PARTNERSHIP AGREEMENT
CASTLE VILLAGE FARM
MANUEL PARTNERSHIP

This partnership agreement is entered into as of the date below written by and among the Partners whose names appear on the signature pages hereof.

1. Castle Village Farm Manuel Partnership (hereinafter, the "Partnership") is a general partnership formed under New York law, operating from the date of this agreement until terminated as provided in Article 16. The partnership is named for the 1899 Kentucky Derby winner.

2. The business of the Partnership is to purchase, own and race the chestnut New York-bred thoroughbred colt of 2006 by Bowman's Band out of Herb's Prospect by Claim, purchased by Castle Village Farm at the October, 2007, Fasig-Tipton Timonium (MD) Yearling Sale as Hip No. 45 for $23,000. The colt will be named by the partners.

3. The managing partner will be Stephen Zorn. The trainer will be selected by the managing partner. The Partners agree that the managing partner and the trainer will be designated as authorized agents of the Partnership for dealings with race tracks, regulatory bodies and other individuals and entities concerning the business of the Partnership. The managing partner or any successor managing partner and the trainer may be replaced by a two-thirds vote of all the interests in the Partnership's capital account ("Partnership Interests").

4. Each Partner who owns 3% or more of the Partnership Interests shall take all necessary steps, at such Partner's own expense, to obtain an owner's license in New York. If the trainer or managing partner, in their discretion, uses Partnership funds to pay any or all of the costs of such licensing, in order to make the Partnership eligible to run a horse, then those persons on whose behalf the Partnership has made such payments shall promptly reimburse the Partnership. If the Partnership runs a horse in a jurisdiction other than New York, each Partner agrees to lease his or her interest in that horse to the managing partner, solely for the purpose of complying with licensing requirements in other jurisdictions, and the managing partner shall account to the Partnership for any earnings and costs associated with such races.

5. Except where this agreement specifies otherwise, all decisions of the Partnership shall be made by a majority vote of the Partnership Interests. Such votes may be conducted by telephone, email, electronic polling via the Internet, regular first-class mail, at meetings, or by any combination of such methods, and the managing partner shall maintain records of all such votes.

6. Meetings of the Partnership may be called either by the managing partner or by the holders of 20% or more of the Partnership Interests. Such meetings may be held either in person, or by way of conference call or online internet chat or other

similar electronic means. Notice of Partnership meetings shall be in writing (including email, return receipt requested) and shall be given at least two weeks in advance of the meeting. Notice shall be deemed to be received when mailed, if by first class mail, or when actually received, as evidenced by an electronic receipt, if emailed.

7. The Partners shall communicate with each other via email, using an email list to be established for that purpose by the managing partner. The partners agree that communications via email will be civil, polite and respectful of others' opinions. The managing partner may, in his discretion, suspend the email privileges of any partner not complying with this provision. If a partner repeatedly abuses such email privileges by posting what, in the reasonable judgment of the managing partner, are defamatory, abusive or *ad hominem* messages, the managing partner may return such partner's initial capital contribution, and the partner will forthwith cease to be a partner.

8. Except as provided in this Article and in Articles 12 and 16, all Partnership funds shall be used by the Partnership for the purchase of thoroughbred race horses and for payment of reasonable ordinary and necessary operating expenses, including but not limited to trainer fees, trainer and jockey shares of purse earnings, farriers' and veterinarians' bills, horse transportation costs, licensing and entry fees. In addition, the managing partner shall charge the partnership $400 per month in lieu of travel and entertainment, bank fees, accounting and tax software, publications, dues and subscriptions, office expense, copies, postage, telephone, office supplies, information expense, and other reasonable administrative expenses. In addition, the Partnership shall contribute 1.0% of all purses won to equine and race track related charities.

9. The managing partner shall maintain the Partnership accounts and shall provide each Partner with a reasonably detailed quarterly statement of Partnership income and expenses. The funds of the Partnership shall generally be deposited in a bank account in the name of Castle Village Farm and may be commingled with the funds of other Castle Village Farm Partnerships, subject to quarterly accounting to the Partnership. The managing partner shall ensure that sufficient funds are on deposit with the horsemen's bookkeeper at each track where the Partnership is racing to enable the Partnership's horses to be entered in races. The Managing Partner shall deposit excess funds of the Partnership in an interest-bearing account and shall credit interest on such excess funds to the Partnership on a quarterly basis. For purposes of the preceding sentence, "excess funds" means any amount standing to the credit of the Partnership (e.g., from purse earnings) that exceeds the amount reasonably anticipated to be required, as provided in Article 12 below, for the Partnership's share of maintenance, training and overhead costs (as defined in Article 8 above) for the succeeding four months.

10. The managing partner shall arrange in a timely fashion for the filing of Partnership tax returns as required by US authorities and for the provision of such information as Partners may reasonably require in preparing their individual tax

returns. Profits and losses shall be allocated among the Partners in proportion to their Partnership Interests. All costs of bookkeeping, financial statements and tax return preparation shall be included in the overhead and administrative charge provided for in Article 8 above.

11. In return for his services in establishing and managing the business of the Partnership, the managing partner shall receive the incentive payments set out below.

    (a) The managing partner shall receive five percent (5%) of all purses earned by the Partnership's horses. The five percent incentive shall also apply to any state owner awards paid directly to the Partnership.

    (b) With respect to each horse owned by the Partnership, the managing partner shall receive ten percent (10%) of any purses earned by the horse in excess of $100,000 while racing for Castle Village Farm, and 15% of any purses so earned in excess of $200,000.

    (c) With respect to any horse sold by the Partnership or claimed away, the managing partner shall receive ten percent (10%) of the excess of the sales price over the price paid by the Partnership to acquire the horse.

12. The managing partner shall receive an amount equal to 20% of the total initial capital. This amount shall be in lieu of any sales commissions payable in connection with the formation of the partnership and shall represent compensation for the managing partner's expertise in identifying suitable horses to purchase.

13. The Partnership shall maintain a cash reserve equal to at least four months' estimated operating expenses. Whenever, as of the end of a calendar quarter, an additional cash contribution is required to restore this reserve, the managing partner shall notify the Partners by both email and first-class mail of the amount required. Any Partner who fails to deliver his or her pro rata share of such required contribution within 30 days after such notice or to make arrangements with the Managing Partner for a later payment of such Partner's pro rata share in the event of the Partner's unforeseen absence or other emergency shall be charged interest thereon at 12% per annum, beginning on a date 30 days after the mailing of the cash call notice and continuing until the date of payment. Any such interest received shall be credited to the Partnership as a whole. If a Partner has not paid all outstanding cash calls and interest charges within 120 days from the date of the first unpaid item, that Partner shall forfeit any and all interest in the Partnership, and his or her Partnership Interest shall thereupon be distributed pro rata to the remaining Partners. If a Partner is due to receive a distribution from another Castle Village Farm partnership as of the end of any calendar quarter and that Partner owes a cash call with respect to this Partnership, the amount of that cash call will be deducted from the distribution otherwise payable.

14. At the conclusion of each calendar quarter, if the Partnership's horses have earned purse money during that quarter, or if any of the Partnership's horses have been sold during the quarter, and if the Partnership funds provide a reserve of at least four months' estimated operating expenses for any remaining horses, the managing partner shall distribute to each Partner that Partner's pro rata share of excess Partnership funds. Excess funds shall be deemed to exist when the cash on hand as of the end of a quarter exceeds the reasonably expected operating expenses for the following four months.

15. The Partnership shall not terminate if a Partner ceases to be a Partner. Any Partner wishing to sell his or her Partnership share must offer that share to the other Partners for a period of at least 15 days before entertaining other offers. Thereafter, the Partner wishing to sell may accept an offer from someone not a Partner, provided such offer is higher than the amount offered by any existing Partner during the 15-day period described above. Admission of any purchaser as a Partner shall be subject to the approval of the managing partner.

16. The Partnership shall consist of not fewer than 40 and not more than 75 partnership units, each with an initial cost of $1,000. If all 75 units are subscribed, each unit shall represent a 1.33% Partnership Interest. If 40 units are subscribed, then each unit shall represent a 2.50% interest in the Partnership. A person may hold more than one unit in the Partnership. In addition, Partners in prior Castle Village Farm Partnerships may subscribe for a half-unit.

    The Partnership shall close, in the sole discretion of the Managing Partner, when not fewer than 40 units have been subscribed, but in any event shall close not later than the time the colt first races for Castle Village Farm, unless, at that time, fewer than 40 units of Partnership Interest have been subscribed, in which case the Managing Partner shall have the option either (a) to refund all subscriptions and terminate the partnership; or (b) to extend the time for subscriptions; or (c) to close the partnership and proceed with fewer than 40 units of partnership interest..

    Partners' percentage interests shall be determined by the number of units that have been subscribed as of the closing date of the Partnership. The Managing Partner will advise all Partners as to their actual percentage interest and shall provide each Partner with a list of all Partners and their percentage interests as of December 31, 2007, June 30, 2008, and again, if there is any change, when the horse first races.

17. If a horse owned by the partnership is claimed, the partners may vote, by a simple majority of those partnership interests voting, to continue the partnership and claim another horse or to terminate the partnership. In the absence of such a vote to claim another horse, the Partnership shall terminate on the earlier of the date on which the Partnership no longer owns any horses and is not planning to replace a claimed horse or on December 31, 2012. The Partnership may be terminated earlier by a vote of a two-thirds majority of all Partnership Interests. On the termination date, the managing partner shall arrange for the orderly disposition of

Partnership assets and the distribution of proceeds to the Partners in proportion to their Partnership Interests. For purposes of this Article, the managing partner's good-faith determination of the value of Partnership assets shall be conclusive.

18. This agreement may be amended by a two-thirds vote of a majority of all Partnership Interests.

19. This agreement shall be construed in accordance with, and the Partnership shall be governed by, the laws of the State of New York.

SIGNATURE PAGE: CASTLE VILLAGE FARM MANUEL PARTNERSHIP

Dated as of the _____ day of ___________, 2010

____
Signature

____
Name (Printed)

____
Street Address

____
City, Province or State, Postal or Zip Code

____
Email Address

____
Telephone

____
Social Security Number (for US tax purposes)

$_______________________________________
Amount Enclosed

Mail completed agreement to:

Castle Village Farm LLC
106 7th St. Suite 204
Garden City NY 11530