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**STANDARD TERMS  
OF OREGON SEED PRODUCTION©  
Version 09.01**

THIS AGREEMENT made and entered into by and between the undersigned DEALER, (hereinafter called “DEALER”) and the undersigned GROWER, hereinafter called (“GROWER”) is for the purpose of the controlled production of the hereinafter described unique variety.

WITNESSETH:

WHEREAS, DEALER has exclusive proprietary interests, property rights and facilities for producing and marketing seed of the variety on a national and international basis, and

WHEREAS, GROWER is the owner or operator of certain acreage hereinafter described and has facilities to properly plant, grow and harvest seed crop therefrom; and,

WHEREAS, GROWER desires to utilize DEALER’s seed stock to produce plants and seed crops of the variety for DEALER under circumstances that will preserve and protect DEALER’s property rights and interest in the same; and

WHEREAS, it is the desire of both GROWER and DEALER that planting, production, harvesting and marketing practices be established in connection with all seed crops produced hereunder in order to protect said seed crop from weeds, other crops and impurities, and to preserve the integrity of the variety and DEALER’s and GROWER’s reputation and good will, and to insure that all plants and seed produced will fall into no other hands except DEALER’s; and

WHEREAS, DEALER’s representatives and GROWER believe such arrangements between DEALER and GROWER to be mutually beneficial to all parties hereto, and as the terms herein contained will become the controlling contract between DEALER and GROWER.

NOW, THEREFORE, In consideration of the mutual agreements herein contained, it is agreed as follows:

**Section 1. TERM OF AGREEMENT.** The term of this Agreement shall commence upon the earlier of: (a) delivery of stock seed to GROWER; (b) or the acceptance of the terms by signature or otherwise by GROWER and DEALER and shall continue for the term of years hereinafter set forth. If no term of years is set forth, then the term of this Agreement shall be the life of the stand.

**Section 2. REMOVAL FROM PRODUCTION & TERMINATION EXTENSION.** Termination of this agreement shall occur upon any of the following: completion of this agreement; GROWER’s loss of possession of the property upon which the plants are grown; misuse or abuse of the seed, the plant or the product by GROWER or persons under his control; the failure of GROWER to utilize good farming practices; or any breach of this agreement by GROWER. This agreement may be extended if mutually agreed by both parties. All terms and conditions herein shall apply.

Upon termination of this Agreement, GROWER agrees to deliver to DEALER any seed of the above-described variety which may be in his possession, or in the possession of his agents, and further agrees to destroy all plants of that variety in his possession or in production by destroying the seed production capability of the stand to DEALER’s satisfaction. Twenty-five percent of the payment for the crop from the stands to be destroyed may be withheld until DEALER confirms that the stand is destroyed.

**Section 3. SEED STOCK AND ACREAGE.** DEALER will provide GROWER with seed stock of the variety, together with a current seed test, sufficiently in advance of reasonable planting dates at no charge for use of the seed stock. Said seed is to be planted on an aggregate of the acres described below at a sufficient rate per acre. GROWER agrees to return or make available to DEALER all unused seed stock within ten (10) days after planting.

**Section 4. PRICING AND PAYMENT FOR SEED PRODUCTION.** For all seed produced under the terms of this Agreement and meeting or exceeding the specifications for various qualities, DEALER agrees to make payment in the amount set out below for each crop year FOB Oregon State Certification Approved Warehouse. Unless otherwise specified: (1) payment to GROWER; and (2) risk of loss and the obligation to provide storage shall transfer to the DEALER on: the earlier of: (1) 30 days after shipment; or (2) the date of the last test indicating the seed meets the contract specifications.

As to all seed not meeting contract specifications, DEALER agrees to either pay for the seed, or release the seed to GROWER as follows: within 30 days of written notice from GROWER; DEALER and GROWER will agree to a price (or pricing formula), and a payment schedule. DEALER shall confirm such terms with GROWER. If DEALER does not so confirm, DEALER shall be deemed to have released the seed to GROWER who shall be entitled to sell such seed as VNS, in such manner that it will not be replanted for seed production, and without reference, by inference or otherwise to a variety name. DEALER shall invoice and deduct from GROWER, at the final settlement for the seed which meets contract specifications, DEALER's cost for any specially designed bags supplied by DEALER and any amounts due to breeder, if any.

The price of any lot of seed containing noxious weeds will be discounted to the extent DEALER is unable to effectively market the seed.

**Section 5. CONDITIONING OF SEED.** It is agreed that each seed crop will be conditioned (cleaned) on a timely basis as agreed to by DEALER and the GROWER. Unless otherwise specified by DEALER, all seed is to be packed in specially designed bags supplied by DEALER. In any event, GROWER shall pay, out of crop settlement, the cost of a "plain poly" bag for each bag used.

**Section 6. GROWER'S PRODUCTION OBLIGATIONS.** In consideration of the supplying of seed stock of the variety by DEALER, and for consideration by DEALER, as herein described, GROWER agrees as follows, to-wit:

A. To plant said seed stock on land capable because of its isolation, crop history and seeds present, of producing good quality seed, to maintain minimum isolation as required under State certification standards for the crop produced or in the case of GMO's said minimum standards as set by DEALER.

B. To harvest as well as possible with appropriate harvesting and processing machinery the entire crop for DEALER and to make it available for shipment or storage as directed; to act reasonably to prevent any possible contamination or mixing of the seed during harvest and storage; to make delivery as provided herein.

**Section 7. TITLE TO SEED AND PLANTS.** Title to the seed stock supplied by DEALER to GROWER shall remain with DEALER. Title to the plants resulting from the planting of said seed, as well as the seed harvests therefrom, shall become and at all times remain the property of DEALER, GROWER agrees to refrain from selling said plants or seed or committing or permitting any act to hinder DEALER from asserting its title to or maintaining its exclusive control over the subject matter, which is the seed stock used for planting and the resulting plants and resulting seed crops. GROWER hereby acknowledges DEALER's security interest in the seed stock, growing crops and seed produced and the products and proceeds thereof. A photocopy of this agreement may be filed as a UCC-1 or EFS-1.

**Section 8. NO LIENS OR ENCUMBRANCES.** Grower agrees to keep said seed stock, growing plants, and seed produced hereunder free and clear of all liens and encumbrances at all times except as noted below.

GROWER agrees not to make any representation that any such seed stock, growing plants or seed produced are the property of GROWER and will not do or permit any act, which will jeopardize DEALER's title or rights therein.

**Section 9. SEED CERTIFICATION AND TESTING: UNIFORM CROPS.** The laboratory analysis to determine seed quality shall be conducted by the official certifying agency of the state in which this production of the variety is grown or by a commercial lab acceptable to DEALER. Each sample submitted for laboratory test shall be identified by lot and field number. GROWER agrees in harvesting the seed to provide uniformity and good appearance in the final product. The laboratory will provide both DEALER and GROWER copies of all tests. If not otherwise specified, the quality of the seed will be uncertified seed meeting Oregon Certified Seed mechanical quality standards.

**Section 10. INSPECTION OF CROPS.** DEALER shall have the right, upon reasonable notice and at reasonable times, to inspect the growing crops produced under this contract as may be reasonable to determine the genetic purity, check for the presence of volunteer plants, prohibited weeds, and other crop plants and for compliance with isolation standards, and to make recommendations for the betterment of the crop. If prohibited weeds or other crop plants are found at any such inspection. GROWER will be notified promptly. GROWER agrees to remove or eliminate, as is reasonable, such contamination within 20 days after such notice.

**Section 11. REASONABLE PRICE.** The term "reasonable price" shall be a price sufficient to equal the cost of production of a typical grower in GROWER's production area producing seed as called for in this Agreement, plus a margin of 7.5% of the price. Except to the extent the GROWER wishes to demonstrate otherwise, Enterprise Data Sheets produced by Oregon State University will be sufficient evidence of GROWER's cost of production and the current year and two prior years (three years) average yield for the production area, (as determined by the Oregon State University Extension Service) will be considered the yield for the purposes of calculating the cost of production. Unless otherwise stated herein, the price to be paid for the seed meeting contract meeting specifications will be a reasonable price.

**Section 12. OFFICIAL CERTIFICATION FOR SEEDLING AND CROP INSPECTION.** On certified production, GROWER or DEALER to apply for a seedling and crop inspection through the state certification agency.

**Section 13. EQUAL VALUE.** DEALER represents and warrants to GROWER that upon waiver or modification of the Standard Terms that GROWER will receive a benefit which is the actuarial equivalent of the modification proposed by DEALER. Actuarial equivalent means "equal value", an equivalent actuarial present value when computed on the basis of interest, time, and historical risks and rates of return in the seed industry.

**Section 14. NO AGENCY.** It is mutually understood and agreed by the parties that GROWER is an independent contractor, and that all debts, obligations or liabilities incurred by GROWER in the performance of this Agreement shall be paid by GROWER, and under no circumstances shall DEALER be liable or responsible therefore, or for any claim for damages or compensation which may result from the use of supplies, materials or equipment in or from any other matter relating to the performance of this Agreement. Nothing contained in this Agreement shall be construed as to constitute GROWER as the agent of DEALER or DEALER as the agent of GROWER.

**Section 15. NON-ASSIGNABILITY.** The Agreement shall insure to the benefit and be binding upon legal representatives, successors and assigns of the parties hereto but shall not be assignable in whole or in part GROWER or DEALER without the written consent of the other party first being obtained. For the purposes of this Agreement, a merger shall be considered as an assignment.

**Section 16. MEDIATION.** The parties agree to mediate any issue related to this Agreement in accordance with ORS 576.610 to 576.650.

**Section 17. ATTORNEY FEES.** In the event that any party takes action to enforce or interpret any of the terms of this Agreement, all reasonable expenses and fees incurred shall be paid by the party whose obligations are successfully interpreted or enforced. This includes, subject to any limits under applicable law, all reasonable attorneys fees and legal expenses whether or not there is a lawsuit, including attorneys fees and legal expenses for bankruptcy proceedings (including attending meetings of creditors, efforts to modify or vacate any automatic stay or injunction or action in regard to a proposed bankruptcy plan), appeals and any anticipated post-judgment collection services.

**Section 18. INTERPRETATION.** The construction, interpretation and performance of this Agreement shall be governed by the laws of the State of Oregon, including the Uniform Commercial Code (UCC) (and in particular Article 2 of the UCC). The parties acknowledge that though there is not a sale of goods, to protect DEALER's rights in its proprietary seed; that in all other particulars, the transaction is analogous to a sale of goods between merchants.

**Section 19. ENTIRE AGREEMENT; WARRANTIES; MODIFICATION.** This Agreement, including all information set forth following the signature lines, sets forth the entire agreement and understanding between the parties and neither of the parties shall be bound by any conditions, definitions, warranties, representations or commitments other than that provided herein except as mutually agreed to in writing by a representative of each party. No amendment, supplement or modification of this Agreement shall be effective or binding unless in writing and signed by all parties hereto. Disapproval by competent authority of any provision of this Agreement shall not affect the validity of the other terms of this Agreement not so disapproved.

**Section 20. BREACH, TERMINATION.** DEALER may terminate this Agreement immediately upon a breach of any terms or conditions of this Agreement by GROWER by giving the GROWER thirty (30) days written notice of said breach and termination, unless within such period GROWER acts reasonably to cure such default in a timely manner. No termination of this Agreement by DEALER shall have the effect of giving the GROWER any rights in the seed stock, growing plants, or seed production hereunder and the same shall be treated as described in SECTION 2 herein. The remedies provided herein are not exclusive and shall not bar or prohibit DEALER or GROWER from pursuing any other remedies available at law or provided in this Agreement.

*(Balance of page intentionally continued on next page)*

**STANDARD TERMS OF OREGON SEED PRODUCTION©  
SPECIFIC PROVISIONS**

**Page 1 of 2**

This Agreement incorporating the Standard Terms of Oregon Seed Production© (Version 09.01) is hereby executed by the undersigned GROWER and DEALER, individually or by and through their duly authorized officer or representative as follows:

The undersigned GROWER:

The undersigned DEALER:

\_\_\_\_\_  
Grower

\_\_\_\_\_  
Dealer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Phone:\_\_\_\_\_

Phone:\_\_\_\_\_

Mailing Address:\_\_\_\_\_

Mailing Address:\_\_\_\_\_

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\_\_\_\_\_

Physical Address (if different):

Physical Address (if different):

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

Taxpayer Identification Number:

\_\_\_\_\_

**STANDARD TERMS OF OREGON SEED PRODUCTION©  
SPECIFIC PROVISIONS (CONTINUED)**

**ACREAGE**

The acreage specified in this Agreement will be identified on the records of DEALER and GROWER as:

<b>VARIETY</b>	<b>FIELD NO(S).</b>	<b>ACRES</b>	<b>LOCATION</b>

The field number or numbers will also be used by GROWER to identify the seed harvested from said acreage, unless otherwise authorized by DEALER.

**STANDARD TERMS OF OREGON SEED PRODUCTION©  
SPECIFIC PROVISIONS**

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**PRICE**

The price for seed meeting contract specifications shall be as follows:

- \$\_\_\_\_\_ cwt
- Bargaining Association Price
- A Reasonable Price
  - As of the date of harvest
  - As of the date of the final test indicating that the seed meets contract specifications

**TERM OF CONTRACT**

- Life of stand
- \_\_\_\_\_ Harvest years
- \_\_\_\_\_ Until written notice of termination is given by either party prior to September 15<sup>th</sup> of the preceding harvest but not less than \_\_\_\_\_ harvest years

**PAYMENT**

DEALER agrees to pay for all seed meeting contract specifications:

- Within the earlier of 30 days of the date of an acceptable test, or the date GROWER delivers or transfers the seed to the DEALER or DEALER's agent pursuant to a notice from the DEALER.
- One-third on November 15<sup>th</sup> following harvest;  
One-third on December 31<sup>st</sup> following harvest; and  
One-third on April 15<sup>th</sup> following harvest

**QUALITY STANDARDS**

- Tournament Quality ©
- Certified Seed
- Uncertified Seed meeting Oregon Certified Seed mechanical quality standards
- Minimum pure seed \_\_\_\_\_%  
Maximum crop \_\_\_\_\_%  
Maximum inert \_\_\_\_\_%  
Maximum weed seed \_\_\_\_\_%

**OTHER**

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**(END OF STANDARD TERMS)**

**STANDARD TERMS OF OREGON SEED PRODUCTION©  
OPTIONAL TERMS**

**Page 1**

[ ] **MEDIATION ARBITRATION.** In the event of a dispute between the parties regarding the terms or conditions of this agreement, and in lieu of Section 15, the parties hereto agree to resolve their differences by means of mediation and, if necessary, binding arbitration. Each of the parties shall select a representative within five (5) working days and such representatives shall agree as a condition of appointment to, within a period of two (2) working days, select a single person who shall act as a neutral third party mediator and who shall continue to serve as a binding arbitrator in the event mediation is unsuccessful. The mediator shall agree as a condition of appointment to meet with the parties in the role of mediator within ten (10) days of appointment. If the mediator determines that the mediation is not progressing appropriately, then the mediator shall have the authority to declare an impasse. Upon declaring an impasse, the mediator shall indicate to the parties those legal and factual issues, if any, on which the mediator, now acting in the role of an arbitrator, requires additional evidence or information, which information will be provided within 96 hours. The mediator shall then within a period of an additional 96 hours, based upon the information obtained at the mediation and that additional evidence or information subsequently provided, issue an arbitrator's award. The parties hereby consent to the waiver of confidentiality as to information provided to the mediator as a mediator and consent to the mediator using such information in the formation of an award. The parties may, by unanimous consent, extend the time deadlines without waiver of any other provision. If a party fails to appoint a representative, or a representative fails to appoint a mediator within the time period called for, the presiding judge of the county where the seed is being produced shall appoint such person upon request of any party.

[ ] **"BEST" TERMS.** DEALER warrants to GROWER that the terms of this Agreement are the most favorable terms provided for the production of the seed called for herein and if more favorable terms are provided to any other grower, DEALER shall provide such terms to GROWER.

[ ] **PRODUCTION IN OTHER AREAS.** DEALER agrees to not (through subsidiary, contract, or otherwise) increase its production of any seed of this species in any production area outside of Oregon without giving GROWER the first opportunity to produce such seed.

[ ] **FINANCIAL INFORMATION.** Upon request, DEALER will provide to GROWER, financial statements indicating DEALER's ability to pay for seed as contracted.

[ ] **GROWER TRUST ACCOUNTS.** To the extent DEALER is paid for the seed produced under this contract, prior to GROWER being paid for the same seed; DEALER shall, upon receipt of such funds, place such proceeds in a "grower trust account" for the benefit of GROWER.

[ ] **MOST FAVORED GROWER STATUS.** DEALER agrees to provide to GROWER, all production advantages, such as favorable terms of pricing, shipment, payment and quality standards and the first opportunity for additional acreage that any other growers receive. Upon reasonable request by a grower, DEALER shall provide to GROWER evidence of DEALER's compliance with this provision, including but not limited to, if necessary, review of DEALER's records, at a cost to be shared equally between GROWER and DEALER by a neutral third party CPA whose final report shall protect the confidentiality of DEALER. This provision shall apply on an annually renewing basis for a minimum period of three years and notice of termination may be given by DEALER at any time, effective with the final settlement of the third crop year.

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