

BYLAWS OF THE PUREBRED

ARABIAN TRUST

Effective as of September 17, 2002

**ARTICLE I
DEFINITIONS**

I. SPECIFIC DEFINITIONS. In addition to terms defined elsewhere in these Bylaws, capitalized terms used in these Bylaws shall have the respective meaning set forth below, unless otherwise defined herein or the context otherwise requires.

"**Act**" means the Colorado Revised Nonprofit Corporation Act, as in effect from time to time.

"**Arabian Horse Association**" means the Arabian Horse Association, a Colorado nonprofit corporation.

"**Arabian Horse Association Charter Documents**" means the articles of incorporation and bylaws of Arabian Horse Association.

"**AHRA**" means Arabian Horse Registry of America, Inc., a Colorado nonprofit corporation, that, effective on the Effective Date, will be merged into Arabian Horse Association.

"**Appreciated Funds**" has the meaning set forth in Article III.

"**Approved Purposes**" means the purposes for which Appreciated Funds may be used as set forth in Article III.

"**Arabian Horse Registry**" means the registry of purebred Arabian horses to be maintained by the Registration Commission as provided in the Arabian Horse Association bylaws.

"**Arabian Jockey Club**" or "**AJC**" means the Arabian Jockey Club and activities related to racing of purebred Arabian horses.

"**Board of Trustees**" means the Board of Trustees of the Trust. The "Board of Trustees" shall be deemed to have the same meaning as "board of directors" under the Act.

"**Building**" has the meaning set forth in Exhibit A.

"Code" shall mean the Internal Revenue Code of 1986 (or under the corresponding provisions of any future United States Internal Revenue law), as amended from time to time.

Corpus" means collectively, Corpus A and Corpus B.

"Corpus A" means assets contributed to the Trust and designated for placement in Corpus A, including (i) the cash and investments, Building and contiguous land, net revenues generated by the Building, sale proceeds of the Building if and when sold, and the Purebred Revenues, all as more particularly described in Exhibit A, (ii) AHRA's membership in the Arabian Jockey Club, (iii) the AHRA registration database and related intellectual property rights (the "Proprietary Rights"), (iv) all additional contributions made to the Trust and designated to Corpus A, and (v) all change in value relating to the assets described in (i) and (iv) of this definition.

"Corpus B" means the assets contributed to the Trust and designated for placement in Corpus B, including (i) the land and cash, as more particularly described in Exhibit B, (ii) all additional contributions made to the Trust and designated to Corpus B, and (iii) all change in value relating to the assets described in (i) and (ii) of this definition.

"Effective Date" means the "Effective Date" of the Merger, as defined in the Merger Agreement.

"Merger" means the merger of IAHA and AHRA into Arabian Horse Association.

"Merger Agreement" means the Agreement and Plan of Merger under which IAHA and AHRA merged into Arabian Horse Association.

"Purebred Registry Members" means the three Trust Appointees (as set forth in Article IV) selected to serve on the Registration Commission to oversee the Arabian Horse Registry and to implement the Registration Rules and Procedures.

"Purebred Registry Services" means staff services relating to (a) marketing and development of the purebred Arabian Horse, (b) the Arabian Horse Registry, and (c) the Arabian Jockey Club that are the same as, or substantially similar to, those services provided by AHRA's employees for AHRA prior to the Merger.

"Purebred Revenues" means one-third of the gross revenues derived from the Arabian Horse Registry, including registration fees, transfer fees, service fees and administrative fees.

"Registration Commission" means the Registration Commission of the Arabian Horse Association.

"Registration Rules and Procedures" means the rules, policies, practices, procedures, and contracts relating to the Registry Functions.

"Registry Functions" means the activities carried on by AHRA prior to the Merger, and the Arabian Horse Registry following the Merger, relating to the maintenance of a stud book for purebred Arabian horses, including registrations, issuance of certificates, transfers, and including resolving disputes as to whether a horse is a purebred, limited investigating of related issues, and responding to inquiries from third parties or fact finders in connection with third party disputes regarding ownership, activities relating to international purebred Arabian registry matters, including importing and exporting of purebred Arabian horses and relations concerning purebred Arabian horses with WAHO and with other national and international purebred Arabian registries.

"Trust" means The Purebred Arabian Trust created as a Colorado nonprofit corporation on September 17, 2002, organized to carry out such purposes as an organization described in Section 501(c)(5) of the Code, the structure and operation of which are governed by these Bylaws. The use of the term "Trust" in these Bylaws and in the Articles of Incorporation of the Trust shall be deemed to have the same meaning as the term "corporation" under the Act.

"Trust Appointees" means those persons appointed by the Trust to serve Arabian Horse Association as At-Large Directors, At-Large Vice Presidents and committee and commission members as described in Article IV.

"Trustees" means the individual members of the Board of Trustees, and all of the members of the Board of Trustees, as the context requires. The use of the term "Trustees" shall be deemed to have the same meaning as the term "directors" under the Act.

"WAHO" means the World Arabian Horse Organization and shall be deemed to include all other purebred Arabian registries.

2. USAGE AND INTERPRETATION. In these Bylaws, unless a clear contrary intention appears, (a) the singular number includes the plural and vice versa; (b) references to Articles, Sections, Paragraphs, and- Subparagraphs refer to those items contained in these Bylaws; (c) reference to these Bylaws or to any other agreement, document, or instrument, means these Bylaws (together with all exhibits hereto, all of which are incorporated herein by this reference), and each such agreement, document, and instrument, as amended or modified and in effect from time to time in accordance with the terms thereof; (d) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term, and (e) references to any person or entity in these Bylaws shall be deemed to include the successors and assigns of such person or entity.

3. NOTICES. Whenever notice is required to be given under these Bylaws, notice shall be sufficient in all respects if given in writing and delivered by (a) personal delivery, (b) telecopy, (c) overnight courier, (d) electronic mail, or (e) United States first class mail, postage prepaid, in all cases to the latest address of the recipient as shown on the Company's records. Notice shall be deemed to have been given at the time delivered as above provided.

ARTICLE II

OFFICES AND MEMBERS

1. BUSINESS OFFICES. The principal office of the Trust in the State of Colorado shall be located at c/o Arabian Horse Association, 10805 East Bethany Drive, Aurora, CO 80014-2605. The Trust may have such other offices, either within or without the State of Colorado, as the Board of Trustees may determine or as the affairs of the Trust may require from time to time.

2. REGISTERED OFFICE. The Trust shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Act. The registered office may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Trustees.

3. No MEMBERS. The Trust shall have no members.

ARTICLE III

PURPOSE

1. GENERAL. The purpose of the Trust is to aid, promote, and foster the preservation and use of purebred Arabian horses and the Arabian breed, to engage in all undertakings incidental to or designed to further or promote these objectives, and to oversee and manage the Corpus.

2. USE of CORPUS. Corpus A and Corpus B shall be maintained in two separate accounts and used as provided below.

A. Corpus A. Corpus A shall be used only for purposes related to the promotion of the purebred Arabian horse (the "Approved Purposes") including (i) promotion and education intended to enhance the public's understanding and appreciation of the purebred Arabian horse, (ii) encouragement of the growth and development of a broad range of disciplines for the use of the purebred Arabian horse, and (iii) increasing new entrants' participation in activities utilizing the purebred Arabian horse; provided, however, that (a) without the unanimous consent of the Trustees, only that portion of Corpus A that consists of income in excess of 2% per annum gained on the principal of the assets of Corpus A other than real estate (the "principal Corpus A assets") existing on the Effective Date (the "Appreciated Funds") may be used for the

Approved Purposes, and (b) the Appreciated Funds may be used for the Approved Purposes subject to approval of the majority of the Trustees. In determining the "Appreciated Funds" each year, the 2% of excess income shall be based on the prior year end audited value of principal of the principal Corpus A assets. The Trustees shall make reasonable efforts to achieve the annual addition of 2% to the value of such assets; however, the Trustees shall not be required to modify commitments based on changes in market values during a period.

B. Corpus B. Corpus B shall be used only for the long-term benefit of the purebred Arabian horse including preservation of the purity of the purebred horse and perpetuation and preservation of registration records and activities as the Trustees deem appropriate. No portion of Corpus B may be used without the approval of three-quarters of the Trustees.

3. APPOINTMENTS. The Trust shall be responsible for appointing the Trust Appointees, as more fully described below.

ARTICLE IV BOARD OF TRUSTEES

1. GENERAL POWERS AND RESPONSIBILITIES. The affairs of the Trust shall be managed by the Trustees. The Trustees shall be vested with control and management of the Trust subject to such restrictions as are imposed by these Bylaws, the Articles of Incorporation, and the laws of the State of Colorado. The Trustees shall have the full power and authority to take action from time to time to manage the Trust.

2. ARABIAN HORSE ASSOCIATION RELATED POWERS AND RESPONSIBILITIES. The Trustees shall perform the following duties:

A. Arabian Horse Association Positions. The Trustees shall appoint persons to fill the following positions of Arabian Horse Association (as such positions are described in the Arabian Horse Association Charter Documents and the Merger Agreement) upon expiration of their initial terms and in the event of any vacancy (the "Trust Appointees"):

(i) four At-Large Directors;

(ii) two At-Large Vice Presidents;

(iii) one member of the Ways and Means Committee;

(iv) three members of the Market Development and Promotion

(v) three members of the Registration Commission (the "Purebred Registry Members"); and

(vi) six members of the Racing Committee, which members shall be the Executive Committee of the Arabian Jockey Club.

The Trust Appointees serving Arabian Horse Association as At-Large Directors and At-Large Vice Presidents shall be Trustees. The Trust Appointees serving as committee and commission members may or may not be Trustees; however, no Purebred Registry Member appointed to the Registration Commission shall simultaneously serve as an At-Large Director or At-Large Vice President.

B. Manage Corpus; Funding Decisions. The Trustees shall oversee and manage the Corpus in accordance with the designated purposes of Corpus A and Corpus B. The Trustees shall determine whether, and to the extent, any request for funds from the Market Development and Promotion Committee of Arabian Horse Association or otherwise serves the interest of the purebred Arabian horse as required under Corpus A or Corpus B, as applicable, and shall determine the amount, if any, of such request that shall be approved and contributed, all in accordance with the constraints set forth in Article III. The Trustees shall have no obligation to diversify investments of the Corpus, it being understood that the duties of the Trustees with respect to the Corpus are to hold the assets of the Corpus as long-term investments and use the assets thereof only as prescribed in these Bylaws.

C. Staff Decisions. The Trustees shall approve or reject recommendations made by Arabian Horse Association's Executive Vice President relating to the Purebred Registry Services in accordance with the provisions of the Merger Agreement.

D. International Purebred Arabian Horse Matters. The Trustees shall be responsible for all decisions and other matters relating to Arabian Horse Association's affiliation concerning purebred Arabian horses with WAHO and other purebred Arabian horse registries.

E. Other Matters. The Trustees shall make such determinations and carry out such responsibilities as are designated to the Trust under the Merger Agreement and Arabian Horse Association Charter Documents including those relating to Arabian Horse Association's committees including the Registration Commission, the Market Development and Promotion Committee, the Executive Committee of Arabian Horse Association's Board of Directors, the Ways and Means Committee, the Racing Committee, and the Arabian Horse Association's Board of Directors.

3. NUMBER, QUALIFICATIONS, AND TENURE. The Board of Trustees shall consist of up to nine Trustees, as fixed from time to time by the Board of Trustees. As of the Effective Date, the number of Trustees on the Board is fixed at eight. Trustees need not be residents of the State of Colorado, but they shall be natural persons who are at least 18 years of age. A person shall not be eligible for election as a Trustee who is 75 years of age or older. Other than as a result of voluntary resignation or removal for cause, as provided below, the Board of Trustees shall make commercially reasonable efforts to limit the number of new Trustees in any 24-month period to less than three.

The terms of the Trustees shall be staggered in accordance with the following provisions. The eight Trustees shall be divided into three groups, the first group consisting of two Trustees, the second group consisting of three Trustees, and the third group consisting of three Trustees. The terms of the Trustees in the first group shall expire at the first annual meeting of the Board of Trustees following the Trust's establishment, the terms of the Trustee's for the second group shall expire at the second annual meeting of the Board of Trustees, and the terms of the Trustees in the third group shall expire at the third annual meeting of the Board of Trustees. Upon expiration of the initial staggered terms, Trustees shall be elected for terms of three years to succeed those whose terms expire. Except for the initial Board of Trustees, which is constituted as set forth in the Articles of Incorporation, Trustees whose terms are expiring shall be elected at least 60 days prior to the annual meeting of the Board of Trustees applicable to the expiring terms. The terms of newly elected Trustees commence on the date of such annual meeting. The Trustees elected shall be elected from a slate of potential Trustees presented by a nominating committee (the "Nominating Committee").- The Nominating Committee shall consist of the then-current Chairman (as defined below) and the immediate past Chairman (regardless of such person's title while in the position of Chairman); provided, however, that if the immediate past Chairman is unable or unwilling to be a member of the Nominating Committee, such Nominating Committee position shall be appointed by the Board of Trustees. The Nominating Committee shall create the slate of potential Trustees according to procedures established from time to time by the Trustees.

4. REMOVAL. Trustees may be removed with or without cause by a vote of a majority of the Trustees then in office.

5. RESIGNATION. Any Trustee may resign by filing a written resignation with the Secretary.

6. REGULAR MEETINGS. A regular annual meeting of the Trustees shall be held on such date, at such hour and at such place as may be fixed from time to time by the Trustees. The Trustees may provide the time and place, either within or without the State of Colorado, for the holding of additional regular meetings of the Trustees without other notice than such resolution.

7. SPECIAL MEETINGS. Special meetings of the Trustees may be called by or at the request of the Chairman or any five Trustees. The person or persons authorized to call special meetings of the Trustees may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Trustees called by them.

8. NOTICE OF MEETINGS. Notice of each meeting of Trustees, whether annual, regular, or special, shall be given to each Trustee. Notice shall be given to Trustees at least five days prior to the meeting. The notice of all meetings shall state the place, date, hour, and purposes thereof.

9. QUORUM. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Trustees; but if less than a majority of the Trustees is present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

10. MANNER OF ACTING. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws. The act of three-quarters of all of the members of the Board of Trustees (regardless of the number of members present at a meeting) shall be required to (a) amend or restate the Articles of Incorporation, (b) sell, lease, exchange, mortgage, or otherwise dispose of all or substantially all of the property and assets of the Trust, (c) amend the purpose of or use of Corpus B funds, (d) adopt a plan of merger or adopt a plan of consolidation with another corporation (e) adopt a plan for the distribution of the assets of the Trust, (f) dissipate a substantial portion (but not necessarily substantially all) of the Trust's assets or reserves, (g) amend these Bylaws to change the number or qualifications (such as age limits) of Trustees, this Section 10 of Article IV, or Section 1 of Article VI, (h) repeal these Bylaws or adopt new bylaws, or (i) agree to amend the Arabian Horse Association bylaws relating to a power of the Board of Trustees. Unanimous consent of the members of the Board of Trustees shall be required to use funds from (misspelled as "form" in the original) Corpus A that are not Appreciated Funds. No changes shall be made to the Registration Rules and Procedures without the unanimous approval of the Purebred Registry Members subject to ratification by two-thirds of the members of the Board of Trustees. In addition, it shall require an act of three-quarters of all of the members of the Board of Trustees to authorize the voluntary dissolution of the Trust or revoke proceedings therefore. In the event of the Trustees desire to consider authorizing such voluntary dissolution or revocation of such proceedings, the Chairman or any five Trustees must call a special meeting with notice being given to each Trustee and each member of Arabian Horse Association's Board of Directors at least ninety days prior to such meeting. During this time period, the Arabian Horse Association Board of Directors shall have the opportunity to provide the Trust with its recommendations for consideration by the Board of Trustees regarding such voluntary dissolution of the Trust or revocation of proceedings therefore prior to the date of such special meeting.

11. PROXY VOTING. For purposes of casting a vote on any type of proposal, a Trustee may be deemed to vote if the Trustee grants a signed written proxy to another Trustee who is present at the meeting, authorizing the other Trustee to cast the vote that is directed to be cast by the written proxy with respect to the proposal that is described with reasonable specificity in the proxy. To be effective, the Trustee giving the proxy must send a copy of such proxy to the Secretary of the Trust and such proxy must be received by the Secretary prior to the meeting at which the proxy is to be exercised. Proxies may be withdrawn or changed prior to the vote for which the proxy was given. Except as provided in this Section and Section 14 of this Article IV, Trustees may not vote or otherwise act by proxy.

12. VACANCIES. Any vacancy occurring in the Board of Trustees and any Trusteeship to be filled by reason of an increase in the number of Trustees may be filled from a slate of potential Trustees presented by the Nominating Committee by the affirmative vote of a majority of the remaining Trustees, though less than a quorum of the Board of Trustees. A Trustee elected to fill a vacancy shall be elected for the unexpired term of such person's predecessor in office.

13. COMPENSATION. Trustees as such shall not receive any stated salaries for their services, but by resolution of the Board of Trustees a nominal fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Trustees; but nothing herein contained shall be construed to preclude any Trustee from serving the Trust in some other capacity and receiving compensation therefore and no payment shall be made for expenses that are eligible for reimbursement by Arabian Horse Association.

14. ACTION WITHOUT MEETING. Any action required by law to be taken at a meeting of Trustees, or any action that may be taken at a meeting of Trustees, may be taken without a meeting if: each and every Trustee in writing either (a) votes for such action; or (b) (I) votes against such action or abstains from voting, and (II) waives the right to demand that action not be taken without a meeting. Action is taken under this Section only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Trustees then in office were present and voted.

15. MEETINGS BY TELEPHONE. Members of the Board of Trustees or any committee designated thereby may hold or participate in a meeting of the Trustees or such committee by means of conference telephone or similar communications equipment provided that all such persons so participating in such meeting can hear each other at the same time.

ARTICLE V OFFICERS

1. OFFICERS. The Trustees shall appoint such officers as are required from time to time under applicable law and such other officers as the Trustees deem desirable, such

officers to have the authority and perform the duties prescribed from time to time by the Trustees. To the extent the Trustees appoint officers described in the remaining sections of this Article V, the duties of such officers shall be as described herein. On the effective date of these Bylaws, the officers of the Trust shall consist of a Chairman of the Board of Trustees (the "Chairman"), a Vice Chairman, a Secretary, and a Treasurer.

2. ELECTION, QUALIFICATIONS AND TERM OF OFFICE. Officers shall be elected annually by the Board of Trustees at the regular annual meeting of the Board of Trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. **A person who has been elected as Chairman for five consecutive years will not be eligible for re-election as Chairman. New offices may be created and filled at any meeting of the Trustees.**

3. REMOVAL. Any officer of the Trust elected or appointed by the Trustees may be removed by a majority vote of the Trustees with or without cause.

4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Trustees for the unexpired portion of the term.

5. CHAIRMAN OF THE BOARD OF TRUSTEES. Only persons serving as Trustees shall be eligible for election as Chairman. The Chairman shall (a) preside at meetings of the Trustees, (b) give counsel and advice to the Trustees and the officers of the Trust on all subjects concerning the welfare of the Trust and the conduct of its business, (c) see that all orders and resolutions of the Board of Trustees are carried into effect, and (d) perform all duties as may from time to time be assigned by the of Trustees.

6. VICE CHAIRMAN. The Vice Chairmen, if any, shall perform such duties and possess such powers as from time to time may be assigned to them by the Trustees or the Chairman.

7. TREASURER. The Treasurer shall serve as the Chief Financial Officer of the Trust, and shall perform such duties and shall have such powers as may from time to time be assigned by the Trustees or the Chairman. The Treasurer shall perform such duties and have such powers as are incident to the officer of Treasurer including the duty and power to keep and be responsible for all funds and securities of the Trust, to deposit funds of the Trust in the depository selected in accordance with these Bylaws, to disburse such funds as ordered by the Trustees, making proper accounts thereof, and to render as required by the Trustees statements of these transactions taken as Treasurer and of the financial condition of the Trust. The Treasurer shall cause duplicates of all checking accounts and other financial account statements to be sent monthly to the Chairman, or the Chairman's designee.

8. SECRETARY. The Secretary shall perform such duties and shall have such powers as may from time to time be assigned by the Trustees or the Chairman. The Secretary shall perform such duties and have such powers as are incident to the office of Secretary including the duty and power to give notice of all meetings of the Trustees, the preparation and maintenance of minutes of the meetings of the Trustees and other records and information required to be kept by the Trustees and for authenticating records of the Trust, and to be the custodian of the corporate seal and to affix and attest to the same on documents, the execution of which on behalf of the Trust is authorized by these Bylaws or the action of the Trustees.

9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. If required by the Trustees, the Assistant Treasurers, if any, shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Trustees shall determine. The Assistant Treasurers and Assistant Secretaries, if any, subject to the control of the Trustees, shall in general perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the Chairman or the Trustees.

ARTICLE VI COMMITTEES

1. GENERAL. In addition to the Nominating Committee discussed above, other committees not having and exercising the authority of the Board of Trustees in the management of the Trust may be appointed by the Chairman. The Chairman shall appoint the members of such Trust committees. Any member thereof may be removed by the Chairman whenever in the Chairman's judgment the best interests of the Trust shall be served by such removal. As of the Effective Date, the following committees exist:

A. Audit Committee. The Trustees shall establish an Audit Committee to oversee financial matters of the Trust and such other matters as are assigned from time to time by the Board of Trustees or the Chairman.

B. Arabian Jockey Club Executive Committee. The Trustees shall establish a six (6) member Arabian Jockey Club Executive Committee, which members shall be actively involved in racing, and shall be responsible for the promotion, coordination, and general oversight of Arabian horse racing in the United States. The committee shall advise the Arabian Horse Association's Executive Committee and Board of Directors, the Trustees, and the Market Development and Promotion Committee of Arabian Horse Association on matters related to Arabian horse racing and shall suggest programs and prioritize and develop and obtain funding for action plans that will improve Arabian horse racing in the United States.

2. TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the Trustees and until **such person's successor is appointed**, unless the committee shall be sooner terminated, or unless such member be

removed from such committee, or unless such member shall cease to qualify as a member thereof.

3. COMMITTEE CHAIR. One member of each committee shall be appointed Committee Chair by the Chairman.

4. VACANCIES. Vacancies in the membership of any committee may be filled by the Chairman.

5. QUORUM. A majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

6. RULES. Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Trustees.

ARTICLE VII STANDARDS OF CONDUCT FOR OFFICERS AND TRUSTEES

Each Trustee and officer with discretionary authority shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Trustee or officer reasonably believes to be in the best interests of the Trust. In discharging duties, a Trustee or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Trust whom the Trustee or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant, or another person as to matters the Trustee or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a Trustee, a committee of the Board of Trustees of which the Trustee is not a member if the Trustee reasonably believes the committee merits confidence.

A Trustee or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by the above unwarranted. A Trustee or officer is not liable as such to the Trust for any action taken or omitted to be taken as a Trustee or officer, as the case may be, if, in connection with such action or omission, the Trustee or officer performed the duties of the position in compliance with this Article VII.

ARTICLE VIII TRUSTEES' CONFLICTING INTEREST TRANSACTIONS

1. CONFLICTING INTEREST TRANSACTIONS. As used in this Article, "Conflicting Interest Transaction" means: a contract, transaction, or other financial

relationship between the Trust and a Trustee of the Trust, or between the Trust and a party related to a Trustee, or between the Trust and an entity in which a Trustee of the Trust is a Trustee or officer or has a financial interest.

2. PROHIBITION AGAINST LOANS TO TRUSTEES OR OFFICERS. No loans shall be made by the Trust to its Trustees or officers

3. VOIDABILITY OF CONFLICTING INTEREST TRANSACTIONS. No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by or in the right of the Trust, solely because the Conflicting Interest Transaction involves a Trustee of the Trust or a party related to a Trustee or an entity in which a Trustee of the Trust is a Trustee or officer or has a financial interest or solely because the Trustee is present at or participates in the meeting of the Trustees or of the committee of the Board of Trustees that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Trustee's vote is counted for such purpose if:

A. The material facts as to the Trustee's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Trustees or the committee, and the Board of Trustees or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Trustees, even though the disinterested Trustees are less than a quorum; or

B. The Conflicting Interest Transaction is fair as to the Trust.

4. APPROVAL OF CONFLICTING INTEREST TRANSACTIONS. Common or interested Trustees may not be counted in determining the presence of a quorum at a meeting of the Board of Trustees or of a committee which authorizes, approves, or ratifies the Conflicting Interest Transaction.

5. PARTY RELATED TO TRUSTEE. For purposes of this Article, a "party related to a Trustee" shall mean a spouse or domestic partner, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Trustee or a party related to a Trustee has a beneficial interest, or an entity in which a party related to a Trustee is a Trustee, officer, or has a financial interest.

ARTICLE IX INDEMNIFICATION

To the extent permitted or required by the Act (as defined in Article I and more fully defined below) and any other applicable law, if any Trustee or officer (as defined below) of the Trust is made a party to or is involved in (for example as a witness) any proceeding (as defined below) because such person is or was a Trustee or officer of the Trust, the Trust (I) shall indemnify such person from and against any judgments,

penalties, fines, amounts paid in settlement and reasonable expenses (including expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding, and (II) shall advance to such person expenses incurred in such proceeding.

The Trust may in its discretion (but is not obligated in any way) to indemnify and advance expenses to an employee or agent of the Trust to the same extent as to a Trustee or officer.

The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the Trust may at its discretion provide for indemnification or advancement of expenses in a resolution of its Trustees, in a contract or in its Articles of Incorporation.

Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part thereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain in full force and effect.

As used in this article, the following terms have the following meanings:

A. Act. The term "Act" means the Colorado Revised Nonprofit Corporation Act as it exists on the date this Article is adopted, and as the Colorado Revised Nonprofit Corporation Act may be thereafter amended from time to time. In the case of any amendment of the Colorado Revised Nonprofit Corporation Act after the date of adoption of this Article, when used with reference to an act or omission occurring prior to effectiveness of such amendment, the term "Act" shall include such amendment only to the extent that the amendment permits a corporation to provide broader indemnification rights than the Colorado Revised Nonprofit Corporation Act permitted prior to the amendment.

B. Trustee or Officer. As used in this Article IX, the term "Trustee" or "officer" means (i) a Trustee or officer of the Trust and (ii) while an individual is a Trustee or officer of the Trust, the individuals serving at the Trust's request as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person or of an employee benefit plan, and (iii) any other position (not with the Trust itself) in which a Trustee or officer of the Trust is serving at the request of the Trust and for which indemnification by the Trust is permitted by the Act.

C. Proceeding. The term "proceeding" means any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal.

ARTICLE X CONTRACTS, CHECKS, DEPOSITS, GIFTS AND PROXIES

1. CONTRACTS. The Trustees may authorize any officer or officers, agent or agents of the Trust, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Trust, and such authority may be general or confined to specific instances unless otherwise prohibited by these Bylaws.

2. CHECKS, DRAFTS, ETC. Except as otherwise provided in these Bylaws, all checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Trust, shall be signed by such officer or officers, agent or agents of the Trust and in such manner as shall from time to time be determined by resolution of the Trustees. In the absence of such determination by the Trustees, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the Chairman or a Vice Chairman of the Trust.

Neither the Treasurer nor any other officer of the Trust, shall have the authority to expend funds in excess of \$5,000.00 without two signatures on the applicable instrument. The Trustees shall obtain a fidelity bond.

3. DEPOSITS. All funds of the Trust shall be deposited from time to time to the credit of the Trust in such banks, trust companies or other depositories as the Trustees may select.

4. GIFTS. The Trustees may accept on behalf of the Trust any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Trust.

5. PROXIES. Unless otherwise provided by resolution adopted by the Trustees, the Chairman may from time to time appoint one or more agents or attorneys in fact of the Trust, in the name and on behalf of the Trust, to cast the votes which the Trust may be entitled to cast as the holder of stock or other securities in any other corporation, association or other entity any of whose stock or other securities may be held by the Trust, at meetings of the holders of the stock or other securities of such other corporation, association or other entity, or to consent in writing, in the name of the Trust as such holder, to any action by such other corporation, association or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Trust and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

**ARTICLE XI
BOOKS AND RECORDS**

The Trust shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of Trustees and committees having any of the authority of the Trustees, and shall keep at its registered or principal office a record giving the names and addresses of the Trustees.

**ARTICLE XII
CORPORATE SEAL**

The corporate seal, if any, shall be in such form as shall be approved by resolution of the Board of Trustees. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the corporate seal may be made and attested by either the Secretary or an Assistant Secretary for the authentication of contracts or other papers requiring the seal.

**ARTICLE XIII
WAIVER OF NOTICE**

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

**ARTICLE XIV
AMENDMENTS TO BYLAWS**

Except with respect to Section 10 of Article IV and this Article XIV of these Bylaws, amendment to which shall require the vote of two-thirds of all of the members of the Board of Trustees, these Bylaws may be amended by a majority of all members of the Board of Trustees at any regular meeting or at any special meeting, if at least ten days' written notice is given of intention to amend these Bylaws at such meeting. In addition, the provision in Section 10 of Article IV these bylaws requiring the consent of the Board of Directors of Arabian Horse Association to authorize the voluntary dissolution of the Trust or revoke proceedings therefore cannot be amended by the Trustees without the consent of the Board of Directors of Arabian Horse Association.