

CORPORATION INFORMATION  
SERVICES, INC.  
1201 HAYS STREET  
TALLAHASSEE, FL 32310  
904-222-9171  
904-222-0191 FAX

000-342-8086

**N95000000362**

**CSO networks**

MAIL TO:  
P.O. Box 5820  
TALLAHASSEE, FL 32314

ACCOUNT NO. : 072100000032

REFERENCE : 528501 <sup>9666A</sup>

AUTHORIZATION :

*Patricia Pyjts*

COST LIMIT : 970.00

ORDER DATE : January 23, 1995

ORDER TIME : 8:59 AM

ORDER NO. : 528501

800001386738

CUSTOMER NO: 9666A

CUSTOMER: Steven H. Gray, Esq  
SIMMONS & HART, P. A.

P. O. Box 3310

Ocala, FL 34478-3310

DOMESTIC FILING

**N95000000362**

NAME: BREEDERS' EDGE, INC.

*W95-1567  
02258-5241-174  
Note: The Article*

*reference in Article XII is also, streets  
"company" business must  
addresses must be given for  
all incorporators.*

XXX ARTICLES OF INCORPORATION  
       CERTIFICATE OF LIMITED PARTNERSHIP

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

- CERTIFIED COPY
- XXX PLAIN STAMPED COPY
- CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Debbie Skipper

EXAMINER'S INITIALS:

FILED  
95 JAN 23 PM 2:00  
TALLAHASSEE, FL

*11*  
1-25-95  
*01*



FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

95 JAN 23 10 10

January 23, 1995

*use file date*

CORPORATION INFORMATION SERVICES INC.  
1201 HAYS ST.  
TALLAHASSEE, FL 32301

*Resubmit 1-25-95*

SUBJECT: BREEDERS' EDGE, INC.  
Ref. Number: W95000001567

We have received your document for BREEDERS' EDGE, INC. and the authorization to debit your account in the amount of \$70.00. However, the document has not been filed and is being returned for the following:

THE ARTICLE REFERENCE IN ARTICLE XII IS WRONG. ALSO, BUSINESS STREET ADDRESSES MUST BE GIVEN FOR ALL INCORPORATORS.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (904) 487-6930.

Tim Murphy  
Corporate Specialist

Letter Number: 795A00002700

FILED  
95 JUN 28 PM 2 58  
SECRET  
TALLAHASSEE

ARTICLES OF INCORPORATION  
OF

BREEDERS' EDGE, INC.  
(a Florida corporation not for profit)

In compliance with the requirements of the laws of the State of Florida, the undersigned hereby associate themselves together for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, 1991, as amended, and do hereby certify:

ARTICLE I  
NAME

The name and address of the corporation is BREEDERS' EDGE, INC., (hereinafter called the 'Association') and the principal address shall be Post Office Box 108, Reddick, Florida 32686-0108.

ARTICLE II  
REGISTERED AGENT

The name of the Registered Agent is Christine K. Jones and the registered office is 3900 Northwest 165th Street, Reddick, Florida 32686.

ARTICLE III  
DEFINITIONS

For the purposes of these Articles the following terms shall have the following definitions:

A. Articles - shall refer to these Articles of Incorporation, as they may from time to time be subsequently amended or modified pursuant to their terms and provisions.

B. Association - shall refer to the Association created under the terms of these Articles.

C. Breeding Season - shall refer to the North American continental breeding season for thoroughbred horses, which shall be considered to commence on approximately February 15th of each calendar year and continue through and including approximately July 15th of each calendar year.

D. Mare - shall refer to a thoroughbred broodmare which is registered by nomination with the Association and qualifies for a stallion service fee reduction provided by the Members of the Association, subject to the eligibility requirements determined by the Association for that particular Breeding Season.

E. Owner - shall refer to the owner (or owners, where applicable) of a non-syndicated thoroughbred stallion which is registered with the Association for a particular Breeding Season. In the case of a syndicated thoroughbred stallion, for the purposes of these Articles, the term "Owner" shall refer to the Syndicate Manager, as defined below.

F. Stallion - shall refer to a thoroughbred stallion which is registered with the Association for a particular Breeding Season, for which the designated eligibility fee is paid as required by the Breeders' Edge contract for that Breeding Season.

G. Syndicate Manager - shall refer to that person or entity which is designated as the "Syndicate Manager" with respect to the thoroughbred stallion the ownership of which has, by agreement, been divided into undivided fractional interests pursuant to a written agreement, (a "syndicated thoroughbred stallion") which written agreement designates a certain party or entity as the manager or representative for all of the owners of the undivided fractional interests.

#### ARTICLE IV

A. Purpose. The primary purpose of this Association is to create an entity which will assist in the promotion, unification and strengthening of the Florida thoroughbred breeding industry. The Association is formed for the purpose of developing a program of promotion of Stallions standing in the State of Florida, through the encouragement of the owners of thoroughbred Mares to breed their Mares to Florida Stallions. The Association is also formed to provide a forum for the discussion and communication between its Members and general members of the Florida thoroughbred breeding industry; to provide an entity to facilitate the provision of Stallion service fee reductions for the owners of thoroughbred Mares who breed qualifying Mares to Stallions which are registered under the programs facilitated by the Association; and to assist in the enhancement of the services provided to members of the Florida thoroughbred breeding industry which are provided by Florida organizations such as the Florida Thoroughbred Breeders' and Owners Association.

B. Non-profit Charter of Association. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members. The Association shall make no distributions of income to its Members, directors or officers, other than salaries to employees, expense reimbursement, or payments of other costs and expenses reasonably incurred to accomplish the goals of the Association.

ARTICLE V  
POWERS

The Association shall have all the powers and duties reasonably necessary to operate and maintain the Association, including the following:

A. To meet for the purposes of ascertaining, for each Breeding Season, the membership and Stallion eligibility requirements, the Mare eligibility requirements, and the operating procedures and policies for the Association necessary to carrying out the intended purpose of the Association.

B. To approve and promulgate the standards for eligibility for a Stallion to be registered with the Association as a registered Stallion for a particular Breeding Season, including but not limited to, a registration fee, and any other contractual obligations of the Owner or Syndicate Manager of the Stallion which is determined to be necessary by the Association.

C. To determine, for each Breeding Season, the Mares' suitability standards and breeding qualifications of all Mares which are to be considered qualifying Mares for breeding to one or more of the registered Stallions for the purpose of the operation of the Stallion service fee reduction program which is to be facilitated through the Association.

D. To provide for the election of representatives as provided in the bylaws of the Association for purposes of the determination of the Stallion and Mare eligibility standards set forth above, the operating procedures and policies of the Association, and development of promotional or facilitating activities determined by the Association to be beneficial to the Florida thoroughbred breeding industry.

E. To collect from the Owners or Syndicate Managers of Stallions which are registered under the Stallion service fee reduction program to be operated by the Association an annual eligibility and registration fee, in an amount and upon terms determined by the Board of Directors of the Association for a particular Breeding Season.

F. To promulgate or enforce rules, bylaws, covenants, restrictions or agreements to effectuate all of the purposes for which the Association is organized.

G. To have and to exercise any and all powers, rights and privileges which a non-profit corporation organized under the laws of the State of Florida may now or hereafter have or exercise.

H. All of the activities of the Association to exercise the powers set forth above may be exercised by the Board of Directors of the Association.

#### ARTICLE VI MEMBERSHIP

Membership in the Association shall be divided into two classes, Class I and Class II. Class I membership shall be non-voting. The members who are Class II members (as defined below) shall have the voting rights as set forth in Article VII, infra. Qualification for membership shall be as follows:

A. Class I Members. Class I Members shall constitute the nominators of all Mares which are bred to Stallions registered with the Stallion service fee reduction program operated by the Association for a particular Breeding Season. Class I Members shall have no voting rights with respect to the Association. Class I Members shall, however, have the right to participate in the Annual Meeting of the Association to provide a forum for the discussion of the Association's goals, purposes, operations, and objectives. The term of a Class I Member's membership in the Association shall commence on the date of the submission of a nomination form by the Class I Member to the Association identifying Mares to be bred during the following Breeding Season to Stallions registered with the Stallion service fee reduction program operated by the Association, and continuing thereafter for a period of one (1) year, or until such time as the terms and conditions of the applicable Breeders' Edge contract are not met.

B. Class II Members. Each Owner or Syndicate Manager of a registered Stallion (i.e. a Stallion which has been registered with, and qualifies for, participation in the Stallion service fee reduction program to be operated by the Association) shall be a Class II Member of the Association. Class II Members shall have a term of membership which will commence immediately upon the submission of the necessary eligibility information and registration fee or fees in accordance with the appropriate schedule designated by the Association, as prescribed by the Breeders' Edge contract, with respect to a Stallion, and continue until the next following first day of August, or such date as may be subsequently prescribed by the Board of Directors, or until such time as the terms and conditions of the applicable Breeders' Edge contract are not met.

All Members agree to be bound by the terms and provisions of these Articles and such by-laws and operating procedures as may be promulgated by the Association from time to time.

#### ARTICLE VII VOTING RIGHTS

Each Class II Member shall be entitled to one (1) vote on any

manner pertaining to the business or operation of the Association. Exercise of the voting rights granted hereunder shall be subject to the following provisions:

A. There shall be one (1) vote (subject to the limitations set forth below in this Article) for each Stallion registered under the Stallion service fee reduction program operated by the Association.

B. With respect to a Stallion which is not a syndicated stallion (as defined in Article III, supra) for which there is more than one Owner (i.e. more than one person or entity owns an interest in the stallion) all Owners of the Stallion shall be Class II Members of the Association, in no event shall more than one (1) vote be cast with respect to any such Stallion. When more than one Owner of such Stallion desires to cast a vote on the business matters of the Association, and such votes are conflicting, no vote shall be allowed on that business matter with respect to that Stallion.

C. With respect to a syndicated Stallion (as defined in Article III, supra) the Syndicate Manager shall represent the syndicate owning the Stallion as the Owner under the terms of this Article. By the casting of any vote with respect to the affairs of the Association on behalf of a syndicated Stallion, the Syndicate Manager shall have, and shall be deemed to have, represented to the Association, its Board of Directors and its other Members that the Syndicate Manager has full and complete authority to take such actions on behalf of the syndicate represented, all conditions precedent to the taking of such action by the Syndicate Manager have been taken, and that upon the action of the Association taken based upon that vote (whether the vote is affirmative or negative for the particular action taken) the syndicate represented by the Syndicate Manager shall be fully liable and obligated to the Association for its obligations as a Member of the Association. It shall not be the responsibility of the Association to, nor shall the Association be deemed required to, examine, review, or obtain a copy of any syndicate agreement forming the basis of the Syndicate Manager's authority to act on behalf of a syndicated Stallion, including the authority of the Syndicate Manager to participate and enter a Stallion in the service fee reduction program.

#### ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors (the "Board") consisting of not less than three (3) nor more than eleven (11) persons, who need not be Members of the Association. Membership upon the Board shall be subject to the following terms and provisions:

A. The first Board shall consist of three (3) Directors. The names and addresses of the first Board, who shall hold office until their successors are elected or have qualified under the provisions of this Article, or until removed under the provisions of this Article, are as follows:

A. Douglas Henderson	Post Office Box 108 Reddick, Florida 32686-0108
Paul R. Denos	Post Office Box 3035 Ocala, Florida 34478
Mary L. Acker	Post Office Box 108 Reddick, Florida 32686-0108

B. The first election of members of the Board shall occur not later than March 30, 1995. At that time not less than three (3) nor more than five (5) Directors shall be elected, each for a term of one (1) year. Those Directors shall serve until a new Board is elected at the first Annual Meeting of the Board of the Association, which shall occur during the months of October, November or December of 1995, with each subsequent Annual Meeting of the Association occurring during said months during each succeeding year. At each Annual Meeting of the Association a new Board shall be elected.

C. A Director may resign as a Director at any time, by providing written notification thereof to the Association. In the event of a resignation during a term of a Director a replacement Director shall be selected by vote of the majority of the remaining Directors, which replacement Director shall serve until the expiration of the term of the resigning Director.

D. A Director may be terminated for cause by a vote of the following percentages of the then-serving Directors of the Association:

(i) A vote of two-thirds (2/3) of the then-serving Directors, if the Association has less than five (5) Directors; or

(ii) A vote of three-fifths (3/5) of the then-serving Directors of the Association, if the Association has five (5) or more Directors.

E. At the Annual Meeting the Directors shall be elected by a majority of the Class II Members of the Association entitled to vote thereon at a meeting at which a majority of the Class II Members entitled to vote are present or represented by written proxy.



F. Until such time as the Association holds its first meeting of the Board and a new Board is elected, the initial Board, identified above, shall have all of the legal authority to carry out the affairs of the Association, including, but not limited to, the right to contract and enter into binding agreements.

#### ARTICLE IX DISSOLUTION

In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be used for such similar purposes.

#### ARTICLE X DURATION

This corporation shall exist perpetually.

#### ARTICLE XI AMENDMENTS

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

A. Notice of Amendment. Notice of the subject matter of a proposed amendment shall be included in the written notice of any meeting at which a proposed amendment is considered.

B. Adoption of Resolution. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by not less than fifty-one percent (51%) of the Class II Members of the Association entitled to vote thereon. Through and including December 31, 1997, only the Board of Directors shall be entitled to propose an amendment.

C. Adoption of Amendment. Adoption of a proposed amendment shall be in accordance with the following provisions:

1. Through and including December 31, 1997 the adoption of an amendment shall require the affirmative vote of the following number of members of the then-existing Board of Directors:

(i) Two-thirds (2/3) of the then-serving members of the Board of Directors if the Association has less than five (5) Directors; or

(ii) Three-fifths (3/5) of the then-serving members of the Board of Directors if the Association has five (5) or more Directors.

2. At the expiration of the term set forth in the preceding sub-paragraph, adoption of an amendment will require the affirmative vote of two-thirds (2/3) of the Class II Members of the Association, together with the affirmative vote of two-thirds (2/3) of the following number of members of the then-serving Board of Directors of the Association:

(i) Two-thirds (2/3) of the then-serving members of the Board of Directors if the Association has less than five (5) Directors; or

(ii) Three-fifths (3/5) of the then-serving members of the Board of Directors if the Association has five (5) or more Directors.

#### ARTICLE XII SUBSCRIBERS

The name and address of the subscribers and incorporators to these Articles of Incorporation is the same as listed on signature pages herein.

#### ARTICLE XIII OFFICERS

The Board of Directors shall elect the President, Secretary and Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall from time to time determine.

#### ARTICLE XIV BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the Directors. Thereafter, the Bylaws of the Association may be amended, altered or rescinded at a regular or special meeting of the Class II Members by a vote of sixty percent (60%) of the Class II Members otherwise entitled to vote thereon at a meeting at which a majority of the Class II Members entitled to

vote are present. Any amendments to the by-laws shall be binding on all Members of the Association.

#### ARTICLE XV INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall and does hereby indemnify and hold harmless Declarant and every Director and officer, their heirs,

executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, including reasonable counsel fees, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or officer may be entitled. The Association may, but shall not be obligated to, maintain liability insurance in force at its sole expense in an amount of coverage to be determined by the Board of the Association.

ARTICLE XVI

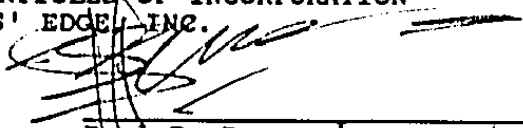
TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization including without limitation, the Declarant, or an affiliate of the Declarant, or a corporation in which one or more of its Directors or officers are Directors or officers of this Association shall be invalid, void or voidable solely for this reason or solely because the Officer or director is present at, or

[LEFT BLANK INTENTIONALLY]



SIGNATURE PAGE TO ARTICLES OF INCORPORATION  
BREEDERS' EDGE, INC.




Paul R. Donos, Incorporator  
3000 Northwest 165th Street  
Reddick, Florida 32686

STATE OF FLORIDA  
COUNTY OF MARION

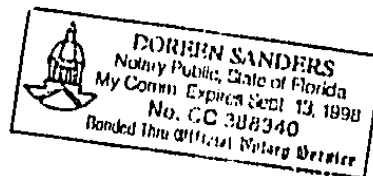
Sworn to and subscribed before me this 31 day of January,  
1995, by Paul R. Donos, who is

- (a)  personally known by me, or  
(b)  produced \_\_\_\_\_ as identification

and who did take an oath.

  
Notary Public

Notary stamp



SIGNATURE PAGE TO ARTICLES OF INCORPORATION  
BREEDERS' EDGE, INC.

Mary L. Acker  
MARY L. ACKER, INCORPORATOR  
3900 Northwest 165th Street  
Reddick, Florida 32686

STATE OF FLORIDA  
COUNTY OF MARION

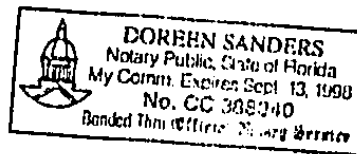
Sworn to and subscribed before me this 20 day of January,  
1995, by Mary L. Acker, who is

- (a)        personally known by me, or  
(b)  produced Driver License as identification

and who did take an oath.

Doreen Sanders  
Notary Public


Notary stamp



ACCEPTANCE BY REGISTERED AGENT

Christine K. Jones whose address is 3900 N. W. 165th Street, Reddick, FL 32686, the initial registered agent named in the Articles of Incorporation to accept service of process for BREEDERS' EDGE, INC., a Florida corporation not for profit organized under the laws of the State of Florida hereby accepts such appointment as registered agent at the place designated above.

Dated this 20th day of January, 1995.

  
Christine K. Jones

FILED  
95 JAN 20 2 08  
TALLAHASSEE, FLORIDA