

The American Wagyu Association

Membership Handbook

And

Association Rules

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MEMBERSHIP HANDBOOK

Registration of Wagyu

Application for Registration

Applying for the registration of your calves is the basic step you take in keeping accurate records of your Wagyu. Extra care in completing applications insures accuracy. Applying for registry of your calves when they are still young is important for two reasons: 1) It reduces the risk of error. 2) It saves you both time and money.

Preparing Registration Applications

You should check to make sure you fill in every space on application forms, except those clearly indicated for use by the Association.

Be sure to print with black or blue-black ink, or use a typewriter. The applicant must sign each application form. Almost all delays in processing applications are the result of illegible applications, errors, and incomplete information. These delays are an unnecessary waste of time for all concerned. All persons applying for registration of Wagyu must be members of the Association.

Breeder's Certificate

The breeder of a registered Wagyu is the owner of record of the dam at the time she was bred. When a cow has been transferred after she has been served, but before the birth of her calf, and the service was not reported on the transfer application the breeder must complete and sign the Breeder's Certificate on the applications for registration of the calf. See application forms.

Registration of Calf at Side of Dam

If a calf to be registered was purchased at side with its dam, the owner of record of the dam on the calving date must apply for registration, and transfer the calf to the purchaser. Both entry and transfer applications may be sent at the same time. As a buyer you cannot register a calf born before date of purchase.

Correction in Registration

Every time you receive one or more registration certificates you should check each one carefully for errors. Any error made by the office is corrected free. An error made by the member making application will be corrected for a fee established by the Board of Directors.

Duplicate Registration Certificates

If one of your registration certificates is lost or destroyed a duplicate may be issued if requested by you as the owner of record. Forms are available for this purpose.

Raising Registered Wagyu

All members have the pleasure and pride of knowing they own the best beef cattle in the world. Because registered Wagyu are the best cattle they deserve the best in record keeping. That's why the association's rules require that each member maintain

complete and adequate permanent records of his Wagyu herd. Your records are to include a list of all animals registered in your membership name. The list is to include each animal's registered name, registration number, date of birth, and tattoo marks. Further records will include ear tag number dates of breeding, and the registration number and name of all service sires. Failure to keep accurate records is a serious violation of the Association's Rules.

Naming Registered Wagyu

The name of a registered animal is important for numerous reasons.

A name designates the character of the animal.

A name describes the nature of the animal.

A name adds luster or honor to the animal.

A name reflects the attitude of the one who gives the name.

A name can reveal the ancestry of an animal with known parents.

Two Aspects of Every Name

There are always two aspects to the name of every registered Wagyu: (1) the identity of an individual animal, and (2) the relationship of the animal to other animals sired by the same bull, produced by the same cow, or bred in the same herd. The names of registered Wagyu have usefulness beyond the herd that produced them because names are part of the breed itself. This becomes evident when a name appears in a pedigree.

Every successful herd has strains of cows that deserve being named as members of the same line of females. Within the herd this kind of naming is useful in a breeding program and also has effective merchandising value. Masculine names are used for bulls and feminine names for heifers.

Names of bulls are often distinctive and emphasize the individuality of the animal. Some bull names carry the idea of "junior" implying a likeness to the sire. For instance, the first son of "Michifuku" would be "Michifuku II". In order to avoid confusion, all printed information (ads and sale catalogs) should indicate a bull's registered name and number when a nickname is used. This is especially important for new breeders and others not familiar with nicknames.

When naming a female, you should add a number designation to a daughter who has the same family name as her mother. For instance, the first daughter of "Okutani" would be "Okutani 2".

As an identification aid, many breeders use the animal's ear tattoo designation in the registered name. For example, if all the calves recorded in a given calendar year were to have tattoos starting with "A", it would be useful to name a heifer "K&K Miss Okutani A 52" with "A" designating the year of birth and the '52' designating the calf's individual identity.

For those interested in using a worldwide system in which each year has a designated letter, the designated letter for 1995 is "E". The letter for 1996 will be "F". In this widely

used international system, the letters “I”, “O”, “Y” and “Q” are not used.

Some breeders use their own initials, or the initials of their farm, etc. to give names a personalized identity they wish to promote, as a sort of written “brand”. For example, “K&K Miss Okutani A 52” recognizes the breeder as being Keeper & Kaizer Farms.

The association’s electronic data processing system is designed for efficiency. For this reason members are urged to name their calves according to the following rules for Wagyu naming. These rules allow for a high degree of efficient paperwork processing. They are based on the experience of handling many registrations without delay. The two most important rules are:

Names must not exceed 28 spaces. An example of maximum length is Sunrise Farm Fukuuchiyoshi 8.. All Wagyu names should be as short as possible.

Avoid Confusion: When using two sets of numerals in a name, a hyphen may be used to prevent numbers from accidentally running together (which might appear as an erroneous registration number). Names are important and a study of their use is time well spent.

Plan a Simple But Effective Tattoo System

A registered breeder should plan his tattoo system carefully when beginning an Wagyu herd. A well-planned system will simplify record keeping and individual animal identification. The tattoo and the code on the ear-tag can be identical and the tattoo can be used as part of the animal’s registered name and herd number. For example:

1. Every member is required to choose a herd prefix name that is no longer than four characters long. This must be tattooed into a chosen ear (left or right). This requirement is in addition to the individual tattoo number of the animal.
2. The tag number and tattoo on calves born in 1978 could be numbered in sequence and combined with the year of birth. As an example, 18, 28, 38, or 801, 802,803, or 781 782,783 could be the numbers assigned your first three calves born in 1978.
3. Breeders also may wish to include the cow number in each offspring’s tattoo and identification. For example, the 1978 calf from cow 21 would be tagged and tattooed “218” or “821”, and this number could be incorporated in the registered name of the animal as a simple way to avoid duplication of names.
4. Ear tags of various colors also can be used to designate calves by different sires. Therefore, by using a color ear tag plus the year and the cow number you have a complete age and parentage record on the ear tag of each calf. Another option is the use of a letter such as A, B, C, etc. to designate the year of birth. “A” could represent 1978, as in A21, with “B” used for 1979, as in B21. Avoid the consecutive use of letters that are similar in appearance such as “EF”, “FE”, “NM”, “MN”.

Remember tattoos must be limited to a maximum of 4 units applied on a straight line and must be the same in both ears. Special brand marks, joined letters, backward, letters, bars, diagonals, punctuation marks, or symbols, are not acceptable.

Helpful Management Tips

Calves should be identified at birth with an ear tag. Incorporate sire and dam identification either by code or by color of tag. (Refer to Tattoo System) Waiting until the calf is at least three months of age before tattooing will give you more satisfactory results.

A Wagyu tattoo is composed of not more than four characters (the shorter the better) is applied on a single line and must be the same in both ears. A system using numbers, letters, or a combination of both of them, may be used.

For best results always use fresh green tattoo paste that has not been frozen.

If you want to use distinct herd identification tattoo other than the registration tattoo, it should be applied in only one ear and in a lobe other than the one used for the registration tattoo. Animals branded with a hot or cold iron must also carry a legible tattoo if they are to be eligible for registration.

No two animals of the same sex born in the same year can have the same tattoo within a herd under one membership. Purchased animals with tattoos that duplicate tattoos of an animal in your herd should have other special identification (freeze brand, ear tag, etc).

To guarantee animal identification, tattoos should be checked at weaning and at any other convenient times. Always read tattoos for accuracy and legibility before delivery to a buyer either at auction or private treaty. This will prevent problems before they happen!

Use a flashlight or spotlight when checking tattoos that are hard to read. Press light to the outside of ear to illuminate the marks.

Buyers should check legibility and verify tattoos with registration certificates before making payment or accepting delivery.

If any tattoo is unreadable and you are the breeder, re-tattoo the animal in a different lobe and notify the Association Office. If you put the wrong tattoo in an ear, don't alter it. Send the registration certificate to the Association for correction. If any tattoo in a purchased animal is not legible, or does not agree with the certificate, contact the association office for directions.

Tattooing equipment may be purchased from livestock supply stores or catalogs.

Transferring Registrations

Application for Transfer of Registration

You should complete all transfers of registrations as soon as possible after each sale of an animal is made, just as every other up to date sales business does. When you buy an auto, you expect the title to be transferred promptly. Completing transfers quickly not only saves time and keeps the transfer fee as low as possible, it also tells the buyer you care about him. It also tells him you manage your herd efficiently. This builds repeat business.

It is your duty as the seller to apply for the transfer and to pay the transfer fee. Even

when the buyer agrees to pay the transfer fee, the application for transfer must be completed and signed by the seller. If you give a buyer an incomplete transfer whom you have signed and he in turn sells the animal to another, that second buyer may well come to you to fulfill a guarantee. You are also responsible for the legibility of the animal's tattoo.

Preparing Transfer Applications

When you apply for transfer, make sure you fill in every space. The information should be written in black or blue black ink or typewriter. Illegible writing causes errors, which could result in serious delays for an important transaction, you have made. The association issues a new certificate each time a registration is transferred.

Certificate to Buyers when you sell a registered animal, it is your duty to complete and sign the transfer unless a sale manager or someone authorized by you does this. The signature of the person authorized by you to complete transfers must be on file with the Association office. If you sell an animal and the buyer does not want the animal transferred, mail the certificate to the Association with a notation "Sold without Transfer". This helps keep the master file of the breed up to date.

If you sell a cow with a calf at side and the calf has not been registered, you may transfer the cow and register and transfer the calf at the same time. The owner of record of the cow on the date the calf was born must register the calf.

Transfer of a Part Interest whenever you sell an interest in an animal, list the names and addresses of all the new co-owners, including yourself. The Association will issue a new certificate of registration to each new co-owner of an animal when the transfer is completed on the Association's records. Certificates for jointly owned animals indicate multiple ownership. The Association is not involved in any way in agreements between the co-owners of animals.

Service Information of Transfer of Females

When you transfer a bred female, either settled (safe in calf) or presumed to be, the date of service and the name and registration number of the service bull must be indicated on the application. If she was pasture exposed and the exact date of service is unknown, write or type "pasture" instead of the date. Be sure to indicate whether the service was natural or artificial.

The owner of record of the bull must sign the service information at the time of service. If this is not included on the transfer application the buyer will be required to obtain the required signature in order for the resulting calf to be eligible for registration.

New Owner's Responsibilities

When you buy a registered Wagyu privately or at auction, you have responsibilities involving the records of your purchases. You should be sure the seller (or the salesclerk at an auction) has the exact name you want used on the transfer application. If the animal is to be transferred to your membership be sure to give your exact membership name and code number. Failure to provide this information will lead to unnecessary delay in processing. A calf born from an inaccurately transferred female, for instance, cannot be registered until the transfer is corrected. This may require an additional

transfer or correction fee.

Check Every Certificate

When you receive registration certificates for animals you have registered, or purchased, check the following 6 points immediately:

1. Is your membership and member code listed correctly?
2. Is the animal's name recorded correctly?
3. Is the date of purchase correct?
4. If it is a bred female, is the number of the service bull and date of service listed?
5. Do the tattoo marks in the animal's ears agree with the tattoo marks listed on the certificate? Read tattoos to be sure.
6. Is the sex of the animal listed?

Each of these 6 points has an important bearing on the registration eligibility of expected calves. If you have any questions about any purchased animal contact the seller immediately. Next, return the certificate to the seller for a proper adjustment. Many calves are found to be ineligible for registration because of careless paperwork.

The Association does not involve itself in disputes between members regarding price of and payment for cattle. When disagreements arise they must be settled by mutual agreement or court action. The Association has an Arbitration Committee and a well-developed procedure for arbitration between members.

Suggested Sale Terms And Conditions American Wagyu Association

EXCEPT FOR THOSE STATED IN THE BELOW TERMS AND CONDITIONS, THERE ARE NO WARRANTIES, EITHER EXPRESSED OR IMPLIED, AS TO MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE CATTLE BEING SOLD AT THIS AUCTION.

THE WARRANTIES AND GUARANTEES SET FORTH IN THE "TERMS AND CONDITIONS" ARE IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, AND THE REMEDIES PROVIDED THEREIN SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER, OR ANY PARTY CLAIMING THROUGH BUYER, FOR ANY BREACH OF WARRANTY OR GUARANTEE THEREIN PROVIDED, AND ALL OTHER OBLIGATION OR LIABILITIES.

BIDDING

Each animal will be sold to the highest bidder without reserve. The person in charge will settle any disputes as to bids, and his decision on such matters shall be final.

TERMS

Terms of sale are cash unless satisfactory credit arrangements, including any possible reservation of security interest by vendor, have been made with vendor previous to sale.

PURCHASER'S RISK

Each animal becomes the risk of the purchaser as soon as sold: but it shall be the obligation of the seller to see that animals are fed and cared for free of charge to purchaser, until loaded for shipment or until the expiration of (48) hours after the sale, whichever occurs sooner.

CERTIFICATE OF REGISTRY

A transferred certificate of registry will be furnished to the purchaser for each animal within (45) days following date of sale or receipt of full payment.

HEALTH

All animals are eligible for interstate shipment; except as otherwise announced. Interstate health papers will be furnished for each animal requiring T.B. and Bangs tests in accordance with Federal Regulations. A certificate of vaccination will be furnished for each animal that has been vaccinated for Bangs disease.

A.I. SERVICE CERTIFICATES

A.I. Service Certificates shall be furnished by the seller, on demand of the buyer, at no cost to the buyer, for all females bred artificially to bulls not owned by the seller.

ANNOUNCEMENTS

Any changes from information of any kind in this catalog will be announced from the auction box and such announcements shall take precedence.

Breeding Guarantee

1. All animals are guaranteed to be breeders, with the exception of: a) Calves under twelve months of age; b) Animals shown by purchaser after sale (in cases of animals shown after purchase the breeding guarantees, if any shall be such as agreed upon between the seller and the buyer); c) Injury or disease occurring after sale; d) Gross negligence or willful misconduct on the part of the purchaser.
2. Bulls are guaranteed breeders if not allowed to run with the herd until are least 14 months of age. Any bull which settles cows by natural service and passes a fertility test made by competent veterinarians, mutually agreed upon by buyer and seller, during any 6 month period of trial (provided for in paragraph 2 of the section of these sales terms and conditions entitled "Option and Privilege of Return and Adjustment") shall be considered a breeder. Any guarantees with respect to the ability to freeze semen shall be by separate agreement between the buyer and seller.
3. Safe in Calf Females have been examined by a competent veterinarian and are so guaranteed.
4. Served Females are not guaranteed to be in calf.
5. Pasture-bred females have been exposed but are not guaranteed to be in calf.
6. Open females have not been served and are so guaranteed.
7. Donor Female:
 - a. A female which has been used in an embryo transfer program is not guaranteed to be a breeder after date of sale unless by separate agreement between the buyer and seller.
 - b. A female is not guaranteed to be a breeder after date of sale, when that female is to be used, or attempted to be used, in an embryo transfer program, unless by separate agreement between the buyer and seller.

Identification

1. Seller offers each animal with a readable tattoo corresponding to its registration.
2. Buyer agrees to check tattoos for accuracy.
3. In those cases where a nickname is used, the official registered name and number of the animal shall accompany it.

Options and Privileges of Return or Adjustment

1. All claims for adjustment or refund must be made in writing either within six months of the sale date or no later than six months after the animal reaches 18 months of age.
2. In the event an animal is claimed to be a non-breeder, the animal may be returned to the farm of the seller if in good condition and complying with the health requirements of the seller's state. The seller shall be entitled to six months trial following the return of the animal in which to prove that the animal is a breeder. If at

the end of six months the seller is unable to prove the animal is a breeder, the seller shall, at the option of the buyer, replace the animal with another of equal value or refund the purchase price. The return of the full purchase price, shall in any case be deemed full satisfaction and settlement. Any expense incurred for transporting an animal claimed to be a non-breeder shall be responsible for transportation costs in excess of the distance between the purchaser's farm and the location where the sale took place. If the seller proves the animal to be a breeder, it shall be the obligation of the purchaser to take delivery of the animal and pay all expenses incurred for transportation.

3. If a female sold as "safe in calf" proves not to be in calf, the purchaser may receive service from the bull preciously used, if available, or if the bull is not available, the seller shall be obligated to make a satisfactory adjustment on the purchase price to the buyer or, at the buyer's option, refund the purchase price upon return of the animal to the farm of the seller. Any adjustment provided for herein shall absolve the seller from further liability, except in case such female proves to be a non-breeder. If a female represented as "safe in calf" at time of sale to a certain bull proves to have been bred to a different bull, the seller shall be obligated to make a satisfactory adjustment on the purchase price to the buyer or, are the buyer's option, refund the purchase price upon return of the animal to the farm of the seller (adjustments shall not be considered to be a breeding fee or an allocation of the purchase price to any unborn calf). Any expense incurred for transportation shall be the responsibility of the purchaser, except that the seller shall be responsible for transportation costs in excess of the distance between the purchaser's farm and the location where the sale took place.
4. If a female sold as "open" proves to be with calf, the purchaser may return the animal to the farm of the seller prior to calving for a refund of the full purchase price or for another animal of equal value, whichever is acceptable to the purchaser. It shall be the obligation of the seller to bear any expense incurred for transportation.
5. Cows with calves at side are presumed to be breeders with no further fertility guarantee.
6. If an animal is old, and at a later date, proves not to be eligible for registration under the Association rules, the seller shall be obligated to make a satisfactory adjustment on the purchase price to the buyer, or at the buyer's option refund the purchase price upon the return of the animal to the farm of the seller. Any expense incurred for transportation shall be the responsibility of the purchaser, except that the seller shall be responsible for the transportation costs in excess of the distance between the purchaser's farm and the location where the sale took place.
7. If an animal is sold and through DNA typing is proven to have incorrect parentage, as represented by the certificate of registration, and for which parentage can be determined, the seller shall be obligated to make a satisfactory adjustment on the purchase price to the buyer or, at the buyer's option refund the purchase price upon the return of the animal to the farm of the seller. Any expense incurred for transportation shall be the responsibility of the purchaser, except that the seller shall be responsible for transportation costs in excess of the distance between the

purchaser's farm and the location where the sale took place.

Genetic Defect Guarantee

1. In the case of an animal with a genetic defect the following rules apply:
 - a. The buyer shall notify the seller in writing immediately upon the birth of a calf suspected of being defective or immediately after determination is made that such calf is defective.
 - b. The seller at his expense shall be permitted, and provided with reasonable opportunity, to obtain blood samples of an alleged defective calf and its sire and dam for the purpose DNA type analysis to establish parenthood.
 - c. The buyer will return the animals to the seller at the buyer's expense; provided the animals meet health requirements of the seller's state.
 - d. The return of the purchase price in connection with the defect producing animal shall be deemed full satisfaction and settlement.

In the event there is a dispute as to whether or not a calf is defective, the "determination" referred to in paragraph 1a) above shall be made by a person or persons acceptable to both buyer and seller, and in the event that the buyer and seller cannot agree on the selection of such person or persons, then each of them shall appoint a representative to make the determination. In the event that such representatives fail to agree, a third person selected by the representatives of the buyer and seller shall make the determination.

Rights and Obligations

1. The above terms and conditions of the sale shall constitute a contract between the buyer and seller of each animal and shall be equally binding upon both. Each sale or resale of an animal constitutes a separate transaction.
2. Neither the (Name of the Sponsoring) Association, the sales manager nor any other person connected with the management of the sale assumes any liability, legal or otherwise.
2. For voluntary consideration and the use by the sellers in the independent business judgment.

Outline of Procedure for Arbitration

1. The committee is authorized by the parties who execute the arbitration forms to render a complete decision and award in any dispute submitted by members of the American Wagyu Association.
2. To be submissible, disputes shall relate to differences between members relating to transaction in the cattle industry (excluding collection matters or similar purely commercial disputes); must be initiated in writing to the office of the Association or to the Committee within two years from the date of the sale or other event which was the beginning of the dispute.
3. The committee on Arbitration shall have no jurisdiction unless both parties upon the

request of the Committee execute the official form for arbitration prescribed by the Committee; in the execution of same, the signature of the parties shall be sufficient and no verification or acknowledgement shall be required.

4. In executing the form for submission to arbitration, each party shall specifically agree to the following:
 - a. Each party shall state clearly and succinctly the issues between him and the adverse party, and shall submit such additional relevant information as may be available to such party and as the Committee may at any time request.
 - b. After both parties have executed the official forms, each party shall receive a copy of the submission executed by the adverse party, but neither party shall receive copies of evidence submitted by the adverse party subsequent thereto, unless such parties shall be present at the Committee hearing.
 - c. Unless either party affirmatively requests permission to appear personally before the Committee may act upon the case on the written submission and documentary evidence, without oral testimony, and without either party appearing in person.
 - d. No member of the Committee shall act in any matter as to which he has a personal or pecuniary interest. In any such case, the interested member shall disqualify himself, or if the matter shall be called to the attention of the Chairman of the Committee. Should the disqualification or absence of a member for any reason deprive the Committee of a quorum, the Board of Directors of the Association or if it not be convenient for the Board, the President of the Association may appoint a special member of the Committee to sit in any particular case with full authority.
 - e. If either party advises the Committee that he desires to exercise his right to appear in person, he may do so. If either party desires, such party may have a reporter present and a transcript made at his own expense, but in such event, he shall furnish to the Committee a copy of the transcript without cost to the Committee and shall, upon request of the adverse party, furnish a copy to such adverse party at a reasonable cost if requested are the time of the hearing. The procedure in such a hearing shall be informal and shall be such as in the opinion of the Committee will result in substantial justice.
 - f. If any issue is not covered by a specific agreement of the parties, announcements at a sale or catalog terms or advertisements, the Committee may use as a guide the Revised Terms and Conditions adopted by the Board of Directors of the Association; the Committee on Arbitration may make such additional investigation of the issues on its own motion, including consultation with experts; if such expenses be necessarily incurred, may impose the cost or expense on either or both parties as it deems equitable and advisable.
 - g. The committee on Arbitration shall sit at such times and places as the Committee shall determine; members of the Committee need not be sworn prior to presiding at any arbitration hearing' the Committee shall give both parties an opportunity to submit any evidence bearing on the issues, the findings of fact

and the opinion, decision or award of the Committee' all decisions and awards of the Committee shall be filed with the Board of Directors of the Association and any decision may, at the discretion of the Board of Directors, be published to the membership.

- h. The committee may retain jurisdiction of the dispute until its decision and award has been complied with and may make such supplementary or subsidiary awards as in the judgment of the Committee may be necessary to final disposition of the dispute.
- i. Any decision of the Committee shall be without prejudice to the power and duty of the Board of Directors of the Association to take such disciplinary action as the circumstances in its judgment may require and as such Board may deem necessary and proper and if either party shall fail to comply with the decision of the Committee, such party shall be subject to such discipline and penalties as the Board of Directors or the Executive Committee of the Association.
- j. Each of the parties hereto does further specifically agree that if a party does not comply voluntarily within a reasonable time with the award and decision of the Committee, certified to be such by the Executive Vice-President of the American Wagyu Association, in any court of competent jurisdiction in the state of residence of the party who has failed to comply with the award or decision; and each of the parties hereto agrees that such court shall be authorized and empowered to award a judgment in accordance with the award of the Committee against any such party who may fail to comply with such award and such judgment shall have such effect as any other judgment entered and issued by such court.

RULES OF THE AMERICAN WAGYU ASSOCIATION

Introduction to Rules

The following rules, calculated to promote the best interest of the breed, were adopted by resolution of the Board of Directors of the American Wagyu Association. They were adopted and became effective immediately. These rules supersede all rules in effect prior to that date.

All life and regular members are eligible to register cattle in the American Wagyu Herd Book. Associate members of the Association shall not be entitled to the privileges of registration. Non-resident members of the Association shall not be entitled to the privileges of registration, except as otherwise provided by regulation adopted by the Board of Directors.

Section I.

Rule 1. Eligibility of animals

- A. Registration shall be available to all bulls having not less than 87.5% Wagyu blood, and to all females having not less than 50% Wagyu blood, provided the sire of dam is appropriately registered or recorded in the AWA Registry. Females with 37.5% to 49.9% Wagyu blood and males with 50% to 87.4% which are progeny of a registered Wagyu sire or dam, may be recorded in the Wagyu Registry.
1. **Fullblood Wagyu:** Animals registered in the Japanese Wagyu Herdbook and animals whose sire and dam are registered as 100% Fullblood Wagyu, and progeny of registered 100% Fullblood Wagyu parents are classified as Fullblood animals.
 2. **Purebred Wagyu:** Progeny of registered Wagyu sires and Dams with a minimum percentage of Wagyu blood of at least 93.75% (15/16 and above). When a male with at least 93.75% Wagyu blood enters the "Purebred" Registry they will be considered 100% Wagyu only when calculating the percentage of first, second, third and fourth generation offspring (1/2, 3/4, 7/8 and 15/16 offspring). Calculation of Wagyu percentage when mating, purebred X purebred or purebred X fullblood Wagyu will be shown on the registration certificate as the true percentage based on the percentage values shown on the certificate of the two parents. No animal may enter the Purebred Registry until it has an identified sire and designated amount of Wagyu blood. Purebred animals cannot be upgraded to the "Fullblood" status. No animal may be registered in the Purebred Registry with white above the flank or in front of navel, except birthmarks.
 3. **Percentage Wagyu:** Percentage of registered Wagyu sires, or registered or recorded Wagyu dams. The percentage of the Wagyu blood is the "average" of the percentages of Wagyu blood of the sire and dam as recorded on the AWA Registration Certificate, using 100% for any sire with at least 93.75% Wagyu blood. To enter the "percentage" registry, females must have at least 50%

Wagyu blood, and males at least 87.5% Wagyu blood. Multiple sired animals, resulting from registered multiple sire groups, may enter the “percentage” registry, if they have the designated amount of Wagyu blood.

4. **Recorded Wagyu:** Females having from 37.5% to 49.9% Wagyu blood and bulls having from 50% to 87.4% blood. (See Table I) **(Need to check with Buck)**
- B. A calf born less than 283 days after birth of its dam’s last previous calf shall not be eligible for registration except in the case of embryo calves as provided for in Rule 1.E of this section of the rules.
- C. Whenever the eligibility for registration of any animal is in doubt because of uncertain or unknown parentage, DNA typing by the Association shall be required. If through DNA verification the animal is proven to have incorrect listed parentage the animal will not be eligible for registration unless parentage is confirmed.
- D. Where the results of a DNA type test reveal the presence of an uncommon type, an animal, otherwise meeting all of the registration requirements set forth in the Association Rules, shall not be eligible for registration unless both parents are DNA typed and no parentage exclusion exists, or unless the source of the uncommon DNA type can otherwise be determined. An owner whose animal is DNA ineligible for registration under revised Section I Rule 1.F by reason of a type test showing the presence of an exclusion may request a second DNA type test at the owner’s expense before the animal’s ineligibility is final. Drawing of blood for this test shall be conducted under the supervision of American Wagyu Association Executive Director or appointed board member. Registration of an animal whose has been found to possess an uncommon Wagyu DNA exclusion shall be suspended pending the results of the second DNA type test.
- E. It is the responsibility of the breeder who sold the semen from a genetically defective carrier bull to inform the purchaser of semen that calves conceived 60 or more days after notification is published are not eligible for registration.

Bulls will be placed on the list of carriers of genetic defects or genetic factors only after sufficient documentation has been received. Breeders do have the right to a hearing before the Executive Committee to present evidence to establish that their bull is not a carrier of said genetic defect or genetic factor.

If the breeder can establish that his bull is incorrectly listed, then he will be removed from the list and notice printed in the Journal or breed publication.
- F. An animal artificially conceived by: a) a non-owned bull or b) an embryo transplant donor dam, where the bull or dam possess an uncommon DNA type, or is a carrier of an uncommon blood type, shall be eligible for registration provided claimed parentage of the non-owned bull or embryo donor dam is not excluded following parentage DNA typing, and provided further that the animal, the sire and the dam meet all of the otherwise applicable registration requirements set forth in the Association Rules.
- G. The registration of any animal that does not conform to the requirements set forth in these Rules shall become null and void and, in such cases, the Certificate of Registration shall be surrendered to the Association for cancellation.

Rule 2. Tattoo marks

A. Tattoo Identification

All registered animals must carry a tattoo in one or both ears. That must consist of the owners herd letters, an individual animal identification (I.D.) number, and the appropriate year letter. A maximum of eight (8) digits may be used, and not two animals may carry the same tattoo within the same herd.

B. Herd Identification

Herd letters are assigned to each member when application for membership is submitted. Herd letters must be a minimum of two (2) and not more than four (4) alphabetical letters. No two members may have or use the same herd letters.

1. When registering a calf born to its natural mother, the herd letters of the owner of the dam at the time of birth must be used, and that individual must register the calf before it can be transferred.
2. An embryo transfer calf must be tattooed with and registered with the herd letters of the owner of the calf at the time of registration.
3. Under no circumstances should an individual attempt to register a calf with the herd letters that have not been approved and assigned by the Registry Office, or herd letter of another member or breeder.

C. Individual Identifying Number

This number should be such that no two animals may carry the same tattoo, (herd letters, I.D. numbers, and year letter). A maximum of eight (8) digits may be used in the total tattoo.

D. Year Letter

Part of the required Wagyu Tattoo must be year letter. Usually it is the last digit in the tattoo. Following are the year letter codes from 2001 through the year 2020. (The letters, I, O, Q, and V are not used):

2001-L	2002-M	2003-N	2004-P	2005-R
2006-S	2007-T	2008-U	2009-W	2010-X
2011-Y	2012-Z	2013-A	2014-B	2015-C
2016-D	2017-E	2018-F	2019-G	2020-H

Rule 3. Calves of multiple birth

Twins or calves of other multiple births are eligible for registration, if other eligibility requirements are met, provided that the application for registry states that the calf is a twin, or of other multiple birth, and that the sex of the other twin or calf of multiple birth is stated. If one such calf is registered without such statement, another calf of the same gestation cannot subsequently be registered unless a letter of explanation accompanies the registration application.

Rule 4. Eligibility of calves produced by embryo transplant

The following requirements shall apply to registration of calves resulting from an Embryo Transplant.

- A. The Sire must be DNA typed.
- B. The Embryo Transfer Donor Dam must be DNA typed.
- C. Embryo transfer calves resulting from the mixing of semen must be DNA typed.
- D. The owner of record of the Donor Dam at the time of conception must be identified as the breeder.
- E. The owner of record of the Donor Dam on the date of embryo removal will be identified as the first owner, unless the calf is a result of a purchased Embryo (fresh or frozen) or pregnant recipient, in which case the owner of the embryo or pregnant recipient may be identified as the first owner.
- F. Registration of embryo transplant offspring shall be made on a regular form at the regular fee, plus an additional fee as determined by the Board of Directors. Each such application shall be accompanied by a copy of the "Certification of Breeding and Embryo Transplant" form executed by the embryo transplant firm.
- G. Each application for entry must be accompanied by an A.I. Service Certificate or stored electronically if required.
- H. Registration of embryo transplant offspring resulting from the mixing of semen shall require that semen from not more than two bulls be used.
- I. Calves conceived after the death of the Donor cow shall be eligible for registration under the same conditions and provisions governing the eligibility of Embryo calves prior to the death of said female with the following requirements. Upon the death of a Donor cow, the owner of record or one of the co-owners of record, if more than one, shall report, in writing, to the Association of the date of death and the number of embryos in storage. No time limit is imposed on the use of embryos after death, providing the Donor cow is DNA typed and notice is given as required in this rule.
- J. Registration certificates issued for offspring from embryo transplants shall be so designated. The Association may request information from the owners from time to time relating to embryo transplant animals.

Rule 5. Application for registration

- A. Form of Application: Application must be made on an approved form obtained from the American Wagyu Association. It must be legibly completed, preferably in ink or typewriting, and contain the following information:
 - Indicate whether the animal is a result of an embryo transplant.
 - Sex of animal to be registered.
 - Date of birth.
 - Indication of whether the animal is a twin or of other multiple birth.
 - Name of the animal.
 - Indication of whether or not the animal is the produce of Artificial Insemination.

- Identical left and right ear tattoo marks.
- Registration number of the Sire.
- Registration number of the Dam.
- Name and location and Member Code of the First Owner.
- Signature of the First Owner certifying accuracy of information.
- Completion, including signature, of the Breeder's Certificate, if required.
- Completion, including signature, of the Bull Permit, if required.
- Completed A.I. Service Certificate, if required.

B. Preparation of Application of Registration:

Name. An animal's name cannot contain more than 28 characters and spaces, and only English letters and Arabic numerals shall be acceptable.

Punctuation marks, diagonal lines, joint letters, brands, or other unusual marks or symbols will not be accepted. If a family name is included in the name of an animal to be registered, it shall be the duty of the first owner to determine the correctness of such name before assigning it.

The Association reserves the right to change the name assigned to an animal on an application for registry if it is deemed advisable to do so.

Breeder. The breeder of a calf is the owner of record of its dam on the date of service.

First Owner. The first owner of a calf is the owner of record or one of not more than three (3) co-owners of record of its dam on the date of birth of the calf except in the case of embryo calves as provided for in Section I Rule 4. The first owner must apply for registration of the calf, and the dam must be officially entered on the records of the Association under the exact same name as the first owner's membership on the date of birth of the calf, except in cases of embryo calves as provided for in Section I Rule 4.

Breeder's Certificate. When a cow has been transferred subsequent to being served but prior to the birth of her calf, and the service was not reported on the transfer application, the breeder (owner or record of the dam at the time of service) must execute the breeder's certificate on the application for registration of the calf.

Rule 6. Certificate of Registration

- A registration number shall not be assigned to an animal, or a certificate issued, until every requirement of the Rules of this Section I has been complied with.
- The existence of more than one registration certificate per animal shall not be permitted, except in cases of joint ownership and as provided in Section I Rule 11.
- The Certificate of Registration issued by the Association shall constitute receipt for the fee paid, but such Certificate shall not bind the Association in case of error.

Rule 7. Registration by affidavit.

- Registration may be applied for by affidavit setting forth the facts and sworn to or affirmed before a Notary Public in the event that a member shall neglect or refuse to:

1. Apply for registration of a calf sold at side, or
 2. Complete an application to register a calf that is the result of a service offered by the seller of the dam or undertaken by agreement between the owners of the sire and the dam.
- B. Each affidavit must be accompanied by:
1. Proof of sale and payment in full of the purchase price, or evidence of an agreement to sell, purchase or transfer the dam and/or the calf;
 2. Evidence of agreement to breed the dam, and
 3. Details of any understanding or contractual obligation relating to the artificial insemination of females owned by a member of the immediate family or an employee of the owner(s) of the sire as defined in Section VI, Rule 2, subparagraphs B and C of the Rules of the Association.
- C. After considering the evidence submitted to it, the Executive Committee or the Board of Directors may, by majority vote, approve an application to register by affidavit provided the animal is otherwise eligible for registration in accordance with the provisions of Section I and VI of the Rules of the Association.

Rule 8. Registration for the Estate of a deceased person

In the event of the death of one who normally would apply for registration of cattle, the Association requires that there shall be filed in its office all papers and documents necessary to show that the person requesting registration is legally authorized and entitled to request such registration.

Rule 9. Changes of animals' names

- A. The name of a registered animal may be changed at a fee established by the Board of Directors provided:
1. The first owner and all subsequent owners, if any, who are current Association members request the changes in writing.
 2. In the event that progeny has been recorded and the change is administratively feasible.
 3. No name of any animal descended from a genetic defect carrier may be changed unless the animal with the name change has been tested free of the particular defect.
- B. Names of animals originally registered in Herd Books other than that of the American Association shall not be subject to change.

Rule 10. Duplicate certificates of registration

A duplicate Certificate of Registration may be issued:

- A. In the event of loss or destruction of the original, upon application of the owner of record made on an approved form obtained from the Association.
- B. In connection with a transfer by affidavit as provided in Section II, Rule 7 of these Rules.
- C. As a replacement Certificate of Registration as provided for in Section I Rule 1.B of

these Rules.

Rule 11. Correction of errors in registration certificates and transfers

- A. Errors in Registration or Transfers committed by the Association office shall be corrected free of charge.
- B. Errors committed by applicants for Registrations or Transfers shall be corrected at fees as established by the Board of Directors.

Rule 12. Incomplete applications for registration

Whenever an application for registration is incomplete, and the applicant has failed to provide all of the information required by this Section I of the Rules, within four months of the date the Association received the application, such application shall be considered null and void. An application shall be considered incomplete if not accompanied by required fee.

Rule 13. Surrender of registration certificates

When a registered animal is lost by death, destruction, or other means, or is disposed of for slaughter or as a common grade animal, it shall be the obligation of the holder of the certificate of registration to return it to the Association for cancellation endorsed to indicate the date and method of disposition.

Rule 14. Accuracy of registration data

Whenever the accuracy of data contained in an application to register an animal is challenged, the matter may be referred to the Executive Committee of the Board of Directors for investigation.

Rule 15. Misrepresentation or fraud

- A. If an animal's registration has been obtained through willful misrepresentation or fraud, or if the date of birth, tattoo number, sire, dam or service by natural or artificial insemination has been misrepresented, the Board of Directors may, in accordance with Section VI of these Rules, declare the registration null and void together with any registrations which may have been made of descendants of an animal so registered.
- B. When a registration has been obtained by means of misrepresentation or fraud, or if the date of birth, tattoo number, sire, dam or service by natural or artificial insemination has been misrepresented, the Board of Directors may, in accordance with Section VI of these Rules, instruct the Executive Director to refuse to receive subsequent applications of any kind signed by a person or persons implicated in said misrepresentation or fraud, and may take appropriate action as provided by Article VII of the Rules.

SECTION II. Transfer of cattle Registered in the American Herd Book

Rule 1. Transfer of registration

- A. Every change of ownership of record of an animal used for registration breeding purposes must be recorded by official transfer on the records of the Association.
- B. No entry on the transfer record of a Certificate of Registration shall be made except

in the Association office, and any unauthorized authorized entry shall render a certificate null and void subject to the issuance of a replacement certificate at an additional fee.

- C. It shall be the duty of the transferor to apply for transfer and to pay the transfer fee unless it is otherwise specifically agreed between transferor and transferee, in which case the transferor must execute an application for transfer in favor of the transferee. A seller and his sales agent (if any) who fail to furnish a buyer of a registered animal with a transferred certificate of registration, within 45 days of date of sale or receipt of full payment, will be contacted by the Association for a written statement on (15) days notice as to the basis for the failure. If the seller and said sales agent do not respond to the American Wagyu Association's request, their Association memberships will automatically be temporarily suspended with the temporary suspensions to expire on the Association's receipt of the requested statement, and the American Wagyu Association will not process any registration or transfer application executed by seller or said agent until the Association's receipt of requested statement.
- D. It shall be the duty of the transferor before offering a registered animal for sale, or applying for transfer, to verify that the animal carries legible tattoo marks in its ears, corresponding to the tattoo marks entered on its certificate.
- E. "Transferor" shall mean the individual, partnership or corporation in whose name the animal is registered.
- F. "Transferee" shall mean the individual, partnership or corporation into whose name an animal is to be registered.
- G. Transfer entries of jointly owned animals shall not exceed three (3) owners of record.

Rule 2. Application for transfer of registration

Application for Transfer shall be made on an approved form and signed by the transferor or his authorized agent. Evidence of authority to sign as agent on behalf of a transferor and the signature of any authorized agent must be filed in the office of the Association before a transfer application will be accepted for processing. The application shall be legibly completed, preferably ink or typewriting, and must specify:

- A. Name and location and Member Code of each transferee.
- B. Date of Sale.
- C. Service date, natural or artificial, and registration number of bull, if animal being transferred has been served. (The date of service and registration number of the bull may be entered only if service was prior to the date of sale of the animal being transferred. If the cow was pasture exposed and the exact date of service is unknown, the word "pasture" may be entered instead of the date).
- D. Signature and Member Code or individual, Partnership, or corporation, in whose name the service bull is registered, indicating whether females have been served naturally or artificially inseminated.
- E. If sold with A.I. Breeding Privilege.

Rule 3. Omission of data on transfer application

The execution of transfer Applications with the names and addresses of transferees, date of sale or transfer, correct tattoo marks or other data omitted is prohibited except as otherwise provided in Section II, Rule ??.

Rule 4. Cows with calf at side

If a cow is transferred with a calf at side, the calf must be registered by the individual, partnership or corporation in whose name the cow was registered on the date of birth of the calf, and a separate transfer of the calf is required.

Rule 5. Adjustment transfers

The following types of transfers not classified as transfers in the ordinary usage of the term may be made at fees established by the Board of Directors.

- A. Transfers for the purpose of correcting certificate records to exact membership names as required by Section V, Rules 1 and 2.
- B. Transfers from estates to heirs under terms of wills or court orders.
- C. Transfers to individuals of partnerships.
- D. Transfers to stockholders upon the dissolution of corporations.

Rule 6. Errors in recording of transfers

The Association shall not be bound by errors in the recording of transfers.

Rule 7. Transfer by affidavit

In case of neglect or refusal of a member or non-member of the Association to apply for transfer of registration, transfer may be recorded, if approved by a majority of the members of the Executive Committee of Board of Directors, on the basis of the transferees affidavit setting forth the facts and sworn to or affirmed before a Notary Public. Each such affidavit must be accompanied by proof of sale and payment in full of the purchase price of the animal or by evidence of an agreement to sell, purchase or transfer including the terms and conditions or service, if any, in the case of female.

Rule 8. Transfer applications of animals consigned to public sale

Sale managers or their representatives may fill in buyers' names on applications for transfer of animals consigned to public sales; and, if authorized by the consignor, sign such application in his stead. Such applications must indicate the name of the sale manager or agent representing the consignor and be signed by him. Applications executed under this Rule are subject to Section II, Rule 13.

Rule 9. Transfer of exported animals

Application for transfer of an animal exported to another country shall be made with a regular Transfer Application.

Rule 10. Transfer from the state of a deceased person

In the event of the death of a transferor, the Association requires that there shall be filed in its office all papers and documents necessary to show that the person requesting

transfer is legally authorized and entitled to request such transfer.

Rule 11. Incomplete applications for transfer

Whenever an application for transfer is incomplete, and the applicant has failed to provide all of the information required by this Section II of the Rules, within four months of the date the Association received the application, such application shall be considered null and void. An application shall be considered incomplete if not accompanied by required fee.

Rule 12. Responsibility for legal title

A transfer or registration entered on an application or a Certificate of Registration or on the records of the Association shall not be construed as the conveyance of legal title by the Association. The Association shall in no way be involved in or assume liability for the purchase, sale, or terms of sale of registered animals, or the passage of legal title thereto.

Rule 13. Misrepresentation or fraud

- A. If an animal's registration has been transferred through misrepresentation or fraud, the Board of Directors may, in accordance with Article VI of the Rules, declare such transfer null and void together with any registrations of purported descendants of the animal which may have been recorded during the period of such misrepresented or fraudulent transfer.
- B. A transfer application, upon which the date of transfer has been fallaciously entered for the purpose of complying by technicality or evasion with the ownership requirements of Section VI of the Rules of the Association, shall be null and void.
- C. When a transfer of registration has been obtained by means of misrepresentation or fraud, the Board of Directors may take appropriate action as provided by Article VI of the Rules, and instruct the Executive Director to refuse to receive subsequent applications of any kind signed by any person or persons implicated in said misrepresentation or fraud.

SECTION III. Foreign Registry and Cattle Imported into the U. S.

FOREIGN REGISTRY: Registration of animals owned by parties located outside the United States, or animals which are located outside the United States owned by U.S. residents, or someone outside of the United States:

- A. Animals are eligible for registration in AWA regardless of where they are located.
- B. Must be an active AWA Member, but U.S. residency or citizenship is not required.
- C. Animals located in foreign countries owned by active AWA members must meet the same rules for registration as animals located in the United States.
- D. Animals born or registered outside the U.S. may be eligible for registration in the AWA if the registration in their country of origin is with an Association or Registry who has requested and received AWA approval for recognition as "reciprocal" with AWA policies and procedures.
- E. Animals born outside the USA by parents not registered in the AWA or by parents

not registered in an Association with “reciprocal” cross-recognition may be registered only after review by an AWA “Special Registration Committee” and approval by the AWA Board of Directors.

If such an animal is pregnant when transferred, the service information must be verified by the recording association, in which the service sire is recorded or registered, for the progeny to be eligible for registration.

SECTION IV. Association Fees

Rule 1. Establish of fees

The Board of Directors establishes all fees

Rule 2. Payment of fees

All fees of whatever nature due the Association shall be paid in advance, accompanying requests for services, except in the cases of state institutions and similar agencies.

Rule 3. Non-payment of fees

Non-payment of fees because of defective remittances shall be sufficient cause for:

- A. Withholding the processing of registrations or transfers.
- B. Cancellation of registrations or transfer, which have been processed but not, paid for.

SECTION V. Membership Transfer

American Wagyu Association, Inc. shall have charter members, active members, associate members, junior members, and honorary members and emeritus members. The rights, privileges, duties, benefits, and classification of members shall be governed by the following provisions.

Charter members are those members who have had the foresight to develop and promote the Wagyu Breed during its formation. Those members being listed herewith: Marie and Albert Wood, Wilma and Fred Hildebrand, Daphne and Luther Laubach, Lolly and Don lively, Shirley and Arthur Wendt.

Emeritus members are those members having devoted years promoting and developing the Wagyu Breed: Fred A. Hildebrand of Rosebud, Texas and Don H. Lively of Georgetown, Texas.

Active members shall be those individuals, corporations or firms elected to active membership by the board of directors. In making application for membership, applicant agrees to abide by and to uphold the rules and regulations of the association.

Only charter, emeritus and active members in good standing shall be entitled to vote, serve as directors, hold office, or apply for certificates or registrations. Each charter or emeritus member shall have a single vote. Only charter, emeritus and active members shall be entitled to all services of the association upon payment of such fees as may be fixed by the board of directors.

Associate members shall be elected by the board of directors and shall be reputable individuals, corporations or firms who do not own any Wagyu cattle but are interested in

the breeding of Wagyu cattle. Associate members shall be entitled to those services granted by the board of directors.

Junior members shall be elected by the board of directors and shall be persons, under the age of twenty-one (21) years, who are active or associate (not actively engaged in the cattle business). Junior members shall be entitled to those services granted by the board of directors.

By the action of the voting membership at the annual general membership meeting, honorary membership may be conferred upon individuals who have made outstanding contributions to the Wagyu breed of cattle. Honorary members shall be entitled to those services granted by the board of directors.

A member's resignation becomes effective upon receipt of a written notice thereof by the executive director of the association.

SECTION VI. Artificial Insemination

Rule 1. Ownership

The breeder (owner of record of the dam at the time of service) of a calf which is the produce of Artificial Insemination must also be the owner of record of the sire at the time of service, or one of not more than 3 co-owners of record of the sire in order for the calf to be eligible for registration, excepting that

- A. Calves which are the result of Artificial Insemination of females owned by a member of the immediate family of the owner(s) of record of the sire shall be eligible for registration provided written consent of the owner of record, a member of whose immediate family has applied for registration, is submitted with the application to register; and
- B. Calves, which are the result of Artificial Insemination of females owned by a regular employee of the owner(s) of record of the sire shall be eligible for registration, provided written consent of the employer is submitted with the application to register.
- C. Calves which are the result of Artificial Insemination as provided or under the "Out of Herd" A.I. Rules.
- D. Calves, which are the result of Artificial Insemination as, provided for under rules relating to the sale of females with A.I. breeding privileges.

Rule 2. Definitions

Insofar as this rule is concerned,

- A. Owner of record shall mean the sole membership (individual, partnership or corporation) in whose name an animal is registered.
- B. A member of the immediate family means and is limited to the husband, wife, sons and daughters of the owner(s) of record of the sire.
- C. A regular employee means a person whose principal occupation is full time employment in connection with the agricultural or livestock business of the owner (s) of record of the sire.

D. Date of sale means the date on which an animal was offered for sale at public auction or in the case of private transactions, the date on which a bonafide change of ownership took place.

Rule 3. Out of herd A.I. service certificates

The following requirements shall apply to registration of the calves conceived artificially when the owner of record of the female is not the owner of record, or one of the owners of record, of the sire at the time of conception.

- A. The breeder (owner of record of female) must obtain an A.I. Service Certificate for each calf to be recorded, and such certificate must accompany application for registration of the resulting offspring.
- B. A.I. Service Certificates may be obtained from the Association by Life, Regular, or Non-Resident Members of the Association who are the owner or co-owner of record of the sire at a fee established by the Board of Directors. Application for A.I. Service Certificates must be on an official form supplied by the Association and signed by the owner of record of a jointly owned bull is required to sign the application.
- C. The issuance of an A.I. Service Certificate by the Association shall in no way be construed as guaranteeing conception, or if a calf results from such service, that it shall be eligible for registration. There shall be no refunding of fees paid to the Association for A.I. Service Certificates.
- D. Unused A.I. Service Certificates may be assigned to the buyer by endorsement on the face of the certificates. A.I. Service Certificate.
- E. In applying for A.I. Service Certificates, the owner of the sire shall certify on the application that to the best of his knowledge, such bull does not possess or has not transmitted any genetic defects. Genetic defects or other factors when reported shall be listed on the A.I. Service Certificate. These genetic defects or other genetic factors shall also be reported to the Association on an official form supplied by the Association, and upon verification, shall be made available to any member upon request.

Rule 4. Labeling of semen

When name and registration number of the bull and date of collection do not properly identify semen, such frozen semen may not be used to produce calves for registration in the Association Herd Book. It shall be the responsibility of the owner of record or each individual co-owner of record of a bull used artificially to require each person or organization collecting, processing, and freezing semen to identify the semen and permanently name and registration number of the bull and date of collection for the resulting calves to be eligible for registration.

Rule 5. Death of bulls used artificially

Calves conceived after the death of a bull shall be eligible for registration under the same conditions and provisions governing the eligibility of calves conceived by artificial insemination prior to the death of said bull with the following additional requirement:

Upon the death of a bull used artificially, the owner of record or one of the co-owners of

record, if more than one, shall report in writing to the Association the date of death.

No time limit is imposed on the use of semen after death.

Rule 6. Artificial insemination of females offered for sale

Only females represented as served or safe in calf at the time of sale and which prove not to be in calf and females open at time of sale, may be Artificially Inseminated subsequent to sale without need for an A.I. Certificate, provided the seller is the owner of record or one of the co-owners of record of the sire at time of conception and further provided that the application for transfer of each such female sold or application to register the resulting offspring contains certification that service by Artificial Insemination was a condition of the terms of sale. The offspring resulting from only the first such artificial conception, subsequent to sale, which is eligible for registration may be recorded.

In the event a female is sold with a breeding privilege as provided for under this rule and the seller subsequently sells the bull, all breeding privileges outstanding prior to the date of sale of the bull shall be honored and the registration of calves conceived as a result of such breeding privileges shall be permitted, providing the buyer of the bull is willing to assume the obligation of honoring such outstanding breeding privileges, and further providing the bull meets all other requirements for artificial insemination as set forth in Section VI of the Rules.

SECTION VII. Genetic Defects or Genetic Factors in Registered Wagyu

Rule 1. Reporting genetic defects or genetic factors

In order to protect and promote the breed, every effort shall be made to identify those animals which have specific genetic defects or genetic factors determined by the Board of Directors to be detrimental to the breed. Therefore, it is the responsibility and obligation of each member of the Association to report to the Association any occurrence of those genetic defects or genetic factors of which he becomes aware.

Rule 2. Testing bulls and cows for genetic defects or genetic factors

A bull or cow owner may apply to the Association for an Association supervised progeny test or other tests for genetic defects or genetic factors approved by the Board of Directors for official recognition. Application shall be made on an official form furnished by the Association prior to the beginning of such test or tests.

Section VIII. Sales and Guarantees

Rule 1. Sales

- A. Every registered animal sold or offered for sale publicly or privately must carry visible, legible tattoo identification marks corresponding to the Certificate of Registration of such animal and, if upon examination legible marks are lacking, the Association may cancel the registration.
- B. The offering of registered cattle for sale in other than the name or names of owners of record is prohibited.

Rule 2. Cattle purchased for resale

- A. Every change of ownership of record must be recorded by transfer on the records of the Association.
- B. The purchase of animals and their resale without fulfilling the requirements of paragraph a) of this Rule is prohibited.

Rule 3. Sale guarantees

The American Association shall not be liable for any warranties made by the seller of cattle.

Section IX. Verification of Records

Rule 1. Herd Records

- A. Applicants for registration shall maintain accurate breeding and herd records. The Executive Committee of the Board of Directors, or the Board of Directors, may investigate or cause to be investigated, examined, identified, or DNA typed any registered animal or herd and may examine the breeding, herd and performance records maintained by a member or non-member of the Association for the purpose of verifying applications for registry or records on file in the office of the Association, or for the purpose of investigating other matters in which the Association may be interested.
- B. If, upon investigation by the Executive Committee of the Board of Directors, or the Board of Directors, it is determined that breeding, herd or performance records or herd management practices are inadequate to assure the accurate identification of animals in a herd it's Records Program, then the Executive Committee, or the Board of Directors, may require periodic reports of the current herd status until such time as the Executive Committee, or the Board of Directors, are satisfied that compliance with the Rules of the Association is assured.
- C. If, upon investigation as provided in paragraph A of this Rule the Executive Committee or the Board of Directors shall determine that the herd or management practices relating to such records of either a member or non-member of the Association are such that the purity of the Wagyu breed may be impaired, or has been impaired as the result of the inadequacy of such records or then the Executive Committee of Board of Directors may in their discretion take action under the provisions of Article VI of the Rules.

Rule 2. DNA Test

- A. Each animal for which the Association receives entry application may be subjected to a type test to verify accuracy of parentage. The number of animals, their sires and dams, to be typed within a given calendar year (January 1 through December 31) under provisions of this rule shall be established by the Board of Directors.
- B. It shall be the duty of the owner or owners of record of any animal in question and the owner or owners of record of the purported sire and dam to afford representatives of the Association reasonable opportunity to secure blood from the animals involved in the investigation.

- C. The Executive Committee of the Board of Directors, or the Board of Directors, are empowered to determine who shall pay the costs of any investigation, including laboratory fees, undertaken under the provisions of paragraph B of this Rule.

Rule 3. Penalties for refusal

If a member of the Association or an owner of record shall refuse reasonable opportunity to representatives of the Association, or its designated agents, to secure blood as set forth in this Section IX, Rule 2 the Executive Committee of the Board of Directors, or the Board of Directors, may in their discretion take action under the provisions of Article VI of the Rules.

Rule 4. Termination of suspension of privileges

If suspension of privileges is imposed as provided for in this Section IX, Rule 3 it shall continue until the next meeting of the Board of Directors, at which time the Board may terminate the suspension or continue it until a reasonable opportunity has been afforded the representatives or agents of the Association to make the blood tests referred to in this Section IX, Rule 2.

Section X. Failure To Comply With The Rules Of The Association

Rule 1. Failure of members to comply

- A. Failure of any member of this Association to comply with the Rules of the Association shall be grounds for **expulsion from membership in the Association or suspension** of membership and other privileges including the registration and transfer of cattle.
- B. If a member of the Association charged with misrepresentation, misconduct or willful violation of the Rules of the Association in connection with the breeding, registration, purchase or sale of cattle shall fail to appear before the Board of Directors for a hearing, as provided in Article VI of the Rules, or shall fail within twenty (20) days of notice to make a full statement with respect to the charges being considered by the Board of Directors, then the Board of Directors may expel or suspend such member from membership in the Association.
- C. In the event that a member is expelled or suspended, written notice shall be forwarded to the last known address of such member and the fact thereof announced to the membership of the Association through the medium of an official Association publication. However, in the event that a member is suspended during the pendency of a complaint, as provided in Article VI of the Rules, then any announcement to the membership of such suspension shall be at the discretion of the Board of Directors.
- D. In the event that the suspension of a member (announced to the membership as provided in paragraph C of this Rule has been terminated by action of the Board of Directors, then such termination of suspension shall be announced to the membership through the medium of an official Association publication.

Rule 2. Ligation forum and expenses

Every member, by joining the Association, or non-member, by filing transfer of

registration documents with the Association agrees that:

- A. Following judicial review of any Association final decision, action or rule contested by said member or non-member, whereby the member or non-member fails to have the Association's decision, action or rule reversed or overturned, said member or non-member shall reimburse the Association for the reasonable attorney's fees, court costs and other expenses incurred by the Association in defense of the lawsuit; and
- B. Said member or non-member shall not commence any action, whether in law or equity, against the Association in any courts other than those Federal or State courts located in the State of Texas.

Rule 3. Suspension procedure

Any decision and action by the Board of Directors, pursuant to Article VI of the Rules, providing for the suspension of membership shall set forth a specific time period for such suspension, following which the Board of Directors will entertain consideration of a request by that member for reinstatement to full membership.