



— PUREBRED —
ARABIAN TRUST

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May 18, 2021

Deborah Johnson, President
Arabian Horse Association
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Dear Deborah,

Thank you for the email. Your response raises a couple of issues. While AHA certainly has every right to engage counsel for legal advice, it is unclear to us why that process should delay the immediate actions necessary to begin insourcing the purebred registration services. Does AHA intend to dispute that an insourcing event has occurred? I understood from my conversation with Peter Conway last week that he would relay the concept of an “amicable divorce” of AHA and the PAT to go along with insourcing the purebred registration services to the PAT, but that is a separate matter and can be done at a different pace. The merger agreement may have some tangential bearing on that divorce, but it is irrelevant to the issue at hand concerning transfer of the registration services.

When AHA’s entire computer system went down due to the hacks, we immediately offered use of PARS as a backup to resume registration services. We were informed at that time that PARS could not be utilized to perform registration services, which raises additional issues regarding AHA’s performance of both the Amendment 1 and court orders regarding its obligation to provide a fully functioning registration system that the PAT would own to immediately resume registrations if AHA could not or would not do so. We can litigate these issues if AHA wishes to, but the PAT would much rather avoid that costly approach. Instead, we would prefer to cooperate right now to promptly get a registration system fully functioning so that the PAT can resume purebred registration services as soon as possible. Please advise whether AHA will cooperate in that regard or if we will need to pursue legal means to get AHA to perform its obligations under these agreements. I look forward to your response.

Regards,

Robert J Fauls, Jr., Chairman
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