

# PLANT VARIETY LICENSE & ROYALTY AGREEMENT

*Protected Cultivar Production & Distribution Rights*

**License Agreement No:** PVP-2024-NUR-1205

**Effective Date:** February 12, 2024

**License Type:** Exclusive Regional Plant Variety Rights

**USDA/PVPA Registration:** Required for all licensed varieties

## CONTRACTING PARTIES

### LICENSOR (Plant Breeder/Developer)

**Green Innovation Genetics LLC**  
Research & Development Center  
4825 Agricultural Sciences Drive  
Davis, CA 95616

**Corporate Information:**

Federal EIN: 94-7382946  
California LLC License: 202300847392  
USDA Plant Breeder ID: PB-94-7382

**Key Contact:**

Dr. Elena Rodriguez, Chief Plant  
Geneticist  
Phone: (530) 555-0264  
Email:  
e.rodriguez@greeninnovation.com  
Emergency: (530) 555-0265

### LICENSEE (Production Nursery)

**Heritage Gardens Nursery &  
Landscaping**  
12847 Nursery Row  
Wilsonville, OR 97070

**Business Details:**

Federal EIN: 93-2847391  
Oregon Nursery License: NUR-2019-  
4738  
Nursery Certification: ODA-CER-8472

**Primary Contact:**

Robert Kim, Operations Director  
Phone: (503) 555-0198  
Email: r.kim@heritagegardens.com  
Production Manager: Sarah Chen  
Email: s.chen@heritagegardens.com

## 1. LICENSED PLANT VARIETIES AND INTELLECTUAL PROPERTY

**1.1 Protected Plant Varieties:** Licensors hereby grants Licensee the exclusive rights to propagate, grow, and distribute the following proprietary plant varieties within the Licensed Territory:

Licensed Cultivar Portfolio:			
Variety Name	Scientific Name	Patent/PVP Status	Protection Expires
Aurora Flame™ Maple	Acer rubrum 'GIG-AF-2019'	US Plant Patent 32,847	September 15, 2039
Pacific Sunset® Rose	Rosa hybrida 'GIG-PS-2020'	US Plant Patent 33,291	March 22, 2040
Emerald Crown™ Hosta	Hosta fortunei 'GIG-EC-2021'	US Plant Patent 33,756	July 8, 2041
Cascade Blue® Hydrangea	Hydrangea macrophylla 'GIG-CB-2022'	US Plant Patent 34,128	November 30, 2042
Golden Spire™ Juniper	Juniperus chinensis 'GIG-GS-2023'	Plant Variety Protection Certificate	April 15, 2043

**1.2 Propagation Technology Patents:** License includes access to proprietary propagation methods covered by:

- **US Patent 11,456,892:** "Advanced Root Development System for Ornamental Plants" (Expires: January 12, 2041)
- **US Patent 11,234,567:** "Controlled Environment Propagation Protocol for Woody Plants" (Expires: June 8, 2040)
- **Trade Secret:** "GreenGrow™ Nutrient Formula and Application Methods" (Perpetual protection)

**1.3 Quality Standards:** All propagation and production must meet Licensors's documented quality specifications, including genetic purity standards of **99.8% minimum** and adherence to approved growing protocols.

2. TERRITORIAL RIGHTS AND DISTRIBUTION

2.1 **Licensed Territory:** Licensee receives **exclusive production and distribution rights** within the following geographic region:

- **Primary Territory:** Oregon, Washington, Northern California (counties north of Fresno), and Idaho
- **Secondary Territory:** Montana, Wyoming, Utah, and Nevada (non-exclusive, royalty premium applies)
- **Restricted Territory:** Southern California, Arizona, Texas, and Florida (separate licensing required)

2.2 **Market Segments:** Rights granted for retail nursery trade, landscape contractor sales, and wholesale distribution. **Commercial agriculture and large-scale farming applications excluded** without separate agreement.

2.3 **License Term:** Initial term of **eight (8) years** commencing February 12, 2024, with automatic renewal for successive four (4) year periods unless either party provides 24 months written notice of non-renewal.

3. ROYALTY STRUCTURE AND PAYMENT TERMS

3.1 **Plant Royalty Rates:** Licensee shall pay Licensor royalties based on Net Plant Sales according to the following structure:

Tier 1 - Ornamental Trees & Shrubs (Aurora Flame Maple, Golden Spire Juniper):

Plant Size Category	Royalty per Unit	Volume Discount Threshold	Discounted Rate
1-gallon containers	\$1.25	5,000+ units annually	\$1.10
3-gallon containers	\$2.85	2,000+ units annually	\$2.50
5-gallon containers	\$4.50	1,000+ units annually	\$3.95
15-gallon+ specimens	\$12.75	200+ units annually	\$11.25

Tier 2 - Perennials & Roses (Pacific Sunset Rose, Emerald Crown Hosta):

Container Size	Base Royalty Rate	Premium Variety Multiplier	Seasonal Adjustment
4-inch pots	\$0.75	1.0x (standard)	+15% spring season
6-inch pots	\$1.15	1.2x (premium roses)	+10% spring season
1-gallon containers	\$1.85	1.3x (specimen grade)	Standard rate
2-gallon+ containers	\$3.25	1.5x (mature plants)	-5% fall clearance

**Tier 3 - Flowering Shrubs (Cascade Blue Hydrangea):**

Sales Volume (Annual)	Royalty Rate	Minimum Annual Payment
1 - 2,500 units	\$2.25 per unit	\$8,500
2,501 - 7,500 units	\$1.95 per unit	\$12,000
7,501 - 15,000 units	\$1.70 per unit	\$18,500
15,001+ units	\$1.45 per unit	\$25,000

**3.2 Seasonal Royalty Adjustments:**

- **Spring Season (March-May):** +10-15% premium for peak demand varieties
- **Fall Season (September-November):** -5% discount for clearance sales
- **Holiday Seasons:** +20% premium for gift-appropriate varieties during December
- **Off-Season:** Standard rates apply (June-August, January-February)

**3.3 Minimum Annual Guarantees:** Licensee guarantees minimum annual royalty payments totaling **\$85,000** regardless of actual sales volume, payable in quarterly installments of \$21,250.

## 4. LICENSE FEES AND STARTUP COSTS

**4.1 Initial License Fee:** Licensee shall pay a one-time, non-refundable license fee of **\$125,000** within 30 days of Agreement execution, covering access to plant genetics and initial mother stock.

**4.2 Mother Stock and Starter Plants:**

Plant Variety	Mother Stock Quantity	Cost per Plant	Total Investment
Aurora Flame Maple	25 mother plants	\$350	\$8,750
Pacific Sunset Rose	50 mother plants	\$185	\$9,250
Emerald Crown Hosta	100 divisions	\$45	\$4,500
Cascade Blue Hydrangea	35 mother plants	\$225	\$7,875
Golden Spire Juniper	20 mother plants	\$425	\$8,500

**Total Mother Stock Investment:** \$38,875 (payable upon delivery and certification)

**4.3 Technology Transfer and Training:** Licensor shall provide comprehensive training package including on-site consultation, propagation protocols, and quality assurance training for **\$35,000** (includes 40 hours of expert consultation).

**4.4 Annual Certification Fee:** Licensee shall pay annual certification and inspection fee of **\$12,500** to maintain license compliance and quality standards.

## 5. PRODUCTION AND QUALITY REQUIREMENTS

**5.1 Production Volume Commitments:** Licensee commits to minimum annual production levels:

- Years 1-2:** Minimum 15,000 total plants across all varieties
- Years 3-4:** Minimum 35,000 total plants with 20% year-over-year growth
- Years 5+:** Minimum 50,000 total plants or market saturation targets

**5.2 Quality Control Standards:**

- Genetic purity: **99.8% minimum** verified through annual DNA testing
- Plant health: **95% survival rate** for customers within 90 days
- Size specifications: Must meet or exceed published standards for each container size

- Labeling compliance: All plants must display proper variety names and patent notices

**5.3 Facility Requirements:** Licensee shall maintain facilities meeting industry standards including:

- Climate-controlled propagation facilities (minimum 5,000 sq ft)
- Automated irrigation systems with fertigation capabilities
- Quarantine and mother stock protection areas
- Quality testing laboratory or access to certified testing services

**QUALITY COMPLIANCE:** Failure to maintain quality standards for two consecutive quarters may result in temporary production suspension and mandatory remedial training at Licensee's expense.

## **6. REPORTING AND PAYMENT OBLIGATIONS**

**6.1 Production and Sales Reports:** Licensee shall submit detailed quarterly reports within **30 days** following each calendar quarter, including:

- Production numbers by variety and container size
- Sales units, pricing, and customer segments
- Inventory levels and projected production capacity
- Quality control test results and compliance metrics
- Geographic distribution analysis within Licensed Territory

**6.2 Royalty Payment Schedule:** Royalty payments shall accompany quarterly reports. Payment due within **45 days** of quarter end. Late payments subject to **1.25% monthly** service charge plus collection costs.

**6.3 Annual Inspection Rights:** Licensor may conduct annual facility inspections and audit production records upon **45 days written notice**. If discrepancies >3% found, Licensee bears inspection costs.

**6.4 Record Keeping:** Licensee shall maintain detailed records for minimum of **seven (7) years** including propagation logs, sales records, customer information, and quality test results.

## **7. MARKETING AND BRAND PROTECTION**

**7.1 Trademark Usage:** Licensee granted limited rights to use registered trademarks Aurora Flame™, Pacific Sunset®, Emerald Crown™, Cascade Blue®, and Golden Spire™ in accordance

with Licensor's brand guidelines.

**7.2 Marketing Support:** Licensor shall provide marketing materials including plant tags, point-of-sale displays, and digital marketing assets. Licensee responsible for local advertising and promotion costs.

**7.3 Patent Notice Requirements:** All plant labels and marketing materials must include proper patent notices: **"U.S. Plant Patent #XXXXX. Unlicensed propagation prohibited."**

**7.4 Pricing Guidelines:** Licensee shall maintain suggested retail pricing within **15%** of Licensor's recommended pricing to protect brand value and market positioning.

## **8. ENVIRONMENTAL AND REGULATORY COMPLIANCE**

**8.1 Environmental Standards:** All production operations must comply with applicable environmental regulations including water usage restrictions, pesticide application limits, and waste management requirements.

**8.2 Plant Health Regulations:** Licensee responsible for compliance with state and federal plant health regulations, phytosanitary certificates, and interstate shipping requirements.

**8.3 Organic Certification:** If pursuing organic certification, Licensee must maintain separate production areas and follow USDA Organic standards. Organic premium royalty of **+25%** applies to certified organic sales.

## **9. TERMINATION AND PLANT DISPOSITION**

**9.1 Termination Events:** Either party may terminate upon 180 days written notice for material breach uncured after 90-day cure period, or upon 12 months notice for convenience.

**9.2 Plant Inventory Disposition:** Upon termination, Licensee may:

- Sell existing finished inventory for **18 months** subject to continued royalty payments
- Destroy mother stock and propagation materials under Licensor supervision
- Transfer licensed varieties to another authorized licensee (with Licensor approval)

**9.3 Post-Termination Obligations:** Licensee shall cease all propagation activities within **60 days** of termination and return all proprietary materials including growing protocols and genetic material.

## **10. GENERAL PROVISIONS**

**10.1 Governing Law:** This Agreement governed by laws of the State of California, with jurisdiction in Sacramento County Superior Court.

**10.2 Force Majeure:** Neither party liable for delays due to weather events, plant diseases, government regulations, labor disputes, or other circumstances beyond reasonable control affecting agricultural operations.

**10.3 Insurance Requirements:** Licensee shall maintain minimum **\$2 million** general liability insurance and **\$500,000** crop insurance covering licensed plant varieties.

**10.4 Entire Agreement:** This Agreement constitutes the complete understanding between parties and supersedes all prior negotiations, agreements, and understandings relating to the subject matter herein.

**10.5 Assignment:** This Agreement may not be assigned without prior written consent of both parties, except that Licensors may assign to affiliates or in connection with sale of business assets.

**10.6 Survival:** Obligations relating to royalty payments, quality standards, record keeping, and confidentiality shall survive termination of this Agreement.

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**GREEN INNOVATION GENETICS LLC**  
**(Licensor)**

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Dr. Elena Rodriguez  
Chief Plant Geneticist  
Date: February 12, 2024

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Michael Thompson, PhD  
Chief Executive Officer  
Date: February 12, 2024

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**HERITAGE GARDENS NURSERY &  
LANDSCAPING**  
**(Licensee)**

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Robert Kim  
Operations Director  
Date: February 12, 2024

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Jennifer Walsh  
Chief Executive Officer  
Date: February 12, 2024



**CONFIDENTIAL PLANT GENETIC MATERIAL** - This document contains proprietary plant breeding information and trade secrets. Unauthorized propagation or disclosure is strictly prohibited and may result in legal action.

**Plant Variety Protection Notice:** All licensed varieties are protected under U.S. Plant Patent Laws and international plant variety protection agreements.

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LicenseIQ POC Testing Document | CimpleIT Platform Demonstration - Agricultural/Nursery Sector