

AQHA AGREEMENT OF INTERNATIONAL AFFILIATION WITH
French Quarter Horse Association

THIS INTERNATIONAL AFFILIATE AGREEMENT ("Agreement") is entered into by and between French Quarter Horse Association ("**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, 2010 through December 31, 2010 ("**Term**"). This Agreement shall automatically renew for one (1) year increments ("**Renewal Term**") thereafter unless one of the following events occurs:

- (a) Agreement is terminated pursuant to Section 11 below.
- (b) International Affiliate provides AQHA written notice of its intent to not renew this Agreement;
- (c) On or before November 1 of the Term, but not less than one hundred twenty days (120) days prior to an AQHA Annual Convention, AQHA notifies International Affiliate that the International Affiliate's continued designation as an AQHA International Affiliate will be reviewed by the International Committee at the AQHA Annual Convention ("**Renewal Review**"). As the result of a Renewal Review, the International Committee shall make a recommendation to the AQHA Executive Committee whose decision shall be final.

International Affiliate shall be afforded the opportunity to (i) appear before the International Committee during a Renewal Review and (ii) submit documentation that it desires the International Committee to consider in making its recommendation to the AQHA Executive Committee.

If International Affiliate is dissatisfied with the International Committee's recommendation to the AQHA Executive Committee, International Affiliate may request the opportunity to appear before the AQHA Executive Committee at their next regularly scheduled meeting, which request may be granted at the AQHA Executive Committee's sole discretion. Regardless of whether such request is granted, International Affiliate may submit documentation that it desires the Executive Committee to consider in making its final decision to renew or not renew this Agreement.

As affiliation is a privilege, not a right, International Affiliate agrees and understands that decisions to not renew this Agreement pursuant to the above procedure 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.

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. **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 France and communicate such concerns to AQHA and, if applicable and appropriate, the French government; and

- (vi) promote, both internationally and within France, French-bred and/or French-owned American Quarter Horses.
- b. **International Affiliate's** Mission Statement shall appear in print in an official publication of the **International Affiliate** and shall incorporate the general purpose statements referenced in Section 6.a.(i-vi) above.
- c. **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.
- d. 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.
- e. 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.
- f. 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.
- g. 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.
- h. The **International Affiliate's** Board of Directors must include among its directors the **International Affiliate's** **AQHA** Director(s). Refer to **AQHA** Bylaws contained in the *AQHA Official Handbook of Rules and Regulations* regarding **AQHA** Directors.
- i. 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**.
- j. The **International Affiliate** shall maintain adequate communication and develop working relationships with regional and local associations in the France 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.

AFQH
Association Française du Quarter Horse
7 rue Général Gorse
F - 55800 LAHEY-COURT
www.afqh.org

k. The **International Affiliate** shall exercise reasonable efforts to communicate and develop working relationships with the International AQHA Directors of France to fully communicate representation of the interests of the French Quarter Horse Association and AQHA's interests within France.

l. 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.

m. 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.

AFQH
Association Française du Quarter Horse
7 rue Général Persoon
F - 55800 LAHEYCOURT
www.afqh.org Page 4 of 9

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 A 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 A 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 prior 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.

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 "American Quarter Horse" when referring to the type of breed of the **International Affiliate**.

10. 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.

11. 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 sixty (60) 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).

12. 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.

AFQH
Association Française du Quarter Horse
7 rue Général Porson
F - 55800 LAHEY COURT
www.afqh.org

13. 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 ¹⁴ ~~25~~ day of ^{January} ~~10~~, 20~~10~~¹⁰

AMERICAN QUARTER HORSE ASSOCIATION

By: Don Treadway Jr
Don Treadway, 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 25 day of 10, 2010

French Quarter Horse Association

By: Michele Pfender, President

AFQH
Association Française du Quarter Horse
7 rue Général Porson
F - 55800 LAHEYCOURT
www.afqh.org

**Exhibit A
AQHA Marks**

AMERICAN
QUARTER
HORSE
ASSOCIATION
#AQHA01-01

AQHA
AMERICAN QUARTER
HORSE ASSOCIATION
#AQHA02-01

AMERICAN
QUARTER
HORSE
AFFILIATE
#AQHAT01-01

AQHA
AFFILIATE
#AQHAT02-01

AMERICAN
QUARTER
HORSE
RIDE
PROGRAM
#AQHARP01-01

AQHA
RIDE PROGRAM
#AQHARP02-01

AMERICAN
QUARTER
HORSE
HORSEBACK
RIDING
PROGRAM
#AQHAHBR01-01

AQHA
HORSEBACK RIDING PROGRAM
#AQHAHBR02-01

4aHQRSE
#AQHA4A0101