

2011 KEYSTONE CLASSICS -- FOALS OF 2008 & 2009

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of November, 2010, by and between THE HAMBLETONIAN SOCIETY, INC., a New York not-for-profit corporation with offices located at Cranbury, New Jersey (the "Society"), and WASHINGTON TROTTING ASSOCIATION, INC., a Pennsylvania business corporation licensed to conduct pari-mutuel harness racing at The Meadows, Meadow Lands, Pennsylvania (the "Series Owner").

WITNESSETH

WHEREAS, the purpose of the Society is to support and encourage the breeding of Standardbred horses;

WHEREAS, in furtherance of its purpose, the Society provides management services to owners and Series Owners in connection with Standardbred horse races;

WHEREAS, Series Owner is the owner of that certain standardbred horse racing early-closing event commonly known as the 2011 KEYSTONE CLASSICS (the "Series"); and

WHEREAS, the Series consists of eight races, divided by age, sex & gait; and

WHEREAS, the Society is willing to assist Series Owner in its efforts to conduct the Series as contemplated in this Management Agreement, based on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and intending to be legally bound hereby, the parties agree as follows:

1. Engagement of the Society. In connection with the Series Owner's conduct of the Series, Series Owner hereby engages the Society to provide, and the Society agrees to provide to Series Owner, the management and oversight services as defined in Section 2 of this Agreement in accordance with the terms and conditions herein.
2. Engagement of the Society. In connection with the Series Owner's conduct of the Series, Series Owner hereby engages the Society to provide, and the Society agrees to provide to Series Owner, the management and oversight services as defined in Section 2 of this Agreement in accordance with the terms and conditions herein.
3. Scope of Services. Subject to the provisions of the Agreement, the Society shall be responsible for the following (collectively the "Services"):
 - a) To make recommendations for the purpose of insuring that each race contributes to the support and encouragement of the breeding of standardbred horses;
 - b) To write conditions for the Series, subject to Series Owner's approval (the "Conditions");
 - c) To advertise all nominations and sustaining payment dates;
 - d) To receive and record all payments and payment dates;
 - e) To mail to the Series Owner or appropriate racetrack official as directed by Series Owner, subject to Section 7 below, the total amount of all payments received and held by the Society for the Series with two (2) business days after each race; and
 - f) To complete and submit any and all reports required by the U.S.T.A. of eligible horses, to the U.S.T.A. and to other interested parties;
4. Series Owner's Responsibilities. In connection with the conduct of the Series, the Series Owner shall be responsible for:
 - a) Ensuring and/or conducting each race in accordance with the terms and conditions of this Agreement and any and all terms set forth in the Conditions;
 - b) Furnishing to the Society and/or ensuring the Society is furnished with the results of each race immediately thereafter including the names and the complete mailing addresses of all money-winning owners; and photocopies of the payment checks;
 - c) Purchasing suitable trophies to be awarded to the owners of the winners of each race or division of a race;
 - d) Making all payments or ensuring that payments are made to money winners unless otherwise agreed upon by the parties;
 - e) Advising the Society if, for any reason, payment cannot be made to all the money winners in a timely manner; and
 - f) Withholding and remitting to the Internal Revenue Service the appropriate percentage of the payment to each money winner who is a non-resident alien or who has otherwise not provided the required tax identification information in accordance with applicable tax law and/or ensuring that said withholding and remitting is accomplished.
 - g) Completing and filing appropriate tax forms.
5. Relationship of Parties. The parties hereto, by virtue of the contractual obligation owed to each other under this Agreement or any action taken pursuant thereto, shall not be deemed to be partners, joint venturers or agents of the other parties. In performing its obligations hereunder, the Society is acting as an independent contractor to, and not as an agent of, Series Owner or any racetrack and all of the Society's personnel engaged by the Society to fulfill its obligations hereunder shall be and remain employees of Society and not of Series Owner or any racetrack.
6. Term. Unless otherwise terminated pursuant to Section 8 hereof, the term of this Agreement (the "Term") shall commence on November 1, 2010 (the "Commencement Date") and shall continue until January 31, 2012.
7. Fees. During the term of this Agreement, the Series Owner shall remit to the Society, in addition to any other fee or payment set forth in this Agreement or in the Conditions, within thirty (30) days of the last race of the Series in each calendar year, the following fee, as determined by the total value of each race:
 - a) \$880 for each race with less than \$20,000 paid in;
 - b) \$1,100 for each race with \$20,000 up to \$50,000 paid in;
 - c) \$1,320 for each race with \$50,000.00 or more paid in.
8. Investment Income. Series Owner acknowledges that Society, in its sole discretion, shall retain, and/or distribute for use towards its tax exempt purposes any investment income generated by any and all funds transferred to the Society and held by the Society in connection with the Series.

continued...

- 9. Termination. This Agreement may be terminated with or without cause by giving thirty (30) days' prior written notice to the other party. Under no circumstances will the termination of the Agreement relieve the Series Owner from the payment of fees for the calendar year in which the termination takes place and in addition hereto, such other reasonable fees including attorneys' fees which in any way arise out of the termination of this Agreement. Under no circumstances will fees previously paid be refunded.
- 10. Protests, Investigations And/Or Disputes In the event of any protest, investigation or dispute with respect to the results of the races of the Series, the Society may, if it is in possession of the purse, at its option deliver the purse, or the disputed portion thereof, to the Track, and the Track shall accept and hold such purse in a segregated interest-bearing bank account, to be disbursed by the Track following the final binding and non-appealable determination of any such protest, investigation or dispute.
- 11. Indemnity. Series Owner hereby agrees to indemnify and hold Society, its officers, directors, members, employees and agents harmless from, against and in respect of any and all claims, actions, losses, damages, liabilities, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) resulting from or in any manner connected with the Series or any race thereof or Series Owner's actions or inactions in connection therewith including specifically, but not limited to, the collection, payment and refunding of monies; the keeping of all records and withholdings, including tax records and withholdings; and protest, investigation or disputes as to conditions and/or purses; and Series Owner further agrees to defend the Society at no cost or expense to the Society from and against any claims, actions or proceedings brought against the Society which in any manner relate to or arise from this Agreement and/or the indemnity contained herein.

12. Miscellaneous.

12.1 Notices. All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing and shall be deemed to have been properly given when personally delivered, sent by telecopier or delivered by postage prepaid registered or certified mail or overnight courier to the following addresses:

If to the Society: President and CEO
The Hambletonian Society, Inc.
109 South Main St, Suite 18
Cranbury, N.J. 08512-3174

If to the Series Owner:
General Manager
Washington Trotting Assoc. Inc
The Meadows
Racetrack Road, P.O. Box 499
Meadow Lands, PA 15347

The parties shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses or provide for the delivery of copies to others by giving notice of such change to the other parties in the manner provided for above. Notices shall be effective when received, if personally delivered, one day after being sent, if delivered by overnight courier, or three days after being sent, if delivered by registered or certified mail. Notices transmitted by telecopier shall be effective when received, provided that a copy of the notice is deposited in regular U.S. mail on the same date the telecopy is transmitted.

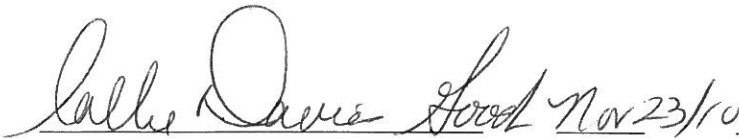
12.2 Assignment. This Agreement shall not be assigned, or transferred by operation of law or otherwise by either party without the prior written consent of the other party.

12.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to its conflict of laws provisions.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby, have executed this Agreement as of the date and year first above written.

ATTEST:

THE HAMBLETONIAN SOCIETY, INC.



Date



By: Thomas A. Charters
President and CEO

ATTEST:

WASHINGTON TROTTING ASSOCIATION

Date

By:
General Manager - The Meadows

KEYSTONE CLASSICS

2-YEAR-OLDS AND 3-YEAR-OLDS IN 2011

EIGHT PENNSYLVANIA-SIRED EARLY CLOSING EVENTS FOR BOTH SEXES & GAITS

\$500,000 IN TOTAL ESTIMATED PURSES

OWNED & SPONSORED BY: The Meadows

SERVICED BY: The Hambletonian Society, Inc.

FOR: Pennsylvania-sired Foals of 2008 and 2009 (Subject to U.S.T.A. Foaling Date Rules). Each foal must be by a stallion standing in Pennsylvania for a full season of service during which the mare was bred to produce that foal.

TO BE RACED AS: Eight races. Separate Coll (including geldings) and Filly divisions for 2-year-old and 3-year-old trotters and 2-year-old and 3-year-old pacers.

TO BE RACED AT: The Meadows, Meadow Lands, Pennsylvania. Definite dates will be published in the U.S.T.A. Stakes Guide in the year of the races. If for any reason it becomes impractical or undesirable, in the opinion of the Sponsor, to hold any or all of these races at the track designated, the Sponsor reserve the right to change the date and the location of any or all of the races.

CANCELLATION: The Sponsor further reserves the right to cancel any or all of the races if for reasons beyond their control it becomes impractical or undesirable in the opinion of the Sponsor to conduct said race(s). If an event is not raced due to circumstances beyond their control, the Sponsor's responsibility and liability will be limited to refunding without interest nomination, sustaining and Entrance Fees collected toward canceled event that have not been disbursed at the time of cancellation. These monies will be prorated among the owners of the horses eligible as of the time of cancellation.

PURSE: Actual 2010 total purses were:

2-Year-Old Coll Trot.....	\$103,402 (3 divisions)
2-Year-Old Filly Trot.....	\$107,002 (3 divisions)
2-Year-Old Coll Pace.....	\$148,800 (5 divisions)
2-Year-Old Filly Pace.....	\$126,400 (3 divisions)
3-Year-Old Coll Trot.....	\$93,801 (3 divisions)
3-Year-Old Filly Trot.....	\$82,002 (3 divisions)
3-Year-Old Coll Pace.....	\$91,000 (2 divisions)
3-Year-Old Filly Pace.....	\$95,002 (3 divisions)

ADDED MONEY: The Meadows will add a minimum of \$12,000 to all 2-year-old events and a minimum of \$12,000 to all 3-year-old events.

PAYMENTS: (U.S. Funds only)

On 2-Year-Olds:

March 15, 2011 -- 1st payment (nomination)	\$200
May 15, 2011 -- 2nd payment (sustaining)	\$400
Entrance Fee.....	\$400

On 3-Year-Olds:

February 15, 2011 -- 1st payment (nomination)	\$200
March 15, 2011 -- 2nd payment (sustaining)	\$400
Entrance Fee.....	\$400

The sponsor reserves the right to deduct up to 10% of the paid in nominating and sustaining fees funds to pay the Hambletonian Society fees for administration of the races.

DECLARATION: Entrance Fee shall be due with declaration to start at the track where the race is being held at the time and date posted on the Condition Sheet.

Entrance Fee shall be due at time of declaration and payable not later than one hour prior to post time of the first elimination heat (if eliminations are necessary) or the race to be contested, as the case may be. All Entrance Fees shall be made payable to The Meadows.

At the time of declaration a starter must show at least one clean charted line (no breaks) within 30 days prior to the advertised day of the race and meet existing time standards.

SUPPLEMENTAL NOMINATIONS AND DECLARATIONS: There are no supplemental nominations or declarations allowed for any of these races.

PAYMENT DISTRIBUTION: All payments will be credited to the specific race.

NOTICE: U.S.T.A. Rule 11, Section 3 provides: "Failure to make any payment required by the conditions constitutes an automatic withdrawal from the event." The Hambletonian Society, Inc. will construe payment to require that cash or check duly honored upon presentation be received at the time specified in U.S.T.A. Rule 12, Section 4.

WAIVER: As a condition of participation in the 2011 Keystone Classics, the Owner(s) of the nominated horse(s) hereby grants to the Sponsor, its representatives, successors, and assigns the absolute right to copyright and publish, use or reuse still and motion photographic pictures of its horses, drivers, trainers, employees, officers and agents, in whole or in part, in composite or in distorted character, with or without use of names, in color or otherwise, for the purpose of promotion, advertising, trade or other lawful purpose in any and all media. Owner(s) waives any right to inspect and/or approve the finished product or the copy that may be used in connection therewith or the use to which it might be applied. Owner(s) further agrees to inform his drivers, trainers, employees, officers and agents of the authority granted to the Sponsor herein, to hold Sponsor harmless from any and all liability and damages, and to indemnify the Sponsor from same should any such owner(s), driver(s), trainer(s), employee(s), officer(s) and agent(s) challenge Sponsor's rights herein as set forth above.

RACING CONDITIONS: One dash at one mile. In the event more than ten (10) horses declare to start in any event, The Meadows may race the event in divisions. The Meadows reserves the right to reject and return the entry fee. All races will be drawn by lot, except that entries will be separated whenever possible. Post positions for all races will be determined by an open draw.

All starters are subject to the detention policy of the race track.

MONEY DIVISION: Purses for these races will be divided 50-25-12-8-5%.

DRIVERS AND TRAINERS FEES: The drivers and trainers fees may be disbursed in accordance with the policy of the track at the time of the races.

DISPUTES: In the case of any dispute as to the interpretation of these conditions, the decision of the Sponsor shall be final. All fees and payments in any race are accepted on the condition that all claims, objections and appeals arising out of these races or with respect to any interpretation of any rules or conditions of the races, or otherwise shall be decided by the Sponsor.

RULES: Unless otherwise specified and except as may be affected by the rules of the Pennsylvania Harness Racing Commission, U.S.T.A. rules not in conflict with these conditions to govern, as well as the track rules & regulations of The Meadows. The rules shall be those in effect at the time of race.

NOMINATION AND SUSTAINING CHECKS PAYABLE TO AND MAIL TO:

The Hambletonian Society, Inc.
 Cranbury Gates Office Park
 109 South Main, Suite 18
 Cranbury, NJ. 08512-3174