

AQHA AGREEMENT OF INTERNATIONAL AFFILIATION WITH
Associazione Italiana Quarter Horse

THIS INTERNATIONAL AFFILIATE AGREEMENT (“Agreement”) is entered into by and between **Associazione Italiana Quarter Horse (“International Affiliate”)** and the **American Quarter Horse Association (“AQHA”)**.

Recitals

WHEREAS, International Affiliate desires to continue its affiliation with AQHA as an AQHA International Affiliate and receive the benefits and privileges associated with such designation.

WHEREAS, AQHA desires to continue to designate **International Affiliate** as an AQHA International Affiliate Association subject to the terms and conditions of this Agreement.

FOR AND IN CONSIDERATION of the mutual covenants contained in this Agreement, **International Affiliate** and **AQHA** agree as follows:

1. **AQHA** does hereby designate **International Affiliate** as an **AQHA** International Affiliate Association thereby making **International Affiliate** eligible to receive such benefits and assistance from **AQHA** as **AQHA** may determine. This affiliation is a privilege, not a vested right.
2. The term of this Agreement is for the period beginning January 1, 2019 through December 31, 2019 (“Term”). This Agreement may be renewed by separate written agreement executed by the Parties. As affiliation is a privilege, not a right, **International Affiliate** agrees and understands that **AQHA’s** decisions to not renew this Agreement may be made with or without cause.
3. **International Affiliate** agrees that it will abide by (a) the terms and conditions of this Agreement; (b) the provisions of the ***AQHA Official Handbook of Rules & Regulations*** as it may be amended; and (c) the policy and mission statements of **AQHA** as they may be amended; (d) the Requirements for Recognition of International Affiliates (attached hereto as Exhibit A) as it may be amended.
4. The **International Affiliate** shall, in no manner, have authority, express or implied, to act for or bind **AQHA** in any manner. Furthermore, the **International Affiliate** will first obtain **AQHA’s** written approval prior to representing that a particular **International Affiliate** objective, policy or lobbying effort is supported and/or endorsed by **AQHA**.
5. **AQHA** does not assume responsibility for the acts or omissions of the **International Affiliate**, its officers, directors, employees, or any other of its representatives. **AQHA** affiliation exists on a voluntary basis, according to prerequisites and guidelines set forth by **AQHA**, designed to promote the American Quarter Horse and protect its welfare, while creating a program of dissemination of information and allocation of benefits and assistance to members at the international level.

6. **International Affiliate** understands and agrees that the general affiliation prerequisites for obtaining and maintaining this affiliation are as follows:

- a. **AQHA's** mission statement regarding **International Affiliates** will read as such: 'To expand awareness of American Quarter Horses worldwide and to comply with and develop rules and procedures to assist the International Affiliates of AQHA in this endeavor,' and will include the sub points from the **International Affiliate's** general purpose statements, as referenced in Section 6.b(i-vi) below:
- b. **International Affiliate's** general purpose shall be:
 - (i) the promotion and welfare of the American Quarter Horse;
 - (ii) to provide beneficial services for its members which enhance and encourage American Quarter Horse ownership and participation with **AQHA** and **International Affiliate**;
 - (iii) to generate growth of **AQHA** and **International Affiliate** membership via the marketing, promotion, advertising and publicity of the American Quarter Horse;
 - (iv) to educate horse owners and the public regarding the benefits of registering eligible quarter horses with **AQHA**;
 - (v) to address the concerns of American Quarter Horse owners in **International Affiliate's** country and communicate such concerns to **AQHA** and, if applicable and appropriate, the country government; and
 - (vi) promote, both internationally and within **International Affiliate's** country, country-bred and/or country-owned American Quarter Horses.
- c. **AQHA's** mission statement regarding **International Affiliates** referenced in Section 6.a above shall appear in print in an official publication of the **International Affiliate** and shall incorporate the general purpose statements referenced in Section 6.b.(i-vi) above.
- d. **International Affiliate** must be a democratic membership organization where each member in good standing has equal rights, privileges, and the right to vote on **International Affiliate** matters. All members of recognized **International Affiliate** shall remain governed by AQHA bylaws, rules and regulations.
- e. The **International Affiliate** must conduct at least one (1) annual membership meeting, with adequate advance notice as to the time and location, where membership matters may be discussed and voted upon.
- f. The **International Affiliate** shall conduct or hold at least one (1) **AQHA**-approved event every twelve (12) months with adequate advance notice as to the time and location.
- g. The **International Affiliate** must operate in a business-like manner and develop an annual business plan (also referred to as the "International Business Plan") to guide the efforts of the **International Affiliate**. **International Affiliate** agrees to provide its business plan to **AQHA** within thirty (30) days of **AQHA's** request. Any funds granted

by AQHA pursuant to the **International Affiliate's** submission of an **International Affiliate** Business Plan are subject to the terms and conditions of the Business Plan including, but not limited to, terms associated with what such funds may be used for and the necessity of invoices/receipts evidencing the expenditure of such funds/.

h. The **International Affiliate** must have a governing body, board of directors, or executive committee, which is elected by the general membership, composed of either members in good standing with AQHA or eligible to be AQHA members.

i. The **International Affiliate's** Board of Directors must include among its directors the **International Affiliate's** Appointed International Director. Refer to AQHA Bylaws Article III Section 1.(f) contained in the *AQHA Official Handbook of Rules and Regulations* regarding AQHA Appointed International Directors.

j. The **International Affiliate** must have a disciplinary procedure/process to address **International Affiliate** members' violation of AQHA rules and regulations and **International Affiliate** rules. Unless waived by AQHA, persons suspended or disciplined by AQHA are ineligible to participate as officers or directors of the **International Affiliate**.

k. The **International Affiliate** shall maintain adequate communication and develop working relationships with regional and local associations in **International Affiliate's** country to encourage participation within the **International Affiliate**. In this regard, **International Affiliate** shall document its efforts and provide same to AQHA within thirty (30) days of AQHA's request.

l. The **International Affiliate** shall exercise reasonable efforts to communicate and develop working relationships with the International AQHA Directors of **International Affiliate's** country and International District (see AQHA Bylaws Article III Section 1.(f)) to fully communicate representation of the interests of the **International Affiliate** and AQHA's interests within **International Affiliate's** country.

m. Each Appointed International Director of the **International Affiliate** shall be required to:

(i) adhere to the AQHA Board of Director meeting attendance requirements contained in AQHA's Bylaws as they may be amended (again refer to AQHA Bylaws contained in the *AQHA Official Handbook of Rules and Regulations* regarding AQHA Directors); and

(ii) serve on the AQHA International Committee during their term in accordance with the requirements contained in AQHA's Bylaws as they may be amended from time to time.

n. International District Directors, if so appointed, may serve on an AQHA Standing Committee.

7. **International Affiliate** understands and agrees to adhere to the following requirements concerning submission of affiliate compliance items/documents:

a. **International Affiliate's** current bylaws, and in the case of corporations, certificates of good standing with the applicable corporate regulatory agenc(ies), shall be on file with **AQHA**.

b. Minutes of the **International Affiliate's** annual meeting shall be submitted to **AQHA** in English within sixty (60) days of the meeting.

c. Written certification by duly authorized officers as to meetings of the general membership and the **International Affiliate's** governing body shall be submitted to **AQHA** within sixty (60) days of such meetings.

d. Annually, the **International Affiliate** shall provide a listing of all officers and a designated contact person for communication with **AQHA**. The listing shall include names, mailing addresses, telephone, fax and email addresses. The **International Affiliate** shall provide an updated list to **AQHA** within thirty (30) days of any changes to the list due to the election of new officers, changes regarding contact information, etc.

e. The **International Affiliate's** financial condition, with income revenues and expenditures, shall be made available to **AQHA** within sixty (60) days of **AQHA's** request.

f. Any **International Affiliate** requesting and/or receiving grant funding from **AQHA** shall provide a written planning document and final report outlining the goals/objectives for the particular project(s) addressed in the funding request.

g. Submission of such other information/documentation as **AQHA** may, from time to time, reasonably require.

8. **International Affiliate** warrants and agrees that it will (a) conduct its business affairs with integrity, sincerity and accuracy in an open and forthright manner; (b) handle its business and operations in a manner which promotes the image of the American Quarter Horse industry; (c) instill confidence among its members and the public in the American Quarter Horse industry, avoiding any action conducive to discrediting the **International Affiliate** and **AQHA** or membership in the **International Affiliate** and **AQHA**; and (d) avoid any action or adoption of objectives and/or policies that are detrimental and/or inconsistent with the interest of **AQHA**, its programs, policies, objectives and harmonious relationship of **AQHA** Members.

9. **AQHA** hereby grants to **International Affiliate** a limited, non-exclusive, nontransferable, non-assignable and indivisible right and license to use the **AQHA** Marks, as set forth in Exhibit B solely in conjunction with **International Affiliate** activities/pursuits related to the promotion/advertising/marketing of the American Quarter Horse. The **AQHA** Marks and the identification numbers as set forth in Exhibit B are contained in **AQHA's** Graphics Standard Manual, a copy of which will be provided to **International Affiliate** at **International Affiliate's** request.

International Affiliate agrees that all its uses of the **AQHA** Marks shall be subject to approval of **AQHA**. **International Affiliate** acknowledges the goodwill which **AQHA** has developed in connection with the **AQHA** Marks. Accordingly, **International Affiliate** agrees that it will not knowingly and intentionally take any actions which could adversely affect such goodwill as developed by **AQHA**. All rights to the **AQHA** Marks, other than those rights licensed under this Agreement, are reserved by **AQHA** for its own exclusive use and benefit, and **AQHA** may, at any time and at its sole discretion, terminate the license made subject of this section.

International Affiliate understands and agrees that upon the expiration or the earlier termination of this Agreement for any reason, all of such rights and interests licensed herein in the **AQHA** Marks shall cease, and all such rights and interests shall revert to **AQHA**. **International Affiliate** acquires no ownership interest in any federal copyright protection of **AQHA**'s name, logos or any of **AQHA**'s trademarks or service marks presently in use, or later acquired.

10. **International Affiliate** shall be required to display and utilize in its official publication and any **AQHA** sanctioned event the logo of the American Quarter Horse Association and utilize the words "American Quarter Horse" when referring to the type of breed of the **International Affiliate**.

11. Except to the extent due to the sole negligence of **AQHA**, **International Affiliate** agrees to indemnify and hold harmless **AQHA**, its officers, directors, employees, and other representatives, from all third party claims, demands, causes of action, suits, judgments, liabilities, costs and expenses of any nature, whenever or however arising out of any negligent act or omission of **International Affiliate** with regard to **International Affiliate** conducting its services, events or programs.

12. Upon a default by **International Affiliate** of any of its material obligations hereunder, **AQHA** may terminate this Agreement by giving the **International Affiliate** written notice of the default and its intention to terminate, sent express mail delivery service or certified mail return receipt requested.

Upon receipt of such notice, **International Affiliate** shall have a period of thirty (30) days from receipt of such notice within which to cure such default to the reasonable satisfaction of **AQHA**, failing which, **AQHA** has the option to terminate this Agreement at the expiration of said period by sending a notice of termination in the manner set forth in the first sentence of this Section. The following specific events shall be considered events of default:

- (a) Default by **International Affiliate** of any of its material obligations hereunder; or
- (b) If **International Affiliate** shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statutes, laws or regulations, or shall seek or consent to or acquiesce in

the appointment of any trustee, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(c) If a petition shall be filed against **International Affiliate** seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statutes, laws or regulations and such petition shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party is appointed, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days (whether or not consecutive).

13. This Agreement shall be construed under the laws of the State of Texas. The Parties agree to the exclusive jurisdiction and venue of the courts located in Potter County, Texas.

14. This Agreement shall constitute the entire agreement between the parties and supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings executed prior to the date hereof. To the extent a previous **International Affiliate** Agreement existed between the Parties, such agreement is hereby terminated and replaced with this Agreement. This Agreement may only be altered, amended, or modified by a writing signed by the persons authorized to sign agreements on behalf of **AQHA** and **International Affiliate**.

EXECUTED this ____ day of _____, 20__.

AMERICAN QUARTER HORSE ASSOCIATION

By: _____
Craig Huffhines, Executive Vice President

INTERNATIONAL AFFILIATE

By the execution hereof, the **International Affiliate**, acting by and through its President, a duly authorized corporate officer, does hereby agree to abide by and be bound to the above terms and conditions of this International Affiliate Agreement.

EXECUTED this ____ day of _____, 20__.

Associazione Italiana Quarter Horse

By: _____
International Affiliate President

Exhibit A
Requirements for Recognition of International Affiliates

An international association seeking to become an officially recognized International Affiliate of the American Quarter Horse Association (“AQHA”) must first submit an application to AQHA. Such application will be presented to the AQHA International Committee for its review at the next AQHA Convention. After such review, the International Committee will make a recommendation to the AQHA Executive Committee regarding whether the applicant should be recognized as an official AQHA International Affiliate. If approved by the AQHA Executive Committee, the international association would then be duly recognized.

Requirements for recognition as an International Affiliate:

Effective January 1, 2019 the following shall apply to existing AQHA International Affiliates and newly recognized International Affiliates:

- 1) With respect to existing AQHA International Affiliates, which are recognized International Affiliates as of January 1, 2019, such International Affiliates must, per AQHA records, have a minimum population of 100 registered American Quarter Horses within the country and have 50 active AQHA members by January 1, 2021. Failure to do so will result in the International Affiliate being moved to developing status and losing all benefits afforded to official AQHA International Affiliates until such time that their numbers reach a minimum population of 100 registered American Quarter Horses and 50 active AQHA members within the country.
- 2) In order for an applicant association to be officially recognized by AQHA as an AQHA International Affiliate for the *first time* after January 1, 2019, such international association must, per AQHA records, have a minimum population of 100 registered American Quarter Horses within the country and have 50 active AQHA members. An applicant association may be granted “developing” affiliate status if AQHA records indicate they have 25 registered American Quarter Horses within the country and 10 active members. The developing affiliate will be granted two years to build their membership to the 100 registered American Quarter Horses and 50 AQHA member threshold. Failure to reach such threshold in the timeframe allotted shall result in the termination of the developing status.
 - a) During the developing status period, the developing affiliate will not be entitled to have an Appointed International Director or vote on the International Committee, nor will they be eligible for any business plan funding that may be available for International Affiliates. However, developing affiliate representatives who are members in good standing with AQHA and registered as Convention attendees will be allowed to attend and vote at membership meetings at Convention. Such representatives may also attend AQHA Board of Director meetings for observation purposes only, as is the case for all AQHA members who do not hold a position on the AQHA Board of Directors.
- 3) If an International Affiliate, regardless of the date they were recognized as such, falls below

the 100 horses/50 member threshold, they will be afforded a one year grace period to recover to the required threshold before being relegated to developing status. Failure to do so will result in the consequences described in point 2(a) above. Upon recovering to the required threshold of 100 horses/50 members, the International Committee may recommend that official International Affiliate status be reinstated.

- 4) Must show proof of public notice that owners of American Quarter Horses in your country were given notice of and invited to attend your organizational meeting.
- 5) Must show that applicant association is active and established by providing information such as the number of members within the association, reports on the activities of your association, copies of any advertising your association may have placed, or copies of newsletters or other promotional materials which would indicate how the association promotes the American Quarter Horse.
- 6) If applicable, applicant associations must exist pursuant to and comply with all of its government's applicable laws and regulations and be duly recognized and authorized by the government or other body granting charters for such organizations within that country. Applicant associations must send a photocopy of its charter, applicable articles of incorporation, and bylaws or constitution, translated into English.
- 7) AQHA staff will review the international association's application and inform them if they meet the minimum number of 50 active AQHA members and 100 registered American Quarter Horses. If such threshold is not met, AQHA staff will still encourage representatives of the applicant association to attend Convention.
- 8) If an applicant association meets the required number of AQHA members and registered American Quarter Horses, a representative of the applicant association must attend the AQHA Annual Convention during which the International Committee shall issue its recommendation to the Executive Committee regarding such application. Such associations shall be provided notice of the location and date of the Convention during which the application will be reviewed.

MISSION STATEMENT REGARDING INTERNATIONAL AFFILIATES

To expand awareness of American Quarter Horses worldwide and to comply with and develop rules and procedures to assist the International Affiliates of AQHA in this endeavor.

The International Affiliate's general purpose, which is also part of the AQHA mission statement regarding International Affiliates, shall be:

- (i) the promotion and welfare of the American Quarter Horse;
- (ii) to provide beneficial services for its members which enhance and encourage American Quarter Horse ownership and participation with AQHA and International Affiliate;

- (iii) to generate growth of AQHA and International Affiliate membership via the marketing, promotion, advertising and publicity of the American Quarter Horse;
- (iv) to educate horse owners and the public regarding the benefits of registering eligible quarter horses with AQHA;
- (v) to address the concerns of American Quarter Horse owners in International Affiliate's country and communicate such concerns to AQHA and, if applicable and appropriate, the country government; and
- (vi) promote, both internationally and within International Affiliate's country, country-bred and/or country-owned American Quarter Horses.

Policy Statement

AQHA recognizes and supports the international growth of the American Quarter Horse Industry and the desire of the international community to be recognized as a participant of the AQHA. The AQHA further recognizes that various countries differ in the development of the American Quarter Horse Industry and Quarter Horse Associations within each country. To that extent, AQHA shall adopt certain rules and procedures that shall be applicable to all countries, but shall retain the ability, by the Executive Committee, to adopt rules and procedures as may from time to time be necessary due to the geography of a particular country or due to the internal laws or regulations of a particular country or due to the state of development of the American Quarter Horse Industry within any particular country.

To that end, the following goals are hereby established:

- a) To record and preserve the pedigree of the American Quarter Horse within each International Affiliate country while maintaining the integrity of the breed.
- b) To provide beneficial services for its International Affiliates which enhance and encourage Quarter Horse ownership and participation.
- c) To generate growth of AQHA membership in each International Affiliate country via the marketing, promotion, advertising and publicity of the American Quarter Horse.

Rules for International Affiliation

1. All International Affiliates shall adopt and abide by the mission statement and policy statement of the AQHA.
2. AQHA's mission statement regarding International Affiliates shall appear in either print or digital format of an official publication of the International Affiliate.
3. To provide beneficial services for its members which enhance and encourage American Quarter Horse ownership and participation.

4. All members of recognized international affiliates shall remain governed by AQHA bylaws, rules and regulations.
5. Each International Affiliate shall be required to display and utilize in its official publication the logo of the American Quarter Horse Association and utilize the words of “American Quarter Horse” when referring to the type of breed of the International Affiliate.
6. Each Appointed Director of the International Affiliate shall be required to attend an AQHA Convention at least every two years, unless excused from attendance for good cause as determined by the AQHA Executive Committee.
7. To maintain International Affiliate status, each such affiliate shall conduct or hold at least one AQHA-approved event every year.
8. The Appointed Director of an International Affiliate and International Directors shall serve on the International Committee during their term.
9. International Affiliates will be listed in *AQHA’s Official Handbook of Rules and Regulations* under rule GEN122.
10. Each International Affiliate must sign and abide by the Affiliate Agreement between said affiliate and AQHA.

Exhibit B
AQHA Marks

AMERICAN
QUARTER
HORSE
ASSOCIATION

AQHA
AMERICAN QUARTER
HORSE ASSOCIATION

AMERICAN
QUARTER
HORSE
AFFILIATE

AQHA
AFFILIATE

