropriations



■ Operational Budget	□ ATB Budget	□ Breeders Cup
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### Expended Appropriations

Operational Budget	\$ 2,540,998
ATB Budget	\$ 3,448,318
Breeders Cup	\$ 1,835,887

# Texas Racing Commission

FYE 8/31/2005

Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 4/30/2005	FY 2005 Unexpended Bal 4/30/2005	With 66.67% of Year Lapsed % of Budget Expended
A.1.1.	<u>Regulate Racetrack Owners</u>				
	1001 Salaries and Wages	143,088	88,892	54,196	62.12%
	1002 Other Personnel Cost	5,180	1,080	4,100	20.85%
	2001 Prof Fees and Services	2,928	1,460	1,468	49.88%
	2003 Consumables	350	-	350	0.00%
	2004 Utilities	-	-	-	
	2005 Travel	5,000	904	4,096	18.08%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 160,546	2009 Other Operating Cost	4,000	645	3,355	16.12%
\$ -	CB Computer Equipment	-	-	-	
\$ 160,546	Total Strategy A.1.1.	160,546	92,982	67,565	57.92%
A.2.1.	<u>Texas Bred Incentive</u>				
	ATB Money Expended	5,418,494	3,448,318	1,970,176	63.64%
\$ 5,418,494	Total Strategy A.2.1.	5,418,494	3,448,318	1,970,176	63.64%
A.3.1.	<u>Supervise Racing Conduct</u>				
	1001 Salaries and Wages	1,020,982	663,074	357,908	64.94%
	1002 Other Personnel Cost	77,297	5,860	71,437	7.58%
	2001 Prof Fees and Services	10,000	400	9,600	4.00%
	2003 Consumables	250	12	238	4.75%
	2004 Utilities	2,500	-	2,500	0.00%
	2005 Travel	76,850	33,817	43,033	44.00%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 1,383,736	2009 Other Operating Cost	30,323	1,092	29,231	3.60%
\$ (131,077)	CB Computer Equipment	34,457	25,007	9,450	72.57%
\$ 1,252,659	Total Strategy A.3.1.	1,252,659	729,261	523,398	58.22%
A.4.1.	<u>Health and Drug Testing</u>				
	1001 Salaries and Wages	595,159	381,572	213,587	64.11%
	1002 Other Personnel Cost	51,273	5,057	46,216	9.86%
	2001 Prof Fees and Services	32,500	6,593	25,907	20.29%
	2003 Consumables	250	-	250	0.00%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	29,006	17,481	11,525	60.27%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 645,402	2009 Other Operating Cost	10,000	4,875	5,125	48.75%
\$ 73,036	CB Computer Equipment	-	-	-	
\$ 718,438	Total Strategy A.4.1.	718,438	415,579	302,859	57.84%
B.1.1.	<u>Occupational Licensing</u>				
	1001 Salaries and Wages	388,082	250,784	137,297	64.62%
	1002 Other Personnel Cost	20,500	8,698	11,802	42.43%
	2001 Prof Fees and Services	4,000	-	4,000	0.00%
	2003 Consumables	10,000	1,260	8,740	12.60%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	18,720	16,831	1,889	89.91%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	12,000	7,277	4,723	60.64%
\$ 444,420	2009 Other Operating Cost	44,690	33,288	11,402	74.49%
\$ 53,822	CB Computer Equipment	-	-	-	
\$ 498,242	Total Strategy B.1.1.	498,242	318,138	180,103	63.85%

# Texas Racing Commission

FYE 8/31/2005

Budget Status by LBB Expenditure Object/Codes

Strategy	Description	FY 2005 Annual Budget	FY 2005 Expended Thru 4/30/2005	FY 2005 Unexpended Bal 4/30/2005	With 66.67% of Year Lapsed % of Budget Expended
C.1.1.	<u>Regulate Pari-Mutuel Wagering</u>				
	1001 Salaries and Wages	547,421	360,397	187,024	65.84%
	1002 Other Personnel Cost	13,800	4,840	8,960	35.07%
	2001 Prof Fees and Services	3,500	-	3,500	0.00%
	2003 Consumables	250	293	(43)	117.11%
	2004 Utilities	250	-	250	0.00%
	2005 Travel	38,070	17,749	20,321	46.62%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 697,679	2009 Other Operating Cost	25,000	6,036	18,964	24.14%
\$ (69,388)	CB Computer Equipment	-	-	-	
\$ 628,291	Total Strategy C.1.1.	628,291	389,315	238,976	61.96%
D.1.1.	<u>Central Administration</u>				
	1001 Salaries and Wages	352,268	218,413	133,855	62.00%
	1002 Other Personnel Cost	39,500	5,640	33,860	14.28%
	2001 Prof Fees and Services	40,000	10,500	29,500	26.25%
	2003 Consumables	15,000	1,707	13,293	11.38%
	2004 Utilities	25,000	12,197	12,803	48.79%
	2005 Travel	17,000	5,326	11,674	31.33%
	2006 Rent Building	166,750	115,080	51,670	69.01%
	2007 Rent Machine	3,000	1,565	1,435	52.18%
\$ 772,249	2009 Other Operating Cost	130,216	66,174	64,042	50.82%
\$ 16,485	CB Computer Equipment	-	-	-	
\$ 788,734	Total Strategy D.1.1.	788,734	436,604	352,130	55.36%
D.2.1.	<u>Information Resources</u>				
	1001 Salaries and Wages	215,141	141,807	73,334	65.91%
	1002 Other Personnel Cost	5,900	1,920	3,980	32.54%
	2001 Prof Fees and Services	23,250	-	23,250	0.00%
	2003 Consumables	2,500	17	2,483	0.68%
	2004 Utilities	-	-	-	
	2005 Travel	3,000	1,212	1,788	40.39%
	2006 Rent Building	3,000	2,700	300	90.00%
	2007 Rent Machine	-	-	-	
\$ 255,978	2009 Other Operating Cost	12,250	3,059	9,191	24.97%
\$ 9,063	CB Computer Equipment	-	-	-	
\$ 265,041	Total Strategy D.2.1.	265,041	150,714	114,327	56.86%
D.1.3.	<u>Other Support Services</u>				
	1001 Salaries and Wages	25,020	8,405	16,615	33.59%
	1002 Other Personnel Cost	-	-	-	
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ 22,368	2009 Other Operating Cost	-	-	-	
\$ 2,652	CB Computer Equipment	-	-	-	
\$ 25,020	Total Strategy D.1.3.	25,020	8,405	16,615	33.59%
\$ 4,336,971	All Strategies other than A.2.1.	4,336,971	2,540,998	1,795,972	58.59%
\$ 5,418,494	Strategy A.2.1. TX Bred Incentive	5,418,494	3,448,318	1,970,176	63.64%
\$ 9,755,465					
\$ 9,755,465	Total All Strategies FYE 8/31/2005	9,755,465	5,989,316	3,766,149	61.39%