

January 25, 2010

BRN4D Incentive Fund

13159 South Leland Road
Oregon City, OR 97045

Re: Incentive Fund Payout

An overview of the program as follows:

There were 11 stallions @ \$500 each = \$5,500

Eight progeny earned points between program inception and Nov 30, 2009 or were 5 years old or older
all paid in @ \$250 each = \$2,000

Total income available for distribution in 2010 = \$7,500

Less Administration takeout of 20% = \$1,500

Which leaves distribution amount = \$6,000

Futurity portion - 20% of 6,000 = \$1,200

Since there were no sale graduates that earned any points in 2009, the remaining balance of \$4,800
pays out to the progeny owners, stallion owners and breeders.

Progeny owners 60% of \$4,800 = \$2,880

Stallion Owners 20% of \$4,800 = \$ 960

Breeders 20% of \$4,800 = \$ 960

See spreadsheet for details.