

PROVISIONAL AFFILIATE AGREEMENT

This Agreement entered into this ____ day of _____, 20__ by and between Oklahoma Genetics, Inc., an Oklahoma non-profit 501(c)(5) corporation, and _____
 (Provisional Affiliate Name) at (Address) _____
 Daytime Phone _____ Email address _____

The Parties hereby Stipulate and Agree as Follows:

1. **Participation:** In consideration of the obligations and requirements set forth herein, OGI agrees to allow the *Provisional* Affiliate to participate in the programs and activities of OGI and to produce and market seed licensed by OGI.
2. **Qualifications of Affiliate:** The Affiliate must agree *to become a* voting member in good standing with your state's certification agency and *become* a R3, R2, or C3 grower as defined in the by-laws of OGI, or, in the alternative, have been an approved seed conditioner who has had a continuous record of conditioning and/or merchandising certified seed for the ten (10) previous years.

OGI MEMBERS MUST REMAIN IN GOOD STANDING (WITH OGI AND WITH YOUR STATE'S CERTIFICATION AGENCY) WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

- Follow through with **ALL** steps of the certification process (unless a special exception is granted in writing by the OGI Board of Directors). "For personal use" is not an exception.
 - Buy OGI Foundation or Registered seed.
 - Plant on eligible ground.
 - Apply for field certification through your state's certification agency.
 - Have seed crop cleaned in your own cleaning plant or by an Approved seed processor or by the guidelines from your state's certification agency.
 - Submit seed sample for purity and germination to your state's certification agency.
 - Order tags through your state's certification agency.
 - Submit to OGI a copy of all PVP acknowledgment forms (with complete addresses).
 - Submit to OGI an annual Royalty Report and applicable Sales Logs.
 - Remain current on payment of membership and variety fees, as well as payment of any applicable late fees.
3. **Obligations of Affiliate:** In order to maintain full status as an Affiliate, the *Provisional* Affiliate agrees to the following:
 - a. **Fees:** The payment of an initial fee of \$200.00 for the first year, and a renewal fee of \$100.00 each membership year as set by OGI's Board of Directors.

A variety fee of \$50 per variety per year must be paid on all OGI varieties that are being produced, handled, or purchased. Current varieties are Bentley, Billings, Doublestop CL Plus, Duster, Gallagher, Garrison, Iba, Lonerider, OK Rising, Ruby Lee, Smith's Gold, Spirit Rider, Stardust, NF-101, NF-201, NF-306, and NF-402. List all varieties for which you are paying fees:

- b. **Payment of Assessments:** *Provisional* Affiliate shall pay all assessments as determined by OGI's Board of Directors which are:
 - i. General Assessments which are assessed equally against all Affiliates, or
 - ii. Assessments which are levied based on the type of seed and number of units sold.

- c. **Maintenance of Records:** *Provisional* Affiliates shall keep and maintain production records, sales records, customer names, addresses and phone numbers, quantities of carry-over seed, and the sales of excess seed for grain, including scale tickets for three (3) production years.
- d. **Deadline for Documentation Requirements:** *Provisional* Affiliates shall meet all deadlines for completing paperwork and documentation requirements as determined and published by OGI's Board of Directors.

PENALTIES FOR LATE REPORT AND ROYALTY PAYMENT:

- December 31** Report and Royalty payment due
- January 1-31** Past due, but no penalty
- February 1-28** Past due. Penalty will be \$50 or 10% of royalty due (whichever is higher)*
- March 1-31** Past due. Penalty will be \$100 or 20% of royalty due (whichever is higher)*
- April 1** Membership will be terminated and turned over to our attorney for collection. [To include, but not limited to: No OGI wheat production for the next 5 years (even non-certified production from saved seed)*]

* May be subject to Board Discretion in extenuating circumstances

- e. **Other Requirements:** *Provisional* Affiliates shall maintain such other records or meet such other deadlines as may be determined and published by OGI's Board of Directors.
4. **Probationary Status:** In the event that a *Provisional* Affiliate fails to satisfactorily and timely perform one or more obligations set forth in Paragraph 3, OGI Board of Directors may place the Affiliate on a probationary status and shall send a written notice to such Affiliate of the probationary status and the steps required by the *Provisional* Affiliate to remove itself from such status. Such status shall set forth the date by which each deficiency must be cured.
 5. **Termination:** A *Provisional* Affiliate may be terminated by OGI Board of Directors if the following occurs:
 - a. Failure to correct each deficiency within the time period allotted while on probationary status.
 - b. Failure, within thirty (30) days, to pay Affiliate Fees or Assessments after they become due.
 6. OGI shall have the right to audit the *Provisional* Affiliate's business records and accounts for the purpose of determining the accuracy of reports, records, accounts and payments required pursuant to this Agreement. The audit may be conducted by OGI, or by an agent of OGI. Failure to make such records available to OGI shall result in immediate termination but shall not extinguish OGI's right to audit. Should such audit reveal any underpayment, the Affiliate agrees to, within ten (10) days, pay such owed amount and shall be subject to being placed on probationary status or immediate termination of the Agreement, such option at the sole discretion of OGI's Board of Directors.
 7. All the terms of this Agreement shall be binding upon, and be enforceable by, the respective legal representatives, and the successors and assigns of these parties.
 8. No waiver by either party hereto of the breach of any of the terms and conditions of this Agreement by the other party should be construed as a waiver by such party of any subsequent breach.
 9. This Agreement is made pursuant to, and shall be construed under, the laws of the State of Oklahoma.

10. This Agreement constitutes the entire Agreement between the parties hereto and may only be modified in a writing signed by all parties. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the respective legal representatives, successors and assigns of the parties hereto.

Provisional Affiliate

Executive Director
Oklahoma Genetics, Inc.