

**DEUTSCHE QUARTER HORSE ASSOCIATION STATEMENT OF INTENT**  
**to the American Quarter Horse Association**

**THIS STATEMENT OF INTENT (“Statement”)**, to become effective January 31, 2020 (the “Effective Date”), is entered into by and between **Deutsche Quarter Horse Association (“DQHA”)** and the **American Quarter Horse Association (“AQHA”)** (individually a “Party” and collectively the “Parties”).

**Recitals**

**WHEREAS, AQHA** is the studbook of origin for the American Quarter Horse and the holder of the historical record of the establishment of the American Quarter Horse breeding book;

**WHEREAS, AQHA** is the holder of the registration and genetic records for registered American Quarter Horses and uses such information to support the integrity of the AQHA Studbook and Registry;

**WHEREAS**, the terms mother studbook and studbook of origin are interchangeable in the view of European Union (EU) law;

**WHEREAS**, the current EU law, which went into place on November 1, 2018, provides clearer guidelines for how daughter studbooks in the EU operate within EU law and interact with mother studbooks when the mother studbook exists in a third country outside of the EU;

**WHEREAS**, it is the role of a breeding society in the EU to make application to their competent authority as a daughter or mother studbook;

**WHEREAS, DQHA**, will be out of compliance with EU law if they continue to operate as a mother studbook for the American Quarter Horse (announced by Dr. Fuessell at meeting of representatives of AQHA, DQHA, Bavarian Authority, Germany Federal Ministry of Food and Agriculture Division and Dr. Fuessell EU regulatory advisor over Food Safety and Breeding programs January 27, 2020 in Brussels, Belgium);

**WHEREAS**, the European Commission has communicated to **AQHA** and **DQHA** that **DQHA** has two options to remain compliant with EU law: To make application to their competent authority to modify their studbook to be a daughter studbook of **AQHA**; or, to make application to their competent authority to establish a studbook of origin for a new breed named differently than the American Quarter Horse.

**FOR AND IN CONSIDERATION** of the mutual covenants contained in this Statement, **DQHA** and **AQHA** agree as follows:

1. **AQHA** agrees to extend the January 31, 2020 deadline for the Data Share Agreement to February 14, 2020 to allow **DQHA** time to provide information on requested modifications to the Data Share Agreement that (a) allows **DQHA** to use data as required to remain EU law compliant

and (b) confirms **DQHA's** intent to modify their studbook to be a daughter studbook—not a mother studbook--of **AQHA**.

2. **DQHA** agrees that the DNA markers for registered American Quarter Horses previously secured by **DQHA** from **AQHA** (the "Data") prior to the Effective Date of this Statement is **AQHA** property and shall be kept confidential and shall not be used for any purpose until execution of a Data Share Agreement by **DQHA** and **AQHA**. The deadline to execute such Data Share Agreement is February 14, 2020.

3. **DQHA** agrees that it will make next steps to appropriately and timely list their studbook as a daughter studbook of **AQHA**. **DQHA** will inform **AQHA** of the details of those steps by March 30<sup>th</sup>, and will include a resulting application to the competent authority in Bavaria listing **DQHA's** studbook as a daughter studbook of **AQHA**. These steps will be submitted for approval of the Bavarian Authority and communicated to **AQHA** on or before May 1, 2020.

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**AMERICAN QUARTER HORSE ASSOCIATION**

By: Craig P. Huffhines  
Craig Huffhines, Executive Vice President

**DEUTSCH QUARTER HORSE ASSOCIATION**

By the execution hereof, the **DQHA**, 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 Statement of Intent.

**EXECUTED** this 30 day of January, 2020.

**Deutsche Quarter Horse Association**

By: [Signature]  
DQHA President