

**OREGON TILTH CERTIFICATION CONTRACT
AND TRADEMARK USE AGREEMENT**

This **Certification Contract and Trademark Use Agreement** (the “Agreement”) is entered into by and between:

Oregon Tilth, Inc., an Oregon nonprofit corporation (the “**Licensor**” or “**OTCO**”), a certification agency located at 260 SW Madison Ave, Ste 106, Corvallis, OR 97333; and

_____, located at _____
(the “**Operator**,” “**Processor**” or “**Licensee**”).

RECITALS

- A. OTCO is an approved organic product certification agency.
- B. Operator desires to have certain products certified by OTCO as “certified organic.”
- C. OTCO is the owner of the entire right, title and interest in and to a number of trademarks, names and logos (the “**Intellectual Property**”), which are listed on **Exhibit A**, attached hereto and by this reference made a part hereof.
- D. In order to ensure that organic products are produced in compliance with acceptable organic standards and procedures and the U.S. National Organic Program 7 CFR Part 205, or other various international organic standards for which certification services have been requested, to promote organic agriculture, and to protect the integrity of the Intellectual Property, the parties wish to enter into this Agreement.

1. GRANT OF LICENSE

During the term of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts, the non-exclusive right and license to use, display, publish and reproduce the Intellectual Property on organic products certified by OTCO. All uses of the Intellectual Property by Licensee shall faithfully and accurately reproduce the color, design and appearance without embellishment of the Intellectual Property. Licensee shall not adopt or use any trade name, logo, mark, graphic, slogan, or designation that includes or is confusingly similar to, or a simulation or colorable imitation of, the Intellectual Property. Unless such phrases are specifically listed on Exhibit A, Licensee agrees that it shall not represent to anyone nor use expressions suggesting that it or its products are “selected,” “approved,” “warranted,” or “preferred” by OTCO, or any similar endorsement.

2. CERTIFICATION AND STANDARDS

During the term of this Agreement, Operator may designate on the products listed on its OTCO certificate (the “**Certificate**”) that such products are “certified organic by OTCO.” Licensee hereby agrees to conform the production of its products with the **Oregon Tilth**

Certified Organic Program Manuals, as amended from time to time (the “*Manuals*”), and acknowledges that the ability to use the Intellectual Property is conditioned on the compliance with such manuals. Compliance shall be determined by Licensor, in its sole discretion. Licensor hereby agrees to notify Licensee of any changes or updates to the Manuals within thirty (30) days of the time that such manuals are updated. If necessary, Licensee shall update its production methods to comply with the Manuals as soon as is reasonably practicable.

3. ACCESS

Operator agrees to permit authorized OTCO representatives to access the Operator’s complete operations, including product, facilities and documents in order to verify that the Manuals are being followed to the reasonable satisfaction of Licensor.

4. INSPECTIONS AND AUDITS

Operator agrees to permit on-site inspections with complete access to the production or handling operation, including non-certified production and handling areas, structures and offices no less than once per year. Operator further agrees that an OTCO representative may appear unannounced, to conduct an inspection, audit or investigation. Access may be subject to proper adherence to safety rules, and the availability of personnel needed to assist the Inspector.

5. PRODUCTS CERTIFIED

Operator agrees that only those products specifically listed on the Certificate may be sold as “certified,” or be designated with the Intellectual Property.

6. ADDITIONAL PRODUCTS

Operator agrees to inform OTCO of new products proposed for certification, to submit labels for approval, and not to sell such products as certified until approved by OTCO. OTCO agrees to review all requests for new product labels and to notify Operator of its decision in a timely manner.

7. VERIFICATION

OTCO agrees to provide timely verification to third parties of products certified, upon request of operator. OTCO reserves the right to charge Operator for costs of duplication, transmittal or mailing of certification documents.

8. CONDITIONS

Operator agrees that it will resolve all points of noncompliance identified by OTCO during the certification process. OTCO will notify Operator in writing of any noncompliance with this Agreement and the Manuals. Operator shall remedy such noncompliance within thirty (30) days of such notice, or within a time period mutually agreed upon by the parties in writing. Failure to remedy such noncompliance shall be a default of this Agreement.

9. COMPLIANCE AND DECERTIFICATION

Operator agrees that failure to comply with this Agreement and the Manuals, including without limitation the fulfillment of all organic standards and procedures, the full payment of all

fees required by OTCO shall be considered a default. Upon default by Operator, OTCO may seek any remedy available to it, including but not limited to the termination of this Agreement, or the denial, suspension or revocation of Operator's certification.

10. CONFIDENTIALITY

OTCO agrees to maintain current confidentiality agreements for all its employees and agents, which provide that Licensor's Confidential Information, as defined below, may not be released to third parties, except with the written permission of the Operator, or as required by government or accreditation agents. Licensee acknowledges that the Intellectual Property and the Manuals constitute valuable, special, and unique assets of Licensor. Such information is "**Confidential Information.**" Licensee hereby agrees that it shall not use the Confidential Information for any reason or purpose, except as may be provided in this Agreement. In the event of the Licensee's breach or threatened breach of this Section, Licensor shall be entitled to a temporary restraining order or an injunction restraining and enjoining the Licensee from using all or any part of the Licensor's Confidential Information. In addition to or in lieu of the above, Licensor may pursue all of the remedies available to the Licensor for such breach or threatened breach, including the recovery of damages from the Licensee.

11. INTELLECTUAL PROPERTY AND LOGO USE

11.1 INTELLECTUAL PROPERTY REGISTRATION

Licensor warrants that it is the owner of the entire right, title, and interest to the Intellectual Property. Licensor makes no other warranties or representations

11.2 RESERVATION OF OWNERSHIP

OTCO reserves all rights of ownership in the Intellectual Property. Nothing in this Agreement shall be construed as an assignment of these rights.

11.3 GEOGRAPHICAL LIMITATIONS

Operator's license includes the right to use the Intellectual Property without geographical restriction, subject to compliance with all terms and conditions of this Agreement and all applicable state and federal laws and all international laws and conventions.

12. PRE-APPROVAL

SUBMISSION BY OPERATOR: The use of the Intellectual Property must be pre-approved by OTCO. Operator agrees to provide copies of all labels, containers, packaging, wrapping material, advertising and promotional materials using the Intellectual Property to OTCO, prior to their use, for the purpose of confirming compliance with this Agreement.

13. POST CERTIFICATION APPROVALS

Operator agrees to inform OTCO of any changes to the organic management plan, as described in the Manuals, during certification, including changes of products, product formulation, acreage or facilities to be certified. Operator must submit organic management plan updates concerning this Agreement on an annual basis. Annual update forms and annual fees

must be received at the OTCO office each year by the annual information update deadline, as described in annual requests for renewal.

14. FEES

In consideration of certification services and for use of the Intellectual Property, Operator agrees to pay all certification costs and fees as specified in the Manuals within 30 days of billing, after which time interest will be charged at 1.5% per month.

15. TRANSFER OR ASSIGNMENT

Operator shall not assign, transfer, or sublicense the use of any of the Intellectual Property, or to allow their use by any subsidiary organization not inspected and certified by OTCO. If Operator becomes aware of any such use, Operator agrees to inform OTCO and to take any remedial measures deemed appropriate by OTCO.

16. INDEMNIFICATION

16.1 INDEMNIFICATION BY LICENSOR

Licensor shall indemnify and hold harmless Licensee and its affiliates from and against all losses, damages, liabilities, claims, and expenses (including all legal costs such as attorneys' fees, court costs and settlement expenses) arising out of, connected with, or resulting from any allegation that the use of the Intellectual Property by Licensee infringes upon the Intellectual Property rights of any third party.

16.2 INDEMNIFICATION BY LICENSEE

Licensee shall defend, indemnify and hold harmless Licensor and its affiliates from and against all losses, damages, liabilities, claims, and expenses (including all legal costs such as attorneys' fees, court costs and settlement expenses) arising out of Licensee's, or Licensee's employee's, agent's, affiliate's or client's, use, marketing, or implementation of the Intellectual Property, including but not limited to infringement by any third party of Licensor's intellectual property rights therein.

17. INTEGRATION AND SEVERABILITY

This Agreement constitutes the full and complete Agreement between the parties. In the event that any clause or section of this Agreement shall be determined to be invalid by a court, that portion of the Agreement which is invalidated can be severed from this Agreement, and the remaining provisions will remain in effect.

18. TERMINATION

Without limiting any other provision of this Agreement, the following provisions shall apply:

18.1 SURRENDER and Notice of Noncompliance

The Operator may surrender organic certification at any time. If the Operator misses the annual information update deadline, OTCO will send the Operator a Notice of

Non-compliance of certification. This Notice shall provide the Operator with a 21-day period to take corrective measures.

18.2 BREACH

Breach by the Operator of any clause of this Agreement, including without limitation unauthorized use of the Intellectual Property, shall constitute grounds for OTCO to terminate this Agreement and Operator's certification. If a breach occurs, OTCO will give Operator written notice of noncompliance, requesting corrective measures acceptable to OTCO. If Operator does not cure the breach or default within fourteen (14) days of such notice, OTCO may terminate this Agreement. OTCO reserves the right to pursue any other legal remedy available to it, including but not limited to any action to recover damages and to remedy trademark infringement, and may notify third parties of termination. Upon termination of this Agreement, Operator will immediately cease the use of the Intellectual Property in operations, in conducting new sales, or in a manner that implies that OTCO certification is in effect. In the event of breach, Operator assumes full responsibility for the removal of its products containing the Intellectual Property from the market.

19. NOTICES

All notices and other communications under this Agreement must be in writing and shall be deemed to have been given if delivered personally, sent by facsimile (with confirmation), mailed by certified mail, or delivered by an overnight delivery service (with confirmation) to the parties to the following addresses or facsimile numbers (or at such other address or facsimile number as a party may designate by like notice to the other parties):

Licensors Oregon Tilth, Inc.
260 SW Madison Ave, Suite 106
Corvallis, OR 97333

Licensee _____

Any notice or other communication shall be deemed to be given (a) on the date of personal delivery, (b) at the expiration of the second day after the date of deposit in the United States mail, or (c) on the date of confirmed delivery by facsimile or overnight delivery service.

20. ATTORNEY FEES AND COSTS

In the event of a default under this Agreement, the defaulting party shall reimburse the non defaulting party for all costs and expenses reasonably incurred by the non defaulting party in connection with the default, including without limitation attorney fees, and whether or not a suit or other form of dispute resolution is filed.

21. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to conflict-of-law principles.

22. EXCLUSIVE JURISDICTION AND VENUE

In any action or proceeding, including any arbitration (if arbitration is mutually agreed to by the parties), seeking to enforce any provision(s) of, or based on any right(s) arising out of, or related to or concerning this Agreement, the parties hereto consent to the exclusive jurisdiction of the courts of the State of Oregon and of any duly appointed arbitrator. In any such action or proceeding, venue shall lie exclusively in Marion County, Oregon, and in no other location. The parties further agree that in any such action or proceeding the parties shall appear for deposition at their own expense in Marion County, Oregon at such time as is either mutually agreed upon by the parties or ordered by the court

23. SIGNATURES

By signing below, each party represents that it has read, understands and agrees to comply with the provisions of the foregoing Agreement, and that the execution of the Agreement by the person named below is authorized by such party.

Oregon Tilth, Inc.

By: _____

By: _____

Title: _____

Title: Certification Director

Date: _____

Date: _____

EXHIBIT A

Registered Trademarks, Logos and Names of Oregon Tilth, Inc.:

Registration No. 2962195 Design

Registration No. 2962194 OREGON TILTH

Registration No. 3019048 OREGON TILTH CERTIFIED ORGANIC

Registration No. 2924768 OTCO

Registration No. 3484136 Design