

BYLAWS
OF
BREEDER'S INVITATIONAL
A NEVADA, NONPROFIT CORPORATION

ARTICLE I

GENERAL PROVISIONS

SECTION 1. NAME.

The name of the Corporation is BREEDER'S INVITATIONAL.

SECTION 2. TERM.

The duration of the Corporation is perpetual.

SECTION 3. PURPOSE.

General Purpose. This Corporation is a nonprofit corporation as contemplated by Nevada Revised Statutes Chapter 82.

Specific Purpose. The Corporation is organized and will be operated to encourage, promote, advertise and develop the cutting horse as a unique and excellent equine athlete. The Corporation shall carry out the foregoing purposes by, among other things, conducting and sponsoring cutting horse activities, events, and contests world-wide; establishing standards, rules, and regulations for the efficient promotion and management of the sport of cutting; establishing qualified subsidiary and/or affiliated groups and organizations; establishing requirements, categories and criteria for membership in the Corporation; establishing standards for judging the performance of cutting horses; maintaining achievement records of individual cutting horses and riders; establishing appropriate recognition for such achievements; maintaining the traditional and historical connection of the cutting horse with the ranching and livestock industry; and cooperating with other equine breed associations having common purposes.

SECTION 4. POWERS AND RESTRICTIONS.

General Powers and Restrictions. Within its stated limitations, the Corporation shall have those powers and authorizations granted to, and those duties, responsibilities and restrictions imposed on, nonprofit corporations by the Nevada Revised Statutes, the Internal Revenue Code, the Articles of Incorporation and these Bylaws.

No Pecuniary Gain. Except as otherwise provided by the Nevada Revised Statutes, the Articles of Incorporation and these Bylaws, and except as otherwise specifically limited by the Internal Revenue Code, no part of the income or profit of the Corporation may be distributable to its directors or officers, and no part of any gain, profits or dividends of the Corporation may be distributable to any member. This Corporation has not been formed for a purpose involving pecuniary gain to its officers, directors or members.

Reasonable Compensation and Expenses. The Corporation may pay reasonable compensation to its officers, directors and employees. The Corporation may also make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

I. R. C. Section 501 (c) Limitations. Notwithstanding the foregoing powers, the Corporation shall neither have nor exercise any power, nor engage, directly or indirectly, in any activity that would invalidate its status as an organization exempt from Federal income tax and described in Section 501 (c) of the Internal Revenue Code, or the corresponding provision of any future United States internal revenue law. This Corporation shall not carry on any activities, or do any act, not permitted to be carried on or done by a corporation exempt from Federal income tax under Section 501(c) of the Internal Revenue Code, or the corresponding provision of any future United States internal revenue law.

No part of the net earnings of the Corporation shall inure to the benefit of any officer, director, member or individual. No substantial part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting, to influence legislation. The Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for office.

SECTION 5. CAPITAL STOCK; MEMBERSHIP CERTIFICATES AND CARDS

The Corporation shall not have or issue shares of stock. The Corporation may issue membership certificates and/or membership cards signed by an authorized officer or director. Membership certificates and/or membership cards shall be non-transferable, except on the death of a Member.

SECTION 6. FISCAL YEAR.

The fiscal year of the Corporation shall end on December 31 of each year.

ARTICLE II

OFFICES

SECTION 1. PRINCIPAL OFFICE.

The location of the principal office of the Corporation shall be determined by the Board of Directors.

SECTION 2. OTHER OFFICES.

In addition to the principal office of the Corporation, other offices may also be maintained at such other place or places, either within or outside the State of Nevada, as may be designated from time to time by the Board of Directors, where any and all business of the Corporation may be transacted, and where meetings of the Directors may be held with the same effect as though done or held at the principal office.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS.

Subject only to such limitations as may be imposed by the Nevada Revised Statutes, the Articles of Incorporation or these Bylaws, the Board of Directors shall have the control and general management of the affairs and business of the Corporation. Such Directors shall in all cases act as a Board, regularly convened or by consent, by a majority, and they may adopt such rules

and regulations for the conduct of their meetings and the management of the Corporation, as they may deem proper, not inconsistent with these Bylaws, the Articles of Incorporation and the laws of the State of Nevada. The Board of Directors shall further have the right to delegate activities to persons and to committees established by the Board of Directors. The Board of Directors shall make the Bylaws of the Corporation.

SECTION 2. NUMBER OF DIRECTORS.

The affairs and business of this Corporation shall be managed by a Board of Directors consisting of not less than one (1) nor more than nine (9) persons, all of whom must be at least 18 years of age. The number of Directors constituting the initial Board of Directors is five (5). The number of Directors may, from time to time, be increased or decreased (but in no event less than one Director) by a duly adopted amendment to the Bylaws of the Corporation. Directors need not be Members.

SECTION 3. ELECTION.

Three Directors of the Corporation shall be elected each year at the annual meeting of the Board of Directors, except as hereinafter otherwise provided for the filling of vacancies. Each Director shall hold office for a term of three (3) years or until his successor shall have been duly chosen and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 4. VACANCIES IN THE BOARD.

Any vacancy in the Board of Directors occurring during the year through death, resignation, removal or other cause, including vacancies caused by an increase in the number of Directors, shall be filled for the unexpired portion of the term by a majority vote of the Directors present, provided they constitute a quorum, at any special meeting of the Board of Directors called for that purpose, or at any regular meeting thereof; provided, however, that in the event the remaining Directors do not represent a quorum of the number set forth in Section 9 hereof, a majority of such remaining Directors may elect Directors to fill any vacancies then existing.

SECTION 5. DIRECTORS MEETINGS.

Annual meetings of the Board of Directors shall be held each year for the purpose of election of Directors, appointment of Officers, and the transaction of such other business as may come before the meeting. Other regular meetings of the Board of Directors shall be held from time to time as shall be prescribed by resolution. No further notice of such annual or regular meeting of the Board of Directors need be given in order to legally constitute the meeting, provided a quorum is present.

SECTION 6. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. A majority of the Directors may fix any place, either within or outside the State of Nevada, as the place for holding any special meeting of the Board of Directors called.

SECTION 7. NOTICE: WAIVER OF NOTICE.

Notice of any special meeting shall be given at least forty-eight (48) hours previous thereto by written notice if personally delivered, or five (5) days previous thereto if mailed to each Director at his business address, or by telegram. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If

notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Business transacted at any special meeting of the Board of Directors shall be limited to the purposes stated in the notice. Any Director may at any time, by a duly signed statement in writing to that effect, waive any statutory or other notice of any meeting whether such statement be signed before or after such meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8. CHAIRMAN.

At all meetings of the Board of Directors, the Chairman of the Board of Directors, if any, shall serve as Chairman of the meeting, or in the absence of the Chairman of the Board, the Directors present thereat shall choose by majority vote a Director to preside as Chairman of the meeting.

SECTION 9. QUORUM AND MANNER OF ACTING.

A majority of the Directors, whose number is designated in Section 2 herein, shall constitute a quorum for the transaction of business at any meeting and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, the majority of the Directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given. The Directors shall act only as a Board of Directors and the individual Directors shall have no power as such.

SECTION 10. REMOVAL AND RESIGNATION OF DIRECTORS.

Any one or more of the Directors may be removed, either with or without cause, at any time by the vote or written consent of a majority of the Directors whose number is designated in Section 2 herein. Any Director may resign from the Board of Directors at any time by giving written notice to the President or Secretary of the Corporation, and, in addition, by filing such resignation with the appropriate governmental agencies, and unless otherwise specified therein, the acceptance of such resignation by the Corporation shall not be necessary to make it effective.

SECTION 11. VOTING.

At all meetings of the Board of Directors, each Director shall have one (1) vote on each matter submitted to the Board of Directors.

SECTION 12. COMPENSATION.

By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid for attendance at meetings. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 13. PRESUMPTION OF ASSENT.

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by certified or registered mail to the Secretary of the Corporation

immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 14. MEETINGS BY CONFERENCE TELEPHONE

Directors may participate in a meeting of the Board of Directors by means of a conference telephone network or a similar communications method by which all persons participating in the meeting can hear each other. Participation in such a meeting constitutes presence in person at such meeting. Each person participating in the meeting shall sign the Minutes thereof.

SECTION 15. ACTION BY CONSENT OF DIRECTORS.

Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the members of the Board of Directors entitled to vote with respect to the subject matter thereof by at least a majority of the voting power of the Directors entitled to vote.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER AND TITLES.

The Officers of the Corporation shall be a President, a Secretary and a Treasurer, and such other or subordinate officers as the Board of Directors may from time to time elect. One person may hold one or more offices and perform the duties of one or more of said officers. No officer need be a member of the Board of Directors or a Member of the Corporation.

SECTION 2. ELECTION, TERM OF OFFICE AND QUALIFICATIONS.

The Officers of the Corporation shall be chosen by the Board of Directors and they shall be elected annually at the meeting of the Board of Directors, except as hereinafter otherwise provided for filling vacancies. Each Officer shall hold his office until his successor shall have been duly chosen and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. REMOVAL RESIGNATION.

Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors at any time whenever in its judgment the best interests of the Corporation would be served thereby, and such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign therefrom by giving written notice to the President or Secretary of the Corporation, and filing such resignation with the appropriate governmental agencies, and unless otherwise specified therein, the acceptance of such resignation by the Corporation shall not be necessary to make it effective.

SECTION 4. VACANCIES.

All vacancies in any office shall be filled for the unexpired portion of the term by the Board of Directors without undue delay, at any regular meeting, or at a meeting specially called for that purpose.

SECTION 5. PRESIDENT.

The President shall be the chief executive officer of the Corporation and shall have general supervision over the daily business affairs of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. He may sign, with the Treasurer or with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, membership cards and certificates of membership for the Members; may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation; and in general shall perform all duties incident to the duties of the President, and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6. VICE-PRESIDENT.

The Vice President shall, in the absence or incapacity of the President, or as ordered by the Board of Directors, perform the duties of the President, or such other duties or functions as may be given to him by the Board of Directors from time to time.

SECTION 7. TREASURER.

The Treasurer shall have the care and custody of all the funds and securities of the Corporation and deposit the same in the name of the Corporation in such bank or trust company as the Board of Directors may designate; he may sign or countersign all checks, drafts and orders for the payment of money and may pay out and dispose of same under the direction of the Board of Directors, and may sign or countersign all notes or other obligations of indebtedness of the Corporation; he shall at all reasonable times exhibit the books and accounts to any Director of the Corporation under application at the office of the Corporation during business hours; and he shall, in general, perform all duties as from time to time may be assigned to him by the President or by the Board of Directors. The Board of Directors may, at its discretion, require of each officer authorized to disburse the funds of the Corporation a bond in such amount as it may deem adequate.

SECTION 8. SECRETARY.

The Secretary shall keep the minutes of the meetings of the Board of Directors; he shall attend to the giving and serving of all notices of the Corporation and shall affix the seal of the Corporation to any documents, when signed and countersigned by the duly authorized officers; he may sign or countersign all checks, drafts and orders for the payment of money, he shall have charge of the certificate book and such other books and papers as the Board of Directors may direct; he shall keep a book containing the names of all Members of the Corporation, showing their places of residence, the time when they respectively became Members thereof and the amount paid thereon; and he shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 9. OTHER OFFICERS.

The Board of Directors may authorize and empower other persons or other officers appointed by it to perform the duties and functions of the officers specifically designated above by special resolution in each case.

SECTION 10. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.

The Assistant Treasurers shall respectively, as may be required by the Board of Directors, give bonds for the faithful discharge of their duties, in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries as thereunto authorized by the Board of Directors may sign with the President or Vice President membership cards and certificates, the issue of which shall have been authorized by resolution of the Board of Directors. The Assistant Treasurers and Assistant Secretaries shall, in general, perform such duties as may be assigned to them by the Treasurer or the Secretary, respectively, or by the President or by the Board of Directors.

SECTION 11. SALARIES.

The salaries of the Officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Corporation.

ARTICLE V

MEMBERS AND MEMBERSHIP

SECTION 1. NATURE OF MEMBERSHIP.

Membership in the Corporation is a privilege, not a right. An application for membership shall be made on forms and by the payment of fees and procedures as are prescribed by the Board of Directors from time to time. Membership, once granted, may be terminated, or application therefor may be rejected, by the Board of Directors for any cause deemed detrimental to the interest of the Corporation, or to its programs, policies, objectives or the harmonious relationship of its Members, as determined by the Board of Directors, in its absolute discretion.

SECTION 2. CLASSES OF MEMBERS; NO VOTING RIGHTS.

There shall only be one class of Members. Members shall be stallion owners, who have applied for membership, met any reasonable qualifications requirements established by the Board of Directors, and have paid their membership dues fees in a timely manner. The Board of Directors has full control over the affairs of the CORPORATION. No MEMBER has any voting rights in the CORPORATION.

The Corporation may admit any person as a Member. "Person" means a natural person, estate, trust, corporation, firm, partnership or other form of association. A person may not be admitted as a member without his express or implied consent.

SECTION 3. NO TRANSFER OF MEMBERSHIP.

No Member of the Corporation may transfer his membership or any right arising from it. In the event of the death of a Member, the Corporation may transfer the Decedent Member's membership in accordance with the Decedent Member's Last Will and Testament or in accordance with the statute of descent and distribution.

SECTION 4. NO PERSONAL LIABILITY OF MEMBERS.

A Member of the Corporation is not, solely by virtue of his membership, personally liable for the acts, debts, liabilities or obligations of the Corporation.

SECTION 5. IMPOSITION OF FEES.

Imposition. The Corporation may levy fees upon its Members, which must be levied on all Members alike. The Board of Directors may fix the amount of all fees from time to time by resolution. The Corporation must distribute to its Members, and to applicants for membership, the amount, rate and method of assessment and collection, together with a notice of the result of non-payment thereof.

Enforcement and Collection. The Board of Directors may provide by rule or resolution for the enforcement or collection of fees.

SECTION 6. NON-PAYMENT OF FEES.

Result of Non-Payment. The Corporation may cancel a Member's membership in the Corporation, on reasonable notice, for non-payment of fees. In such event, the Corporation shall not be obligated to refund to such Member any fees paid. A Member may not be expelled or suspended, and a membership may not be terminated or suspended, except pursuant to a procedure that is fair and reasonable and is carried out in good faith. This provision does not apply to the termination of a membership at the end of a fixed term.

Fairness of Proceedings. A procedure is fair and reasonable when it is fair and reasonable taking into consideration all of the relevant facts and circumstances. In addition, a procedure is fair and reasonable if it provides (a) not less than 15 days prior written notice of the expulsion, suspension or termination, and the reasons for it; (b) an opportunity for the Member to be heard, orally or in writing, not less than 5 days before the effective date of the expulsion, suspension or termination by a person authorized to decide the proposed expulsion, termination or suspension not take place.

Time Limitation to Challenge. A proceeding challenging an expulsion, suspension or termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension or termination.

SECTION 6. RESIGNATION FROM MEMBERSHIP.

A Member may resign at any time. The resignation of a Member does not relieve the Member from any obligations he may have to the Corporation for fees. No Member may avoid liability for fees by resigning, if the Member owes such fees as a condition of Membership. The Corporation shall not be obligated to refund to any resigning Member, any fees paid.

ARTICLE VI

MEMBERSHIP CARDS AND CERTIFICATES

SECTION 1. FORM AND ISSUANCE.

Members of the Corporation may be issued membership cards and certificates signed by the President or a Vice-President, and by the Secretary or an Assistant Secretary. Each Membership certificate shall state the following: (a) the name of the Corporation; (b) that the Corporation is organized under the laws of the State of Nevada; (c) the name of the person to whom issued. Each membership card and certificate may contain such other information as the Board of Directors deems appropriate. The membership card or certificate itself shall convey no rights or privileges, but shall only be for identification purposes.

SECTION 2. LOST, STOLEN OR DESTROYED MEMBERSHIP CARD AND CERTIFICATES.

The Corporation may issue a new membership card or certificate in the place of any card or certificate previously issued if the Member named in the card or certificate (a) makes proof

that it has been lost, destroyed or stolen; (b) requests the issuance of a new card or certificate; and (c) satisfies any other reasonable requirements imposed by the Corporation.

ARTICLE VII

COMMITTEES

SECTION 1. CREATION.

The Board of Directors may by resolution adopted by a majority of the full Board of Directors, in its discretion, establish one or more committees. The Board of Directors may appoint any natural person to serve on a committee. At least one Director shall be on each committee so established. A Member may serve on any such committee, but shall have no vote on any matter coming before the committee, for which a vote must be taken. Committee members serve at the pleasure of the Board of Directors. Vacancies on the committees shall be filled by the Board of Directors.

SECTION 2. AUTHORITY.

The committee or committees shall have such functions and may exercise such powers as the Board of Directors shall determine subject to any limitations imposed by law.

SECTION 3. MEETINGS.

The members of the committee may hold meetings at such time and at such locations as the Board of Directors or the members of the committee may determine.

SECTION 4. LIMITATIONS ON AUTHORITY.

No committee established by the Board of Directors may (a) amend, alter or repeal the Bylaws, (b) elect, appoint or remove any member of any such committee or any director or officer of the Corporation; (c) amend or repeal the Articles of Incorporation, adopt a plan of merger, or a plan of consolidation with another corporation; (d) authorize the sale, lease or exchange of all of the property and assets of the Corporation; (e) authorize the voluntary dissolution of the Corporate or revoke proceedings therefor; (f) adopt a plan for the distribution of the assets of the Corporation; or, (g) amend, alter or repeal any resolution of the Board of Directors unless it provides by its terms that it may be amended, altered or repealed by the committee.

ARTICLE VIII

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS OF THE CORPORATION PURCHASE OF INSURANCE

SECTION 1. LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS.

Except as otherwise provided in these Articles of Incorporation, or Nevada Revised Statutes Sections 82.136 or 82.536, or Chapter 35 of the Nevada Revised Statutes, no action may be brought against an officer or director of the Corporation based on any act or omission arising from failure in his official capacity to exercise due care regarding the management or operation of the Corporation unless the act or omission involves intentional misconduct, fraud or knowing violation of law.

SECTION 2. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS OF THE CORPORATION.

Except as otherwise may be prohibited by law or the Internal Revenue Code, pursuant to Nevada Revised Statutes Section 82.541, the Corporation may indemnify any person against expenses as provided in Nevada Revised Statutes Section 78.751, and may purchase and maintain insurance or make other financial arrangements on behalf of any person for any liability asserted against him as provided in Nevada Revised Statutes Section 78.752.

Notwithstanding the other provisions of this Section, the Corporation may not indemnify or maintain insurance or a similar arrangement on behalf of any person if such indemnification or maintenance of insurance or similar arrangement would subject the Corporation to income or excise tax under the Internal Revenue Code.

ARTICLE IX

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS.

The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. CONTRACTS WITH PERSONS WITH CONFLICT.

No contract or other transaction between the Corporation and one or more of its directors or officers, or between any other corporation, firm, association or entity in which one or more of its directors or officers are directors or officers or are financially interested, is either void or voidable solely for this reason or solely because of such relationship or interest or because any such director(s) or officer(s) are present at the meeting of the Board of Directors or a committee thereof which authorizes or approves or ratifies such contract or transaction or because the vote or votes of common or interested directors are counted for such purpose, if the circumstances specified in Nevada Revised Statutes Section 82.226 exist.

SECTION 3. LOANS.

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors or approved by a loan committee appointed by the Board of Directors and charged with the duty of supervising investments. Such authority may be general or confined to specific instances.

SECTION 4. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolutions of the Board of Directors.

SECTION 5. DEPOSITS.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE X

BOOKS, RECORDS AND REPORTS

SECTION 1. MINUTES, BOOKS AND RECORDS.

The Corporation shall keep correct and complete minutes of the proceedings of its Board of Directors and committees, shall keep correct and complete books and records of account, and shall keep a membership roster containing the name and address and telephone number of each Member.

SECTION 2. REPORTS TO MEMBERS.

A. Final Accounting After Each Event. The CORPORATION shall produce and distribute to the MEMBERS a final accounting of income and expenses within 90 days after the Annual Event or Yearling Sale.

B. Quarterly Financial Statements. The CORPORATION shall produce and make available to the MEMBERS on a quarterly basis a statement of income and expenses and balance sheet.

C. Annual Report. The CORPORATION shall send an annual report to the MEMBERS not later than four months after the close of each fiscal year of the CORPORATION. Such report shall include a balance sheet as of the close of the fiscal year of the CORPORATION and a statement of income and expenses for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the CORPORATION, in conformity with generally accepted accounting principles applied on a consistent basis.

SECTION 3. INSPECTION OF CORPORATE RECORDS.

Any Member in good standing, having paid his fees, shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts and minutes at a place designated by the Corporation. Upon the written request of any Member, the Corporation shall mail to such Member a copy of the most recent balance sheet and statement of income and expenses. If such request is received by the Corporation before such financial statements are available for its last fiscal year, the Corporation shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four months after the close of the fiscal year.

ARTICLE XI

DISTRIBUTION OF BREEDING YEAR COLLECTIONS

SECTION 1. OPERATING EXPENSES.

The Board of Directors shall approve an annual operating expense budget and annual Event budget. Any changes to approved budget expenses must be approved by the Board.

SECTION 2. DISTRIBUTION.

The net amount of each Breeding Year's Stallion fees collected less the operating expenses for that specific calendar year shall be fully distributed in the purse of the Event for that breeding year's foals.

ARTICLE XII

DISTRIBUTION OF ASSETS ON DISSOLUTION AND WINDING UP

Dissolution of the Corporation, distribution of its assets and the winding up of the affairs of the Corporation, shall be in accordance with the Nevada Revised Statutes, except that the dissolution, distribution of assets and winding up of its affairs shall be conducted in accordance with the Internal Revenue Code provisions to preserve the tax exempt status of the Corporation.

ARTICLE XIII

SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the words "Corporate Seal, Nevada".

ARTICLE XIV

WAIVER OF NOTICE; CONSENT

Whenever any notice whatsoever is required to be given under the provisions of these Bylaws or under the laws of the State of Nevada, or under the provisions of the Articles of Incorporation, a waiver or consent in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XV

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by consent or at any regular or special meeting of the Board of Directors. These Bylaws may not be altered, amended or repealed in any manner by the Members.