

January 25, 2012

BRN4D Incentive Fund

13159 South Leland Road
Oregon City, OR 97045

Re: Incentive Fund Payout

An overview of the program as follows:

There were 17 stallions @ \$500 each = \$8,500

Thirty-nine new progeny were competed on or were 5 years old or older. Their money was included in 2011 payout. All paid in @ \$250 each = \$9,750

Total income available for distribution in 2011= \$20,200

Less Administration takeout of 20% = \$ 4,040

Which leaves a distribution amount = \$16,160

Open 4D Incentive distribution amount 60% Split between Progeny Owners,

Stallion Owners & Enrollers = \$9,696

Futurity Portion - 20% = \$3 232

Sales Graduate Portion – 20% \$3,232

See spreadsheet for details.