

February 14, 2020

Hubertus Lüring, President  
Deutsche Quarter Horse Association  
Daimlerstrasse 22  
63741 Aschaffenburg  
Germany



Re: Notice of Termination of Relationship Between AQHA and DQHA

Dear Hubertus:

It is with regret that I write to inform you that DQHA's status as an international affiliate has been formally terminated. The most recent International Affiliate Agreement ("Affiliate Agreement") executed between AQHA and DQHA was for the calendar year 2019 and terminated automatically on December 31, 2019. As no subsequent Affiliate Agreement was ever executed by DQHA, December 31, 2019, was the last date upon which DQHA enjoyed status as an international affiliate.

Even if DQHA executed a new Affiliate Agreement for 2020, AQHA would still be terminating DQHA's status as an international affiliate based upon DQHA's repeated acts of bad faith, including but not limited to DQHA's illicit and illegal acquisition of DNA markers for American Quarter Horses from the AQHA database and DQHA's subsequent refusal to execute and enter into a data share agreement, which would protect the DNA marker information in accordance with AQHA policy.

Initially, DQHA represented that it would execute a required data share agreement. AQHA, in working with DQHA, has extended the deadline for execution multiple times. In fact, DQHA signed a Statement of Intent on January 31, 2020, that included DQHA's commitment to execute a data share agreement no later than February 14, 2020. However, AQHA has now been informed that DQHA will not sign the data share agreement and will not commit to appropriate use and protection of the DNA markers, which DQHA improperly obtained from AQHA.

In addition to DQHA's refusal to execute the data share agreement, DQHA's recent actions make clear that DQHA intends to act as a direct competitor to AQHA by: (1) continuing to represent itself as studbook of origin for American Quarter Horses despite clear communication from the European Commission that DQHA does not hold such status; (2) taking steps to issue registration and passport documents for American Quarter Horses despite not being aligned as a daughter studbook of AQHA which is the studbook of origin for the American Quarter Horse. DQHA takes these actions, even though AQHA has spent the better part of three years trying to assist DQHA and other European affiliates with meeting the EU requirements necessary to allow daughter studbooks in the EU to point to AQHA as the studbook of origin. It should be noted DQHA is the only American Quarter Horse breeding society in the EU that does not point to AQHA as the studbook of origin.

Please be advised that the termination of DQHA's status as an international affiliate has resulted in the following immediate consequences:

- Business plan funding allocated for DQHA in Fiscal Year 2020, totaling \$50,000 is forfeited; and
- Ratification of DQHA's previous forfeiture of business plan funding allocated for DQHA in Fiscal Year 2019, totaling \$47,000; and

- DQHA is no longer eligible for benefits afforded AQHA affiliates, including, but not limited to:
  - Use of AQHA logos and marks,
  - Use of logos and marks designed by AQHA for use by DQHA,
  - AQHA funding for Educational Marketplace events,
  - Approval of AQHA events, and
- AQHA will inform AQHA members in Germany of AQHA's termination of its relationship with DQHA; and
- AQHA reserves all rights to pursue business options and any available legal remedies to secure the DNA markers obtained improperly by DQHA.

This outcome was never what AQHA sought or desired, and we are saddened and disappointed that DQHA's current board members made the determination that DQHA no longer wished to be an international affiliate of AQHA and operating within the boundaries of such an affiliate. AQHA does not believe that the actions of the DQHA board are in alignment with the wishes of the majority of DQHA members or AQHA members residing in Germany. Despite this termination, AQHA remains fully committed to its mission to record and preserve the pedigree of the American Quarter Horse and to support its EU affiliates and European members, and the owners and breeders throughout Europe and around the world.

Please be advised that in addition to this termination, AQHA will continue to pursue any available remedies for recovering and protecting the data described herein, which DQHA improperly obtained. Should the board of DQHA change its position regarding the DNA markers, then AQHA will consider revisiting this situation. As it stands now, AQHA will actively seek new opportunities to support AQHA members in Germany, including the possibility of identifying a new affiliate organization or realigning with DQHA should its board or the position of its board be changed by the influence of the opinion of DQHA members.

Sincerely,



Craig Huffhines  
AQHA Executive Vice President

cc: AQHA Executive Committee  
Chad Pierce, AQHA Chief General Counsel  
Anna Morrison, AQHA Chief International Officer  
Johannes Orgeldinger, AQHA Past President  
DQHA Board