

ARTICLES OF INCORPORATION

PERFORMANCE SHAGYA REGISTRY, INC.

The undersigned hereby incorporates a nonprofit corporation without capital stock or stockholders, under provisions of the Chapter 273 of the Kentucky Revised Statutes, and for that purpose adopts the following Articles of Incorporation.

ARTICLE 1

Name of Corporation

The name of the corporation is Performance Shagya Registry, Inc. (the "Corporation")

ARTICLE 2

Purposes and Powers

2.1 Notwithstanding any provision of these Article of Incorporation to the contrary, the Corporation shall not have any purpose or object, nor have or exercise any power, nor engage in any activity which in any way contravenes, or is in conflict with, the other provision of ARTICLE 2 of these Article of Incorporation.

2.2 The objects and purposes of this Corporation, and the powers it shall have and may exercise, are as follows:

(1) As general and controlling purposes, to conduct and carry on its work, not for profit, but exclusively for the agricultural purpose within the meaning of section **501(c)(5)** of the Internal Revenue Code of 1986, and amended (the "Code") (references herein to sections or provisions of the Code shall be deemed to include and refer to, to the extent applicable, any similar sections or provision of any subsequent Federal tax laws which are set forth in these Articles), in such manner that no part of its income or property shall inure to the private benefit of any donor, director, or individual having a personal or private interest in the activities of the Corporation, except as reasonable compensation for services actually rendered.

(2) As particular purposes in furtherance of, consistent with, and subject to, the general and controlling purposes set forth in this ARTICLE 2, to:

(a) Aid, promote and foster the preservation, and improvement of the Shagya Horse;

(b) Establish, maintain and operate a non-profit association of breeders, owners, and friends for the promotion, improvement, and preservation of Shagya Horses in the United States and Canada. And to maintain a public Registry for Shagya Horses, for Part-Shagya Horses, and for Shagya Horse Crosses, with a specific intent to promote the performance of the Shagya Horse in dressage, three-day eventing, hunting, jumping, driving, endurance, trail riding, and other competitive equine disciplines, and to generally do all things appropriate to encourage a public understanding of the Shagya Horse as a performance horse, a breed improver, as a breed in and of itself;

(c) Regulation and approval of breeding stock;

(d) Establishment of a minimum performance requirement for breeding stock (purebred and part-bred Shagya stock);

(e) Promote, encourage and stimulate popular interest in the outstanding performance qualities of the Shagya Horse;

- (f) Establishment of an awards system for performance achievement;
- (g) Promotion of cooperation with Shagya Horse breeders around the world;
- (h) Coordinate, encourage, aid and conduct exhibits and presentations for the purposes of advancing the outstanding performance and breed improvement qualities of the Shagya Horse;
- (i) Engage in all activities incidental to the above purposes; receive donations, bequests, and devises of property both real and personal;

(3) In furtherance of, and at all times subject to, the aforesaid purposes, enterprises, activities and projects:

(a) To organize, promote, foster, assist (whether financially or otherwise), and such charitable, scientific, literary, or educational enterprises, activities and institutions as from time to time may be determined, selected, or decided upon by the Corporation's Board of Directors consistent with the purposes stated above.

(b) To solicit and acquire by gift, exchange or otherwise, property of any and all kinds, and to sell, transfer, and otherwise dispose of any property it so acquires;

(c) To invest and reinvest any such property and the increments in, and avails or proceeds of, any such property in such investments as may be deemed advisable from time to time by the Corporation's Board of Directors, including but not limited to, stocks, bonds, secured and unsecured obligations, undivided interests, leases, commercial paper, financial and governmental instruments, savings and other depository accounts, and other securities and properties;

(d) To give, donate and contribute to any of the activities the Corporation may elect to sponsor, or in furtherance of any of the aforesaid purposes for which the Corporation is organized, such as money or property, or both, as the Corporation's Board of Directors may from time to time determine;

(e) To take title to, and hold in its own name, such real or personal property, or both, and such interests in either such type of property as the Corporation may acquire, for the purposes herein set out, and to sell, transfer, and dispose of any such property, or reinvest the proceeds thereof as herein permitted;

(f) To accept gifts, bequests, or devises of property of any kind which any individual, firm, corporation, or other entity may make to the Corporation, upon terms, trusts, and conditions set forth in the deed of gift, will, or other instrument of writing, executed by any such donor or testator, but only for the purposes and upon the terms and conditions and with the powers set forth in these Articles of Incorporation;

(g) To borrow money and give security therefor by pledging, mortgaging, or otherwise hypothecating any property it may own, or any interest it may have in such property;

(h) To become a member of any other nonstick or nonprofit corporation organized under the laws of any state, or to become affiliated with any other organization of like character under the laws of any state provided, however, that such a corporation or organization is an exempt organization under section 501(c)(5) of the Code;

(i) To the extent permitted by law, to enter in to contracts with any corporate trust company for the purpose of delegating to it the power, or employing it, to make investment on behalf of the Corporation, and to do such other things permitted by the Article of Incorporation as the parties may

agree upon, and without limiting the generality of the foregoing, but in furtherance thereof, to enter into trust agreements, irrevocable or otherwise, with any such corporate trustee to employ agents, attorneys, accountants, and others in connections the performance of any duty or trust arising under such agreement; and

(j) To do any and all things which the Corporation's Board of Directors may determine, consistent with the provisions hereof, to be necessary or appropriate to effectuate the proposes of which the Corporation is organized as herein set forth, to the extent that the doing of such an act or thing is not inconsistent with the provisions of Chapter 273 of Kentucky revised Statutes, any other applicable law or statute of the Commonwealth of Kentucky, or section 501(c)(5) of the Code.

ARTICLE 3
Tax Exempt Status

It is intended that this Corporation shall be exempt from income taxation under Section 501(a) of the Code as an organization described in 501(c)(5) of the Code. These Articles shall be construed accordingly, and all powers and activities shall be limited accordingly.

ARTICLE 4
Duration

The Corportation shall have perpetual duration.

ARTICLE 5
Members

The Corporation shall have Voting and Non-Voting members as provided by the By-laws.

ARTICLE 6
Board of Directors

6.1 All corporate powers shall be exercised under the authority of, and the business and affairs of the Corporation managed under the direction of, its Board of Directors.

6.2 The Board of Directors shall consist of such number of individuals as my be fixed in the Corporation's By-laws provided, however, that the Boards of Directors shall not, in any event, consist of fewer than three (3) individuals.

6.3 The Board of Directors shall be elected as set forth in the Corporation's By-laws.

6.4 The term of each director shall be as provided by the Corporation's By-laws. Each director so elected shall hold office for said term and until his or her respective successor shall have been duly elected and shall have accepted office.

6.5 Directors may be removed from office during their term of office as provided in the Corporation's By-laws.

6.6 The annual meetings of the Corporation's Board of Directors shall be held at such time and place as may be provided in the Corporation's By-laws.

6.7 The duties and powers of the Board of Directors, committees, and officers of the Corporation shall, except as otherwise specifically provided herein or in the Corporation's By-laws, be such as are usually incident to similar Boards of Directors, similar committees, and similar officers, and in addition shall be such

as may be conferred upon said Board of Directors, upon such committees, or upon such officers by law, or by amendment to the Articles of Incorporation or By-laws, or by appropriate corporate resolution.

ARTICLE 7

Initial Board of Directors

7.1 The number of directors constituting the initial Board of Directors is three (3) and the names and mailing addresses of the persons who are to serve as directors until their successors are selected in accordance with the provisions of the Corporation's By-laws are as follows:

1. Katherine Voyer
2935 East Chino Avenue No. 70
Chino Hills, California 91709
2. Eric Nelson
1128 NW 400 Road
Centerview, MO 64019
3. Linda Rudolphi
695 Ruby road
Noble, IL

ARTICLE 8

Initial Registered Office and Agent

The address of the initial registered office of the Corporation is 201 Walton Avenue, Suite 200, Lexington, KY 40502, and the name of the initial registered agent at such address is Kenton L. Ball.

ARTICLE 9

Principal Office

The address of the principal office of the Corporation is 201 Walton Avenue, Suite 200, Lexington, KY 40502

ARTICLE 10

Distribution of Assets Upon Dissolution

If, at any time, this Corporation dissolves, the assets of this Corporation shall be applied and distributed as follows:

10.1 All liabilities and obligations of this Corporation shall be paid and discharged, or adequate provision shall be made therefor;

10.2 Assets held by this Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;

10.3 Assets that have been received and are held by this Corporation subject to limitations permitting their use only for agricultural purpose and that are not held upon a condition requiring return, transfer, or conveyance by reason of dissolution, shall be transferred or conveyed to (i) one or more corporations, societies, or organizations, organized under the laws of any state, that are exempt under section 501(c)(5) of the Code, (ii) the federal government, or (iii) a state or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law;

10.4 Other assets, if any, shall be transferred or conveyed to (i) one or more corporations, societies, or organizations, organized under the laws of any State, that exempt under section 501(c)(5) of the Code, (ii) the Federal government, or (iii) a State or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law; and

10.5 Any assets not disposed of pursuant to the provisions of ARTICLE 10 set forth herein above shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located to such organizations, as the court shall determine, which are organized and operated exclusively for agricultural purposes and are exempt under section 501(c)(5) of the Code.

ARTICLE 11
Incorporator

The name and address of the sole incorporator of the Corporation is Kenton L. Ball of Slone & Benton PSC, 201 Walton Avenue, Lexington, Kentucky 40502.

ARTICLE 12
Indemnification of Directors, Officers
Employees and Agents

12.1 To the fullest extent permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the provisions of ARTICLE 2 of these Articles of Incorporation, the Corporation shall indemnify each director, officer, employee or agent of the Corporation against expenses (including, but not limited to, attorney's fees), judgments, taxes, penalties, fines (including, but not limited to, any excise tax assessed with respect to any employee benefit plan) and amounts paid in settlement (collectively, a "Liability"), incurred by such director, office, employee or agent in connection with defending any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which such director, office, employee or agent is, or is threatened to be made, a party because such director, office, employee or agent is or was a director, office, employee or agent of the Corporation as a member, director, officer, partner, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise, including, but not limited to, service with respect to employee benefits plans. A director, office, employee or agent of the Corporation shall be considered to be serving an employee benefits plan at the Corporation's request if the duties of such director, officer, employee or agent to the Corporation also impose duties on or otherwise involve services by such director, officer, employee or agent to the plan or to participants in or beneficiaries of the plan.

12.2 To the fullest extent authorized or permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the provisions of ARTICLE 2 of these Articles of Incorporation, the Corporation shall pay or reimburse expenses (including, but not limited to, attorney's fees) incurred by a director, office, employee or agent of the Corporation who is a party to a proceeding in advance of final disposition of such proceeding.

12.3 The indemnification against Liability and advancement of expenses provided by, or granted pursuant to, this ARTICLE 12 with respect to any director, office, employee or agent of the Corporation shall, to the fullest extent authorized or permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the provisions of ARTICLE 2 of the Article of Incorporation (i) not be deemed exclusive of other rights, if any, to which such director, officer, employee, or agent of the Corporation seeking such indemnification or advancement may be entitled under any By-Law, agreement, action of disinterested directors, or otherwise, as to any action by such director, officer, employee or agent in his or her official capacity as such or as to any action of such director, officer employee or agent of the Corporation in any other capacity, (ii) continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation, and (iii) inure to the benefit of the heirs, executors, and administrators of such a person.

12.4 To the fullest extent authorized or permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the

provisions of ARTICLE 2 of these Articles of Incorporation, the Corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a member, director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against Liability asserted against or incurred by such a director, officer, employee or agent in that capacity or arising from such director, officer, employee or agent's states as a director, officer, employee or agent, whether or not the Corporation would have the power to indemnify such director, officer, employee or agent against the same Liability under the provision of this ARTICLE 12.

12.5 Any repeal or modification of this ARTICLE 12 by the Board of Directors shall not adversely affect any or protection of a director, officer, employee or agent of the Corporation under this ARTICLE 12 with respect to any act or omission occurring prior to the time of such repeal or modification.

ARTICLE 13 **Elimination of Certain Liability of Directors**

13.1 A director of the Corporation shall not be personally liable to the Corporation for monetary damages for breach of such director's duties as a director; provided, however, that this provision shall not eliminate the liability of the director for the following:

(1) for any transaction in which such director's personal financial interest is in conflict with the financial interests of the Corporation;

(2) for acts or omissions not in good faith or which involve intentional misconduct or are known to such director to be a violation of law; or

(3) for any transaction from which such director derived an improper persona benefit. This ARTICLE 13 shall continue to be applicable with respect to any such breach of duties by a director of the Corporation as a director notwithstanding that such director may thereafter cease to be a director and shall inure to the personal benefit of such director's heirs, executors and administrators.

ARTICLE 14 **Private Property of Incorporator and Director**

None of the private property of the incorporator or any director of the Corporation shall be subject to any of the Corporations debts and liabilities.

ARTICLE 15 **Severability of Provisions**

Except as may conflict with the provisions of ARTICLE 2 of these Article of Incorporation, if any provision of the Articles of Incorporation or its application to any person or circumstances shall be held invalid by a court of competent jurisdiction, the invalidity shall not affect any other provisions or applications of the Articles of Incorporation that can be given effect without the invalid provision or application, and, to this end, the provisions of these Articles of Incorporation are severable.

ARTICLE 16 **Amendments: Bylaws**

16.1 The Corporation's Articles of Incorporation may be amended in the manner provided by law.

16.2 The Board of Directors shall adopt By-Laws for the Corporation, and the Board of Directors may change or revise such By-Laws at any time from time to time.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this ___ day of September,
2008.

Eric M. Nelson, Incorporator