

IN AND BEFORE THE OKLAHOMA HORSE RACING COMMISSION
STATE OF OKLAHOMA

RECEIVED

IN THE MATTER OF:

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Direction from the Oklahoma Horsemen's)
Benevolent and Protective Association, Inc.,)
an Oklahoma Corporation, dba Thoroughbred)
Racing Association of Oklahoma, hereinafter)
referred to as "TRAO" for 2005 and 2006)
Distribution of Purse Funds from)
Tribal Gaming in Tulsa Area)

OKLAHOMA HORSE
RACING COMMISSION

November 1, 2005

I.

INTRODUCTION

3A O.S. § 263 (K) et seq. requires that compacted tribes in the specified area that are also playing compacted games to remit a pro-rata share of their net income to the Oklahoma Horse Racing Commission. 3A O.S. § 263 (L) sets forth that the distribution of those purse funds (hereinafter referred to as "purse funds") shall be at the direction of the "purse committees" for each of the participating breeds of horses and defines the "purse committees" as the official elected horsemen representatives as designated by statute. Further, 3A O.S. § 263 (L) sets out the allocation of the purse funds between the particular breeds. The "purse committees" are to meet and provide direction at least sixty (60) days prior to the beginning of a calendar year, and the statute provides certain criteria that the "purse committees" should consider and attempt to achieve in making their directives.

The Oklahoma HBPA (TRAO) "purse committee" has met as a committee and has also met in conjunction with representatives of the Oklahoma Quarter Horse Racing Association (OQHRA), Oklahoma Horse Racing Commission (OHRC), and the State of Oklahoma Attorney General's office in an attempt to collaborate and for advice of counsel before making these findings of fact and directives for placement of "purse funds".

"Purse funds" have been and will continue to be received in 2005 and therefore requires the "purse committees" to direct placement for those "purse funds". It is the TRAO "purse committee's" view, that while not in strict compliance with the time limitations set forth in 3A O.S. § 263 (L), the TRAO "purse committee" has made a good faith effort to comply with the statutory requirements regarding 2005 "purse funds".

The directions for placement of "purse funds" to be generated in 2006 are based on projected purse funds which will be generated throughout the calendar year of 2006. This method for allocation is not unlike the projections required by the OHRC from the racetrack organization licensees when they are required to project purses for overnight and stake races with their racing application each year without any guarantee of the actual income available at the time of the race meetings.

To encourage the growth, sustenance and development of live Thoroughbred horse racing and breeding in this state, and considering and attempting to achieve all criteria set forth in 3A O.S. § 263 (L), the TRAO "purse committee" with authorization of its Board of Directors, respectfully submits their findings of fact and directives to the OHRC for placement of the 2005 and 2006 "purse funds."

With this document, the TRAO "purse committee" is directing placement of projected revenue, and asks that the OHRC recognize that in the event the projections are inaccurate, either high or low, or in the event of any unforeseen circumstances, the TRAO "purse committee" has the right to amend or supplement its directives for 2005 and 2006 "purse funds".

II.

FINDINGS OF FACT AND DIRECTIONS FOR PLACEMENT OF 2005 TULSA AREA TRIBAL PURSE FUNDS

FINDINGS OF FACT

1. The TRAO has identified the projected average daily drop (net take from the compacted games) at Compacting Tribal locations as \$175 per machine.
2. The projected average daily drop for 2005 is projected to result in a total of \$1,811,204 in payments to the fund for the calendar year 2005. Of that amount, \$1,373,718 has been deposited with the OHRC.
3. According to statute, 50% of the available "purse funds" shall be distributed to purses for Thoroughbreds, of which \$686,859 has been deposited with the OHRC. The total Thoroughbred "purse funds" for 2005 are projected to be \$905,602. Further, the TRAO "purse committee" finds the 2005 "purse funds" are to be distributed pursuant to 3A O.S. § 263 (H), (I), (L).
4. The TRAO "purse committee" considered and attempted to achieve the statutory requirements in making its findings of fact. Due to the circumstances surrounding the availability of 2005 "purse funds", the TRAO "purse committee" was unable to provide directions for placement of 2005 "purse funds" in the time frame prescribed by statute.
5. The TRAO "purse committee" therefore finds it fiscally responsible to apply any available 2005 "purse funds" toward the reduction of overpayments of purses at racetracks where Thoroughbred racing was conducted in 2005 prior to using said funds for 2006 Thoroughbred purses.
6. The Fair Meadows meet for 2005 concluded with no remaining overpayment of purses for any breed at that racetrack.
7. Will Rogers Downs is not scheduled to conduct a live race meet in 2005. Therefore, there will be no overpayment of purses for any breed at that racetrack.
8. The 2005 Blue Ribbon Downs Race meeting concluded and a substantial

overpayment of purses for Thoroughbreds will remain at year's end. The TRAO entered into an Agreement with Blue Ribbon Downs which was subsequently approved by the OHRC. That agreement called for an anticipation of revenue to be generated from gaming to fund a purse level for participating horses during the 2005 Blue Ribbon Down race meetings in excess of the income that could be generated in 2005 from the participating breeds' share of pari-mutuel wagering during the calendar year 2005. One of the provisions in that Agreement was a recognition of the fact that funds could be made available from the Tulsa Area Tribal Purse Fund ("purse funds") to eliminate any remaining overpayments at the end of the calendar year, in the event the purse projections made by the parties at the time of the agreement establishing of the purse levels for 2005 racing at Blue Ribbon Downs were incorrect or inadequate.

9. The 2005 Remington Park Thoroughbred Race meet will conclude with a substantial purse overpayment remaining at year's end.
10. In addition, the TRAO "purse committee" has considered the current racing climate in Oklahoma and surrounding states and has made every effort to ensure that its direction for placement of "purse funds" will provide competitive and comparable racing at Oklahoma racetracks. The TRAO "purse committee" directives are consistent with the Horse Racing Act's purpose.

III.

DIRECTIONS FOR PLACEMENT OF 2005 FUNDS

1. Fair Meadows race meet for 2005 has concluded and no overpayment amount for Thoroughbred purses remains. The TRAO "purse committee" therefore directs no transfer of 2005 "purse funds" to Fair Meadows at Tulsa.
2. Will Rogers Downs is not scheduled to conduct a live race meet in 2005. Due to the uniqueness surrounding Will Rogers Downs in 2005, the TRAO "purse committee" does not anticipate a need to transfer 2005 "purse funds" to Will Rogers Downs.
3. The 2005 Blue Ribbon Downs Race meet has concluded and a substantial overpayment of purses for Thoroughbreds will remain at year's end. The TRAO "purse committee" directs a sufficient amount of "purse funds" be transferred to Blue Ribbon Downs to satisfy all 2005 Thoroughbred overpayments. Transferred funds are subject to 3A O.S. § 263 (H) (I).
4. The 2005 Remington Park Thoroughbred Race meet will conclude November 28 and a substantial overpayment of purses will remain at year's end. The TRAO "purse committee" directs the balance of the available "purse funds" be transferred to Remington Park in an attempt to satisfy a portion of the 2005 overpayment of Thoroughbred purses. Transferred funds are subject to 3A O.S. § 263 (H) (I).
5. In the event additional 2005 "purse funds" remain after satisfying the 2005 overpayments of Thoroughbred purses identified above, the TRAO "purse committee" directs the remaining "purse funds" be transferred to Will Rogers Downs to be used towards 2006 Thoroughbred purses. Transferred funds are subject to 3A O.S. § 263 (H) (I).

IV.

FINDINGS OF FACT AND DIRECTIONS FOR PLACEMENT OF 2006 TULSA
AREA TRIBAL PURSE FUNDS

FINDINGS OF FACT

1. The TRAO identified the projected average daily drop (net take from the compacted games) at the Compacting Tribal locations as \$175 per machine.
2. Using the estimated average daily drop, the projected total purse money to be generated in 2006 for the Tulsa Area Tribal Purse Fund will be \$ 8,176,570. According to statute, the allocation between the breeds will result in fifty percent (50%) or \$ 4,088,285 to be used for Thoroughbred purses.
3. With regard to Thoroughbred racing for 2006, the TRAO "purse committee" projected daily average purse distributions for each of the Oklahoma racetracks scheduled to conduct live racing in 2006, and compared those projected purses to purses of similar tracks in the region, both in Oklahoma and in other states in order to determine what level of purses would be required to maintain or enhance the purse money available at each Oklahoma racetrack.
4. In comparing Fair Meadows at Tulsa's scheduled 39-day fair meet to similar tracks in the region, we find the following daily Thoroughbred purse structures:

Anthony (KS) Fair	\$ 7,860
Gillespie County (TX) Fair	\$ 16,400
Fair Meadows at Tulsa (OK)	\$ 45,000

and that maintaining Fair Meadows at Tulsa's Thoroughbred purse structure at \$45,000 daily distribution (based on an average of 4 races per day restricted to participating Thoroughbreds) keeps its purse structure more than competitive with similar racetracks in the region. Further, a stakes program with no more than 12% of the total purse structure, and with stakes events of no more than \$40,000 gross purse levels would be the optimum format for the Thoroughbred racing program at FMT. *A \$45,000 per day average purse structure for 4 Thoroughbred races would amount to a daily average of at least \$90,000 on a full race card.*

5. In comparing Will Rogers Downs' scheduled 42-day race meet to similar tracks in the region, we find the following daily Thoroughbred purse structures:

Lincoln	\$ 54,513
Fonner Park	\$ 55,428
Sam Houston Race Park	\$ 114,694
Retama Park	\$ 92,924
Woodlands	\$ 42,548
Fairmount Park	\$ 64,077

The TRAO "purse committee" submits that in establishing an initial \$80,000 per day purse structure, based on 8 Thoroughbred races per day, allows Will Rogers Downs to compete with similar racetracks in the region (exclusive of stakes races in 2006).

6. Recognizing Remington Park's scheduled 68-day Thoroughbred race meet as the premier Thoroughbred race meet in Oklahoma, it is the intent of the TRAO "purse committee" to establish Thoroughbred purse levels at Remington Park that will allow that facility to compete with similar racetracks within the region:

Oaklawn Park	\$ 253,095
Fair Grounds	\$ 260,419
Louisiana Downs	\$ 206,643
Lone Star Park	\$ 213,844

The TRAO "purse committee" submits that its goal is to establish an initial purse structure in excess of \$200,000 per day that would allow Remington Park to compete with similar racetracks within the region

7. Blue Ribbon Downs, with an anticipated limited number of Thoroughbred racing opportunities will generate adequate funds derived from the pari-mutuel and gaming revenue earned at that facility to compete with similar racetracks within the region (the average daily distribution was not used due to a lack of similar tracks within the region) Rather, an average purse per race comparison was used):

Eureka Downs	\$2,088/race
Apache County Fair	\$1,776/race
Mt. Pleasant Meadows	\$3,626/race
Blue Ribbon Downs	\$3,709/race
Gillespie Co. Fair	\$5,053/race

8. The TRAO "purse committee" finds the 2006 purse funds are to be distributed pursuant to 3A O.S. § 263 (H), (I), (L).
9. The TRAO "purse committee" has considered the current racing climate in Oklahoma and surrounding states and has made every effort to ensure that its direction for placement of "purse funds" will provide competitive and comparable racing at Oklahoma racetracks. The TRAO "purse committee" directives are consistent with the Horse Racing Act's purpose.

V.

DIRECTIONS FOR PLACEMENT OF 2006 FUNDS

1. TRAO "purse committee" directs the transfer of 50% (a minimum) of the "purse funds" to Remington Park. Transferred funds are subject to 3A O.S. § 263 (H) (I).

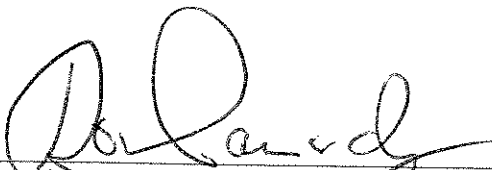
2. TRAO "purse committee" directs the transfer of sufficient "purse funds" to Fair Meadows at Tulsa to establish a daily Thoroughbred purse level of \$45,000 per day, based on conducting an average of four (4) Thoroughbred races per day for the scheduled 39-day race meet. Transferred funds are subject to 3A O.S. § 263 (H) (I).
3. TRAO "purse committee" directs the remaining "purse funds" available be transferred to Will Rogers Downs in an effort to establish a purse level of \$80,000 per day for Thoroughbred races conducted in 2006. Any "purse funds" transferred to Will Rogers Downs may be applied towards Thoroughbred races to be conducted at Will Rogers Downs in 2007, after the \$80,000 per day purse level has been reached for 2006. Transferred funds are subject to 3A O.S. § 263 (H) (I).
4. TRAO "purse committee" has determined that Blue Ribbon Downs will have adequate funds derived from their pari-mutuel wagering and gaming revenue generated and will be able to maintain purse levels for the limited number of Thoroughbred races that are anticipated to be conducted. Therefore, the TRAO "purse committee" directs no transfer of "purse funds" to Blue Ribbon Downs for 2006.
5. The TRAO "purse committee" reserves the right to amend and/or supplement these directives in the event any unforeseen circumstances arise or occur.

WHEREFORE, the TRAO "purse committee" after considering and attempting to achieve all the criteria of 3A O.S. § 263 (L) and in addition for the reasons set forth above, directs the OHRC to transfer 2005 and 2006 funds as specified in the Directives. The foregoing Directives have been submitted to and approved by the Board of Directors of the TRAO.

Signed this 1st day of November, 2005.



Joe Lucas, President - TRAO (Oklahoma HBPA)



Ron Canady - Executive Director/Secretary-Treasurer