

AMERICERT INTERNATIONAL
2603 NW 13th St. #228, Gainesville, FL 32609*Ph: (352)336-5700 *Fax: (866)325-8261
Americert@americertorganic.info www.americertorganic.info

Module H1B: Certification Contract

This Module is to be completed by all operations. This document is a contract. Please read and then sign on the last page.

Whereas the person signing this agreement is an authorized representative of the business entity in whose name this application has been submitted, which is a business entity or individual seeking to obtain or maintain organic certification under the USDA National Organic Program, and whereas Americert International (hereinafter Americert) is a USDA accredited certifying agent under the USDA National Organic Program, which provides regulatory review services to determine if business entities or individuals qualify for organic certification and provides regulatory oversight to operations who obtain certification, the business entity or individual listed in this application and Americert International hereby enter into this agreement and exchange the following bargained for exchange of promises related to offering this service to the business entity or individual named in this application.

1. Standards Identified: Any reference to the standard (or standards) in this contract refers to the entire body of requirements described in 7 CFR Part 205 of the United States Code of Federal Regulations, any published guidance, instructions, or policies regarding organic certification issued by the USDA National Organic Program, and Americert's reasonable interpretation thereof, including any policies and procedures established by Americert to determine if an operation qualifies to obtain, maintain, or is currently compliant with certification requirements of the USDA National Organic Program.

2. Effective Date and Duration of Contract: This contract becomes effective on the date that the signed contract is delivered to Americert. The contract remains in effect until it is superseded by another contract entered into by both parties, until Americert denies certification to the operation, until the operation requests to withdraw its current application, or until the operation surrenders certification or Americert suspends or revokes certification, if certification has already been granted. Any money which becomes owed under this contract remains an obligation of the party who incurs the obligation, and the operation shall remain obligated to pay such moneys, even if the contract is superseded by another contract or if the operation withdraws its application, is denied certification, surrenders its certification, or has its certification revoked or suspended.

3. Operation Required to Conduct Due Diligence:

a. Operation Shall Read and Stay Current on the Standard: The operation seeking certification and submitting this contract agrees to conduct appropriate due diligence to understand the standard by reading all applicable portions of 7 CFR Part 205, guidance and instructions issued by the National Organic Program, and related guidance documents as Americert may make available on its website or otherwise deliver to the operation. The operation further agrees that it has an independent duty to read and understand the standard and the requirements for certification. The operation agrees that it understands that the standard may change over time, that the NOP may modify its interpretations and guidance and add new requirements from time to time, as may Americert. The operation agrees to regularly monitor the Americert website, as well as the USDA National Organic Program website to identify and understand changes to the standard. While Americert may choose, as a courtesy, to provide specific information of these changes if they occur, it is not obligated to do so, and the operation must develop its own independent method of ensuring that it obtains information related to changes in NOP standards, requirements, and interpretations.

b. Operation Shall Seek Guidance or Ask Questions About the Standard: The operation signing this contract agrees that it shall, before submitting any application or this contract, fully review the requirements of the standard and contact Americert for clarification if it is unsure about any requirement of the standard. The operation submitting this contract agrees that ignorance of the standard or the interpretation thereof is not a defense to adverse actions such as the issuance of a Notice of Noncompliance, a Notice of Proposed Suspension or Revocation, or a Denial of Certification.

4. Americert's Review of Submitted Application and Other Compliance Materials:

a. Americert's Right to Request Specific Information in Specific Formats and the Operation's Duty to Comply:

Americert shall require that an operation submit information and documentation necessary for Americert to determine if the operation is in compliance with, or can comply with, the standard. Americert has the right to request that information and documentation be submitted in specific forms and formats including, but not limited to, using specific computer file types, using specific forms generated by Americert, in English, and within certain deadlines. Americert shall review the submitted materials within a reasonable time after receipt.

b. Standard of Review for Compliance and Noncompliance Decisions: The operation agrees that the following standard of review shall govern findings of compliance or noncompliance by Americert: In reviewing information and documentation to determine if the operation has demonstrated compliance with the standard, Americert shall use a *more likely than not* standard. When Americert has reasonably concluded that an operation is more likely than not compliant with the standard, it shall grant certification. When Americert reasonably determines that it is more likely than not that the operation has not complied with the standard, or has violated the standard, Americert may issue a requirement that the operation undertake corrective action, or Americert may issue a Notice of Noncompliance, Denial of Certification, Notice of Noncompliance Combined with a Notice of Proposed Suspension or Revocation, Notice of Proposed Suspension, Notice of Proposed Revocation, Suspension, or a Notice of Revocation, as applicable under the standard. Americert agrees that its review of compliance under the standard shall comply with the standard.

5. Submission of Inaccurate, Incomplete, or False Information Prohibited:

a. Operation's Duty to Submit Complete and Truthful Information: The operation agrees that any document, information, or forms submitted shall be accurate, complete, and truthful. The submission of false information is a violation of applicable state and federal law and regulations and may subject the operation to civil and or criminal sanctions which may include monetary fines and imprisonment. The submission of inaccurate, incomplete, or false information is also a noncompliance with the standard. The submission of false information, documentation, or statements may be the basis of denial of certification, suspension of certification, or revocation of certification. Americert may also report such instances to appropriate regulatory and law enforcement officials for civil and criminal investigation and prosecution.

b. Operation's Duty to Review Information for Accuracy, Completeness and Truthfulness:

The authorized representative of the operation seeking to attain or maintain certification, and on whose behalf this contract is signed, agrees to personally review any document, form, or other information submitted on behalf of the operation to ensure its accuracy, even if the item was signed or submitted by another representative of the operation. The operation agrees that submission of any document, information, or forms by an authorized representative of the operation creates a non-rebuttable presumption that the signer of this contract has reviewed the submission for accuracy, truthfulness, and completeness prior to its submission.

6. Americert's Obligation to Comply with the Standard: In all of its review activities, including but not limited to the granting of certification and the issuance of noncompliances, corrective actions, and any adverse actions, Americert shall abide by the standard.

7. Factual Determinations by Americert Are Presumed Correct: In some instances, Americert, in making review decisions may be faced with vague, ambiguous, or even contradictory information. In these instances, but also generally, Americert has to make certain factual determinations. The operation signing this contract agrees that such factual determinations, including determinations of whether or not a person making a statement is being truthful or is accurate in their statements, whether or not a document is genuine, and whether or not certain events have occurred is within Americert's authority to determine, and that such determinations, once made, will be presumed to be correct, and are only rebuttable if it is determined that no reasonable person faced with the information available to Americert would have made the same determination.

8. Organic Plan:

a. Operation's Duty to Develop and Follow an Organic Plan: The standard requires that all operations seeking to obtain or maintain certification develop an organic plan which consists of practices, policies, procedures, and recordkeeping sufficient to demonstrate compliance with the standard and ensure that the operation remains in compliance with the standard. The operation shall develop such a plan and shall submit it to Americert for review and approval. Once submitted, the operation shall abide by the plan and effectively implement all aspects of the plan, including but not limited to any recordkeeping practices described in the plan. The operation shall make any changes to the plan required by Americert in order to bring itself into compliance with or to maintain compliance with the standard.

b. Operation's Duty to Respond in a Timely Fashion to Requests for Information or Corrective Actions: The operation shall respond in a timely fashion to any request by Americert for more information or documentation related to its organic plan and shall do so within any deadline set by Americert.

c. Operation's Specifically Enumerated Duties Regarding the Organic Plan: In addition to the general requirements for developing and abiding by an organic plan as described in section 205.201 of the standard, which are applicable to the operation, the operation is explicitly agreeing to the following:

i) Once submitted, the operation shall abide by the plan and effectively implement all aspects of the plan, including but not limited to any recordkeeping practices described in the plan.

- ii) The operation shall make any changes to the plan required by Americert in order to bring itself into compliance with or to maintain compliance with the standard.
- iii) The operation specifically agrees that it shall not represent any product or crop as organic unless and until Americert has reviewed and approved that product or crop for organic certification.
- iv) The operation specifically agrees that it shall not change ownership of facilities or activities unless such changes are submitted in advance to Americert and approved by Americert.
- v) The operation specifically agrees that it shall not relocate certified activities or expand activities to new facilities or locations unless such changes are communicated in advance to Americert and approved by Americert.
- vi) The operation specifically agrees that it shall not print or use any labels using the term organic or referencing Americert, unless and until it has submitted such labels or packaging to Americert for review and approval and receives approval from Americert for such labels and packaging.
- vii) The operation shall inform Americert immediately of any changes in procedure, practices, or policies that vary from the organic plan submitted to or approved by Americert.
- viii) The operation shall not apply any substance or chemical to any organic facility or land, or to any organic product, ingredient, or crop, unless the operation has disclosed this substance to Americert and received explicit approval from Americert for the use of the substance prior to the use of the substance.
- ix) The operation shall inform Americert immediately of any incidents or events which would suggest to a reasonable person that the organic integrity of the system, or any product, ingredient, or land covered by the certification may have been compromised or may be compromised in the future, including but not limited to incidents where a reasonable person may have reason to suspect that organic facilities, land, products, crops, or ingredients have been contaminated with prohibited substances or excluded methods as defined in the standard, even if such contamination was the result of accident or the activities of another party.

9. Inspections:

a. Operation's Duty to Submit to Inspections: The operation shall submit to inspection of its facilities, processes, and records upon the request of Americert. Such inspections may be announced or unannounced. The operation agrees to make such facilities, processes and records available for inspection at any time between 9 AM and 5 PM on any day but Saturday, Sunday, and federally recognized holidays. Inspections may also be conducted at other times when agreed to by both the operation and Americert.

b. Operation's Duty to Provide Full Access During Inspection: During inspections, the operation shall make all staff present available for interviewing, shall make all records accessible to Americert, and shall make all facilities accessible to Americert staff and inspectors. A failure to make facilities, processes, records, and staff, including those related to nonorganic activities, available during such inspections is a violation of the standard.

c. Operation's Duty to Cooperate in Scheduling Inspections: For inspections scheduled in advance, the operation must cooperate in scheduling and may not unreasonably delay inspections without good cause. If an operation fails to schedule an inspection within a reasonable time of Americert proposing a date for the inspection, or fails to cooperate in scheduling or conducting an inspection, this is a violation of the standard. Americert has the right to require that an inspection occur no later than a specified date and to find the operation noncompliant with the standard if the inspection is not conducted by that date.

d. Americert's Decisions on Inspection Logistics and Travel Details Are Not to Be Contested: The operation agrees that it is Americert's responsibility and authority to make logistical arrangements for inspections, which take into account many factors, including inspector availability, the timing and ease of travel, the tradeoff between the costs, efficiency and acceptability of routes and flights, and the need for and level of accommodations, as well as safety, cost, and other factors. Americert is not required to receive approval from the operation for these logistical decisions, and further is not required to make arrangements that lead to the lowest cost to the operation. The operation agrees that travel arrangements, costs and expenses may be higher due to Americert's consideration of these factors and that Americert's determinations of the travel arrangements made are presumed to be reasonable unless no reasonable person faced with the same information and circumstances would have made the travel arrangements as Americert did or incurred the costs that Americert incurred in structuring travel in the manner Americert did. The operation agrees to pay all travel costs and expenses billed by Americert for inspection travel even if there were other routes, methods, and arrangements which would have been lower cost, as long as the choices

made by Americert were reasonably related to scheduling, inspector availability, minimizing the time spent by the inspector in traveling, accommodating other Americert activities during the trip, or the safety, comfort, or fatigue of the inspector, or other reasonable logistical factors. The operation agrees to not contest the costs and fees for inspection related travel.

10. Records:

a. Operation's Duty to Maintain Records: The operation agrees to maintain records which document all transactions and activities of the operation in sufficient detail to be easily understood and audited. Such records must demonstrate compliance with the standard, including but not limited to section 205.103 of the standard, must be maintained for 5 years beyond the date of creation, and must be made available to Americert, the USDA, and organic inspectors upon request for review, auditing, and copying.

b. Operation's Duty to Provide Access to Records for Review and Copying: The operation agrees that it shall provide access to all records requested by Americert, inspectors assigned by Americert, as well as any employee of the USDA National Organic Program. Such access shall include the right to review and copy such records and the right to request that the operation forward copies of records to the Americert office. The operation specifically agrees that Americert has the right to request, and the operation must provide, access to all bank records, insurance records, records created to apply for or comply with any state or federal regulatory program, including crop insurance, and any other records, without limitation, requested by Americert, including records relating to nonorganic production or handling.

c. No Specific Justification for Records Required: An operation shall not object to a request to provide access to records, to copy records, or to submit records or information requested if Americert asserts that the reason for the request is to conduct oversight of this or another operation's compliance with the USDA National Organic Program and its standard. Americert uses records for many reasons, including conducting spot surveillance, cross-referencing information in order to determine the accuracy of information submitted, to conduct fraud or noncompliance surveillance and investigations, and to use in cross-referencing information received in other aspects of its compliance oversight activities. However, Americert does not have to justify or explain its specific reasons for requesting records or information as long as it explains that it is doing so for the purposes of conducting oversight of this or another operation's compliance with the USDA National Organic Program standards. The operation agrees that it shall provide access to any and all records requested by Americert to conduct regulatory oversight of this or another operation. A failure to provide access to any requested records is also a violation of the standard.

11. Financial Obligations:

a. Fee Schedule Received: By signing this contract, the operation acknowledges that it has received a copy of the fee schedule issued by Americert and agrees to be bound by it. The operation shall pay all applicable fees, costs, and expenses for certification described in the fee schedule. Americert shall maintain a copy of the current fee schedule on its website.

b. Operation's Duty to Pay Invoices within 30 Days: The operation shall pay all invoices issued by Americert within 30 days of Americert issuing the invoice. Americert may charge late fees and contractual noncompliance penalties for any fees not paid within 30 days of being invoiced. If an operation disagrees with a fee that has been invoiced, they shall pay the fee anyway, and submit a written notice of their disagreement with the fee charged, including the reasons why the operation disagrees with the charge. If Americert determines that the invoice was incorrect or issued in error, it shall provide a credit for the amount paid against future invoices, or issue a refund to the operation, whichever the operation prefers. The operation agrees that it is a noncompliance with the standard to not pay fees, costs or expenses charged by Americert within 30 days of the fee, cost, or expense being invoiced and sent to the operation. The operation agrees that it is a noncompliance with the standard to not pay fees, costs or expenses charged by Americert within 30 days of the fee, cost, or expense being invoiced and sent to the operation.

c. Fee Schedule May Be Changed: The fee schedule may be changed from time to time by Americert. Any such changes shall not be binding on the operation until 30 days after Americert has sent a notice of the change to the operation or posted an updated fee schedule on the Americert website. If the operation does not agree with the changes, it has the right to surrender its certification and seek certification from another USDA accredited certifying agent.

d. Americert has Right to Interpret the Fee Schedule: In some instances, the fee schedule may need to be interpreted in order to determine if a particular fee, cost, or expense is applicable to an operation. The operation agrees that it is within Americert's authority to make these determinations. Once a determination has been made, it is presumed correct unless no reasonable person facing the same circumstances and information would have made the determination that Americert made.

e. No Proof of Receipt Required for Invoices: Americert may issue invoices in electronic form through email or in hard copy paper form which are mailed through regular postal mail. If Americert shows a record of an invoice being created and sent, then no further proof of delivery is required. Americert need not prove that the invoice was received.

12. Refund Policy: The operation agrees to the following refund policies:

a. Refund Policy for New Applicants: Submission of an application and fees is required. Once both are received, Americert commences the process of reviewing the applicant's compliance with the standard. Fees are charged for the review process and the work conducted to assess compliance. There is no refund granted to operations which have a Notice of Noncompliance issued and then withdraws their application or to operations which are denied certification, regardless of the stage at which the denial was issued or the withdraw made. Partial refunds will be granted to first time applicants who withdraw their application for certification prior to a Notice of Noncompliance or Denial of Certification being issued. The amount of the refund depends on the stage of the certification process which has been reached at the time the applicant withdraws their application. If the application is withdrawn during the initial review stage, the operation will receive a 50% refund of certification fees paid. If the applicant withdraws their application after an inspector is assigned but prior to commencement of the onsite inspection, the operation will receive a refund of 25% of their certification fees paid. Once the onsite inspection commences, the operation will receive no refund of any fees paid and remain responsible for inspection travel costs and expenses.

b. Refund Policy for Certified Operations: Certified operations who surrender their certification will receive no refunds of fees paid, regardless of when the certification is surrendered. This is also true for operations which submit annual renewal fees but then decide not to renew and choose instead to surrender certification. Annual renewal fees are due on the annual renewal date, which is the anniversary of the submission of the original application for certification. In order to avoid paying renewal fees or being responsible for payment of renewal fees, an operation must surrender its certification in writing on or before the annual renewal date. If the annual renewal date arrives and ends without the operation submitting a surrender of certification, the fees remain due and Americert may make efforts to collect these accrued fees, regardless of any subsequent surrender of certification. Once paid, the fees will be non-refundable, even if the operation subsequently surrenders organic certification.

c. Payment of Fees Does not Guarantee Certification: There is no guarantee that any operation will achieve certification or maintain certification regardless of the payment of fees, because certification is contingent upon the operation's timely compliance with the USDA NOP organic standards. Payment of fees and costs are not payment for the operation attaining certification. In the case that Americert issues a Denial of Certification, Suspends or Revokes certification, or accepts a surrender of organic certification, there is no refund of any fees paid.

13. Ownership of USDA National Organic Program Marks and Phrases: The operation agrees that the USDA has the sole ownership of the terms "certified organic", "100% organic", "organic" and "made with organic (specified ingredients or ingredient groups)" as well as the USDA organic seal and its variants. The operation agrees and stipulates that such phrases and marks are inherently distinctive and have acquired distinctiveness throughout the world in relation to agricultural and retail products, certification activities, and have previously been used in trade, commerce, and business. The operation agrees to not challenge the same, and waives any defenses based upon contradicting any of the foregoing claims. Operation agrees and stipulates that Americert only has the authority to provide a limited and contingent license for the use of these terms, marks and phrases, and that, if it does so, by issuing an organic certificate under the authority of the USDA National Organic Program, it may only use the terms, marks and phrases in compliance with that certificate and with the standard. Should certification be surrendered, denied, revoked, or suspended, the operation must immediately cease use of any of the terms, marks, or phrases until such time as it obtains again a certificate for the products or crops issued by a USDA accredited certifying agent. The operation agrees and stipulates that regardless of the length or type of use of the terms, marks, and phrases, the operation acquires no ownership interest or continuing right to the use of terms, marks, or phrases, except as granted through the issuance of an organic certificate issued by a USDA accredited certifying agent under the authority of the USDA National Organic Program.

14. Ownership of the Americert Marks and Phrases: The operation agrees that Americert has the sole ownership of the terms "certified by Americert International", "certified by Americert", "certified organic by Americert International", "certified organic by Americert", "organic certified by Americert International" and "organic certified by Americert", the name "Americert International" and "Americert" as well as the Americert logo/seal and any seal, mark or logo containing the name "Americert International" or "Americert" as well as any variants of the same which would lead a reasonable person to think that Americert has authorized the use of the term, mark, or phrase. The operation agrees and stipulates that such terms, phrases and marks are inherently distinctive and have acquired distinctiveness throughout the world in relation to agricultural and retail products and certification activities, and have previously been used in trade, commerce, and business. The operation agrees to not challenge the same, and waives any defenses based upon contradicting any of the foregoing claims. Operation agrees and stipulates that Americert only provides a limited and contingent license for the use of these terms, marks and phrases, and that if it does so, by issuing an organic certificate under the authority of the USDA National Organic Program, the operation may only use the terms, marks and phrases in compliance with that certificate and with the standard. Should certification be surrendered, denied, revoked, or suspended, the operation must immediately cease use of any of the terms, marks, or phrases until such time as it obtains again a certificate for the products or crops issued by Americert. The operation agrees and stipulates that regardless of the length or type of use of the terms, marks, and phrases, the operation acquires no ownership interest or continuing right to the use of terms, marks, or phrases except as granted through the issuance of an organic certificate issued by Americert.

15. Operation's Warranties and Indemnifications:

a. Operation Is and Shall be Truthful: The operation warrants that all information submitted to Americert in relation to this contract and organic certification shall be and is accurate, complete, and truthful as will all future communications.

b. Compliance with Other Laws, Regulations, and Guidelines: The operation warrants that it is in compliance and shall be in compliance with all local, state, federal, and international laws, regulations, and ordinances which apply to its operations and will remain in compliance therewith. The operation acknowledges that any certificate or compliance decision issued by Americert is related only to compliance with the standard and does not represent any determination that the operation is compliant with any other laws, regulations, ordinances including but not limited to food safety guidelines or practices, FDA requirements, other nonorganic USDA requirements, FTC requirements, or labeling laws of any kind. The operation acknowledges that Americert has no expertise in these areas and the operation may not rely on any determination by Americert that it is in compliance with the standard as a determination that it complies with any other law, regulation, ordinance, or food safety guideline.

c. Indemnification for Third Party Claims: The Operation agrees to indemnify Americert, its owners, staff, officers, directors, and independent contractors from any third party claims arising from the operation's activities. If the operation maintains any liability insurance, general liability, errors and omissions insurance, or any other liability insurance, the operation shall add Americert to its policy as an additional insured party at its own cost (if any.)

16. Waiver of Liability:

The operation hereby agrees to hold Americert harmless and hereby waives any claims arising from Americert's activities under this contract, including waiving any claim of error, omission, negligence, including gross negligence, on the part of Americert, its owners, staff, officers, directors, and independent contractors in relation to any activities undertaken by Americert under this contract. The operation specifically agrees that in conducting certification and oversight activities, including inspections, that the operation waives any claims of or liability for defamation or libel arising from inspection reports, certification decisions, non-public communications, communications with the USDA National Organic Program or other USDA accredited certifying agents, or noncompliance determinations or any other communications related to certification activities.

This waiver of Americert's liability is intended to be as broad and inclusive as permitted by law, and if any portion thereof is held invalid, the remaining portion shall remain valid and in effect notwithstanding the invalidated portion.

Should Americert, notwithstanding this section, be subject to an award of damages under this contract, or in relation to its activities providing regulatory oversight or certification review, the operation agrees that such damages shall not exceed the fees paid by the operation to Americert for the 12 month period encompassing 6 months prior to the date of the occurrence from which the claim arose to the 6 months after the date of the occurrence from which the claim arose, but in no way exceeding the amount paid in a 12 month period to Americert.

17. Confidentiality: Americert shall hold the operation's protected business information confidential and not disclose it except in accordance with the requirements of the standard or guidance from the USDA.

18. Certification and This Contract are Not Assignable: The rights and responsibilities under this contract, including but not limited to the possession and use of any certificate issued by Americert and the right to use the USDA National Organic Program marks, terms and phrases or the Americert's marks, terms and phrases are not assignable nor transferable. They are specific to a particular operation (person or business entity) conducting organic activities at a particular location or facilities, producing or handling certain specific organic products or crops. Any attempt by the operation to transfer or assign a certificate, or any right or responsibility under this contract is a violation of this contract which allows Americert to terminate this contract at its discretion. Any attempt by the operation to transfer or assign any of its rights or responsibilities under this contract will be void and without effect, or where allowed by law, voidable by Americert.

19. Severability: If any provision of this contract shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this agreement that can be given an effect without the invalid provision. Further, all terms and conditions of this contract shall be deemed enforceable to the fullest extent permissible under applicable law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect.

20. Governing Law, Forum, and Venue: The law governing this contract shall be the laws of the State of Florida. Any and all litigation which arises under this contract shall be initiated, prosecuted, and litigated solely in the federal or state courts located in Gainesville, Florida, and nowhere else. Both Parties to this contract agree that venue shall lie in Gainesville, Florida, and that both parties'

consent to jurisdiction of the federal and state courts located therein. Both parties agree and stipulate that the certification activities undertaken take place primarily in Florida, and that for the purposes of exercising jurisdiction over the parties, the act of the operation submitting its application, information, payments, and ongoing compliance information to Americert's office in Florida are substantial and continuous business dealings within the state and shall confer personal jurisdiction over the operation. Further, the operation stipulates and agrees that the products to be certified under this contract are intended to be sold in many places, including Florida, and that this intention, in conjunction with the certification activities undertaken by the operation in Florida, by submitting its application, information, payments, and ongoing compliance information to the Americert office in Florida constitute a further basis of having substantial and not isolated business dealings in Florida. The operation hereby waives any challenges to a Florida court exercising personal jurisdiction over the operation in any dispute that arises under this contract.

21. Disputes and Actions Under this Contract or Related to Contract Activities:

If there is any dispute between the operation and Americert related to either Americert's actions under this contract or related to activities conducted under this contract, or related to the operation's actions under this contract or related to activities conducted under this contract, or to any aspect of activities which are mentioned in this contract, including any disputes which may include a request for monetary damages or compensation under this contract, both parties agree that such disputes or legal actions shall be handled in accordance with the following provisions:

a. Obligation to First Seek Relief Under the Standard: Any dispute or action related to actions undertaken pursuant to this contract or for activities related to this contract by either party, must, before any other action is taken, be pursued using the mechanisms provided for in the standard. For Americert, this means that the Notice of Noncompliance procedures described in the standard, including adverse action proceedings (such as denial of certification, notices of proposed suspension or revocation) must be followed to their conclusion prior to the initiating of any legal proceeding on the basis of the operation's activities which give rise to a cause of action. For the operation, this means that it must also avail itself of the ability to file a complaint with the USDA National Organic Program, or to file an appeal of an adverse action issued by Americert, and follow the complaint or appeal process to its conclusion prior to initiating any legal cause of action, including, but not limited to, a lawsuit.

b. Obligation to Next Seek Binding Arbitration: Should a controversy or cause of action arise from this contract, or either parties' obligations, duties, or activities under this contract, and the complaining party has followed the appropriate avenues of relief under the standard to their conclusion, as previously described, and if then either party believes that they still have a cause of action to be pursued under this contract, the complaining party must seek binding arbitration. In such arbitration, any remaining claims and disputes are to be settled by binding arbitration in the state of Florida or another location mutually agreeable to the parties. The arbitration shall be conducted on a confidential basis pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Any such arbitration shall be conducted by an arbitrator experienced in regulatory affairs and shall include a written record of the arbitration hearing. The parties reserve the right to object to any individual who shall be employed by or affiliated with a competing organization or entity. An award of arbitration may be confirmed in a court of competent jurisdiction.

c. Prevailing Party Entitled to Reasonable Attorney Fees and Costs: Should any dispute arise between the parties which results in a formal lawsuit or legal action or arbitration being initiated, the prevailing party is entitled to compensation for reasonable attorney fees and costs. The party not prevailing shall pay the prevailing party reasonable attorney fees and costs incurred to pursue or defend the action.

22. Americert's Right of Advancement for Legal Fees and Costs: If Americert, as a result of the operation's activities under this contract, or as a result of a dispute, lawsuit, controversy, or claim raised by the operation related to Americert's activities under this contract, or a dispute, lawsuit, controversy, or claim raised by Americert against the operation based on the operation's activities under this contract, determines that it is in Americert's best interests to obtain legal counsel to advise or represent Americert in the dispute, lawsuit, controversy, or claim, including representing Americert in its dealings with the USDA National Organic Program, the operation shall advance all expenses actually and reasonably incurred by or on behalf of Americert in connection with any dispute, lawsuit, controversy, or claim raised by either Americert or the operation, within ten business days after receipt by the operation of a written demand by Americert requesting such advance. This advance shall be paid to Americert whether the demand is prior to or after final disposition of the dispute, lawsuit, controversy, or claim. Such written demand shall reasonably evidence the expenses incurred by Americert and shall include an undertaking by or on behalf of Americert to repay any expenses advanced if it is ultimately determined that Americert is not entitled to be indemnified against such expenses.

23. Contractual Noncompliance Penalties: The operation is specifically agreeing that in cases where Americert has determined that the operation is noncompliant with the standard, Americert may impose a financial contractual noncompliance penalty which must be paid within a deadline determined by Americert. Such contractual noncompliance penalties are imposed for several reasons, including deterring noncompliance with the standard, offsetting the sometimes substantial costs of engaging in additional oversight of noncompliant operations, and distributing more equitably the costs of noncompliance oversight to operations who engage in noncompliant activities rather than to other operations that are diligent about maintaining compliance. The current contractual

noncompliance penalty schedule is described in the current fee schedule provided to the operation or posted on the Americert website. The operation agrees that, if Americert imposes a contractual noncompliance penalty in accordance with the fee schedule which is effective at the time of the imposition of the penalty, the operation will pay such contractual noncompliance penalty in addition to undertaking any other corrective actions required by Americert. The operation agrees that, in such instances, the contractual noncompliance penalty fee is a fee charged by the certifying agent as a condition of certification and, accordingly, must be paid within the deadline set by Americert in order to comply with the standard. The operation agrees that such fees shall be considered liquidated damages for additional time spent by Americert in pursuing and reviewing the operation's compliance in cases where it has deviated from the standard.

24. Modification of Contract: This contract represents the full extent of the agreement between the parties. Any discussions or terms not specifically incorporated into this contract are not a part of this contract. No modification to the terms of this contract shall be effective unless it is reduced to writing and signed by both parties.

25. Copy of Contract Admissible: Americert does not maintain originals of signed contracts. Rather, Americert accepts or creates electronic, scanned or photocopied copies of the signed contract which are stored as a true copy of the original. The operation and Americert both agree that a copy of the original signed contract is sufficient evidence of the contract and the acceptance of the parties. Both parties agree that no objection will be made in any proceeding under the law or the standard on the basis that the original contract cannot be produced and that only a copy is available.

26. Americert's Acceptance of Contract: Americert's acceptance of this contract and agreement to be bound by the contract may be evidenced by Americert's acceptance of an application for organic certification or renewal and conducting review activities in pursuant to the contract. A copy of the contract signed by Americert is not required to confirm Americert's acceptance of the contract. If Americert acts in pursuant to the contract, this will be evidence of Americert's acceptance of the contract.

27. Duration and Termination of Contract: This contract shall remain in effect until one of the following occurs: a new contract is signed and accepted by Americert, Americert suspends or revokes the certification of this operation, or this operation surrenders organic certification. The applicable party must deliver the notice of suspension, revocation, or surrender of certification in writing to the other party.

Authorized Representative's Name:	
Title:	
Name of Operation Seeking Certification:	
I attest the information in this form is accurate and complete. I affirm and attest that I am an authorized representative for the operation listed in these forms. I further affirm and attest that I have the authority to enter into contracts on behalf of this operation. Finally, I affirm and attest that, on behalf of the operation, we accept the terms of this contract and agree to be bound by its terms	
*Signature of Authorized Representative:	
Date of Signing:	
* This document may be signed using an Electronic Signature as defined in Chapter 668 of the Florida Statutes: any letters, characters, or symbols, manifested by electronic or similar means, executed or adopted by a party with an intent to authenticate a writing. A writing is electronically signed if an electronic signature is logically associated with such writing. By entering any letters, characters or symbols in the signature line above, you are authenticating this contract and affirming your intent to be bound by it. An electronic signature has the same force and effect as a written signature.	