

**MEMBERSHIP AND MARKETING AGREEMENT
WITH
COTTON SOLUTIONS COOPERATIVE**

THIS IS AN ACREAGE CONTRACT

THIS MEMBERSHIP AND MARKETING AGREEMENT (“Agreement”) is hereby made and executed in duplicate by and between Cotton Solutions Cooperative, a North Carolina non-profit corporate cooperative marketing association (“Cooperative”), with its principal place of business in Memphis, Tennessee, and the undersigned (herein referred to as the “Member”) on the date set forth below.

RECITALS

WHEREAS, the Cooperative is organized as a non-profit corporate cooperative marketing association under the laws of the State of North Carolina for the purpose of offering to its members the cooperative marketing of the cotton produced by the membership; and

WHEREAS, Member desires to become a member in the Cooperative in order to market the cotton produced or controlled by Member and declared for the Cooperative each crop year and in so applying for membership in the Cooperative, Member subscribes to the marketing purposes of the Cooperative and desires to assure the Cooperative the absolute right to handle, sell and market the cotton produced or controlled by Member and committed as hereinafter described.

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, Cooperative and Member, intending to be legally bound, do hereby agree as follows:

AGREEMENT

1. Application for Membership; Tax Reporting of Patronage Dividends.

(a) Member hereby applies for membership in the Cooperative and, in so doing, acknowledges that he has read and understands, and agrees and consents to, the Cooperative’s Articles of Incorporation and Bylaws (which are incorporated herein by reference as if fully set forth herein). Member hereby agrees to all the terms and conditions of membership as set forth in such Articles and Bylaws as they now exist or as they may hereafter be amended as provided therein. In addition, Member agrees to comply with such rules and regulations relating to marketing programs or pools, marketing procedures and other Cooperative matters as the Board of Directors of the Cooperative may adopt from time to time. Member also acknowledges that the Board of Directors may decline to accept or renew a Member with ineligible cotton in excess of a maximum if established by the Board. All cotton ineligible for the Commodity Credit Corporation loan program shall be delivered to the Cooperative, but such ineligible cotton shall not be entitled to the guaranteed payment provided in Section 3 hereof but, instead, shall only participate in any ineligible cotton program or pool, if any, provided for in Section 3.

(b) By execution of this Agreement, Member agrees that the amount of any distributions with respect to his patronage that are made in written notices of allocation (as defined in Section 1388 of the Internal Revenue Code of 1986, as amended (the "Code"), or any subsequent statute of similar import), and that are received by Member from the Cooperative, will be taken into income by the Member at their stated dollar amounts in the manner provided in Section 1385(a) of the Code, or any subsequent statute of similar import, in the taxable year in which such written notices of allocation are received by him.

(c) Member hereby agrees that his or its membership in the Cooperative is on a crop year to crop year basis beginning on date of enrollment and that, if Member fails to commit cotton pursuant to a Program Options Notice and Enrollment Agreement ("Options Notice") for a crop year he or it shall cease to be a member in the Cooperative for that crop year. For this purpose, a "crop year", as used herein, runs from August 1st of a calendar year to July 31st of the next following calendar year.

2. Sale and Delivery of Cotton to Cooperative; Cooperative's Authority as Marketing Agent.

(a) Member (and each other member of the Cooperative entering into an agreement similar to this) hereby commits and agrees to sell to the Cooperative, and the Cooperative hereby agrees to buy from the Member, for marketing those acres of upland cotton and other bales of upland cotton as described in the Options Notice executed by Member and the Cooperative concurrently herewith or hereafter executed by Member and the Cooperative for each crop year, and Member hereby appoints the Cooperative as its EXCLUSIVE MARKETING AGENT for such cotton produced by Member with respect to that farm and bales. Once executed, such Options Notice shall be deemed to supplement and be a part of this Agreement. Member covenants that upland cotton will be planted on the acreage described in the Options Notice. A new Options Notice is required to be executed by the Member for each applicable crop year in order to commit cotton to be delivered hereunder.

(b) This Agreement confers upon the Cooperative certain authority with respect to the cotton committed by the Member to the Cooperative for marketing under the terms of this Agreement and the then current Options Notice as soon as such cotton has potential existence, but such cotton shall remain the property of the Member and at his risk and expense until the delivery of title to the cotton which shall occur when Cooperative has received and is the holder of negotiable warehouse receipts, paper or electronic, with respect to the cotton.

(c) The Cooperative shall have the authority to sell, handle, pool, place a lien on and to pledge the cotton stored in a warehouse or the warehouse receipts evidencing such cotton to the Commodity Credit Corporation ("CCC") of the United States Department of Agriculture (or to any other government agency conducting a loan program for cotton similar to the loan program now conducted by the CCC) to obtain a loan on and receive proceeds of such loan made pursuant to such pledge. The Cooperative may (but is not obligated to) redeem such cotton by repayment

of such loan. Alternatively, the Cooperative may sell the cotton or warehouse receipts evidencing such cotton and receive loan deficiency payments from the CCC or any similar governmental agency if any such loan deficiency payments are available.

(d) Member's agreement hereunder applies to all cotton produced by him for a crop year that he has committed for sale to the Cooperative for marketing under the terms of this Agreement and the Options Notice for the crop year. Promptly after gathering, Member shall deliver for marketing all of his committed cotton production to an approved cotton gin (to be designated by the Cooperative) for ginning and baling at Member's expense. The Cooperative shall direct the processing to be performed on the cotton at the gin or elsewhere (including, without limitation, lint cleaning). All cotton so ginned and baled shall be certified in the customary manner and promptly delivered to an approved warehouse (to be designated by the Cooperative) for storage to the account of the Cooperative or, should the Cooperative decide to ship cotton direct to a mill or other purchaser, at the Cooperative's instruction to a designated carrier for the Cooperative's account for direct shipment to the ultimate purchaser of such cotton. Upon receipt of warehouse receipts for the cotton or delivery of such cotton to a designated carrier to the account of the Cooperative, title and risk of ownership shall pass to the Cooperative. All warehouse receipts with respect to such cotton shall be delivered promptly to the Cooperative, or to such other buyer, marketing agent or broker as the Cooperative may designate. If the cotton committed in the Options Notice is not delivered within twenty-one (21) days after the ginning of such cotton, such failure of delivery shall be prima facie evidence of a breach of this Agreement by Member. Member agrees that the Board of Directors of the Cooperative may establish a deadline after which the Cooperative may reject any cotton, or warehouse receipts for cotton, tendered to the Cooperative by Member.

(e) Member hereby agrees that Cooperative is authorized to enter into exclusive agreements with a third party to administer or manage the business, administration and/or affairs of Cooperative and to sell the Cooperative's (and through the Cooperative, its members') cotton by granting options to such third party to buy the cotton and in connection therewith to redeem the cotton from the CCC loan on such terms and conditions as the Cooperative shall determine, in its sole and unfettered discretion, by mutual agreement with such third party. Cooperative has entered into agreements with Cargill, Incorporated, a Delaware corporation ("Cargill"), to act as administrative agent for Cooperative and to market the Cooperative's cotton, which marketing agreement grants Cargill options to purchase the cotton from Cooperative and to acquire the right to redeem the cotton from the CCC loan. Cargill may, in its sole discretion, attempt to achieve an enhancement to the price of the cotton above the guaranteed minimum price for the cotton for the benefit of the Cooperative and its members. However, Cooperative and Member specifically acknowledge and agree that Cargill makes no representation nor provides any assurance or guarantee that there will be any enhancement to the price of the cotton whatsoever, and each of the Cooperative and Member further agree that Cargill shall have no liability whatsoever with respect to any failure to achieve any enhancement to the price of the cotton at all.

Cooperative and Member hereby agree and understand as follows:

(i) that Cargill, in its sole discretion, may enter into forward contracts with third parties with respect to the cotton to be acquired from Cooperative in reliance on this Agreement and may hedge its price risk exposure through the use of futures, options and similar tools in further reliance on this Agreement; and

(ii) That Cargill is in the business of buying, selling and merchandising cotton on a global basis, and thus may buy and sell cotton to and from a variety of persons and entities, and may hedge its price risk exposure in the futures and/or options markets for its own account and at its sole discretion. Cooperative and Member agree and understands that Cargill has no duty or obligation to act for the benefit of the Cooperative to the detriment of Cargill's other cotton merchant activities, including but not limited to, Cargill's purchase and sale of such cotton prior to or after Cooperative's cotton. Cooperative and Member acknowledge that Cargill's other cotton merchant activities may present conflicts of interest, and each expressly waives any claims against Cargill based on these conflicts. Cooperative and Member agree that Cargill has no duty to subordinate its own interests or the interests of others in order to enhance the price of the cotton of Cooperative and/or its members; and

(iii) That in connection with both Cargill's marketing activities relating to Cooperative's cotton and Cargill's other cotton merchant activities, Cargill will also be attempting to maximize its own revenues and earnings, and that these activities may create a conflict of interest. Cooperative and Member also understand that Cargill may enter into agreements now or in the future with other cooperatives, associations or third parties in which it similarly seeks to enhance their interests, and that these activities may also produce a conflict of interest. Cooperative and Member expressly waive any claims against Cargill based on these conflicts; and

(iv) Cooperative and Member specifically acknowledge and agree that Cargill's interest and motivation in marketing Cooperative's cotton is to attract, keep and expand its business with the Cooperative, and through the Cooperative, its business with members. Cooperative and Member waive and release Cargill from any and all claims, actions and liability arising out of Cargill's purchase, sale and marketing of Cooperative's cotton, including, but not limited to, any failure to achieve a desired price enhancement for Cooperative's cotton. Cooperative agrees that its sole and exclusive remedy relating to any failure to receive a desired price enhancement shall be to decline to enter into further marketing contracts with Cargill in the future. Member agrees that its sole and exclusive remedy relating to any failure to receive a desired price enhancement shall be to decline to sign up with Cooperative in the future.

All decisions made by the Cooperative's Board of Directors (the "Board") shall be final and binding concerning the terms of contracts for administration and marketing the cotton.

(f) The Cooperative is hereby authorized to treat all such cotton or warehouse receipts or documents of title with respect thereto or proceeds from the sale thereof as its absolute property and is hereby authorized to sell, borrow money or do any other act with respect to such cotton as it may deem necessary on such terms and conditions as Cooperative shall determine, in its sole discretion, including, without limitation, entering into forward contracts in advance for the sale of Member's committed cotton, entering into additional or supplementary agreements with such other marketing agents or brokers as the Cooperative may select, and fixing the prices at which the Cooperative shall deem appropriate for the sale thereof. The Cooperative's power of sale, its power to borrow money and its other powers of ownership with respect to such cotton may be exercised in its own name and on its own account for any purpose of the Cooperative, and the Cooperative may sell or pledge, for its own account or as security for its own debts, or otherwise, all or any part of such cotton, or pools thereof, the warehouse receipts received by it with respect thereto, or other documents covering such cotton or pools thereof or receivables, notes, acceptances, bills of lading, orders or other documents with respect thereto or account sales without limitation or further Member approval.

(g) Member warrants and represents that no creditor has or will have a lien or security interest upon the Member's cotton crop committed hereunder except as set forth in the Declaration of Liens that is a part of the applicable Options Notice and agrees that the Cooperative may rely upon such Declaration of Liens without making any independent investigation of the status of liens against Member's cotton crop committed hereunder. Member agrees to indemnify and hold the Cooperative harmless from and against any and all loss (including attorney's fees) which it may suffer as a result of breach of this warranty. Member shall in no way be precluded from obtaining production financing by placing a lien on the Member's growing cotton crop provided that such lien is identified in the Declaration of Liens and shall be subject to the right of the Cooperative to handle the cotton committed hereunder according to terms of this Agreement. The lienholder shall stand in the place of Member as such lienholder's interest appears and until such interest is satisfied. If any liens become effective after the date of execution of this Agreement and are not stated on the Declaration of Liens, the Member will immediately notify the Cooperative in writing of any such liens. Member agrees and covenants to save and hold harmless and to indemnify the Cooperative from and against any claim, loss and expenses arising out of any lien affecting the cotton committed hereunder.

(h) This Agreement, the Articles of Incorporation and Bylaws of the Cooperative and the Options Notice shall together form the entire contract between the Cooperative and the Member with respect to the subject matter hereof.

3. Payment.

(a) The Cooperative may maintain separate record keeping accounts for different characteristics of cotton, such as government loan eligible or ineligible, different

varieties, times at which cotton is planted, cotton planted under varying specifications or harvested by non-traditional means or based on other differences. Proceeds from the sale of different categories of cotton shall be assigned to their respective cotton category accounts. All expenses of the Cooperative and deductions authorized by the Board of Directors shall be allocated to the various separate record-keeping accounts in such reasonable manner as the Board of Directors may determine. Out of the separate record keeping cotton accounts qualifying for the government loan program, Member shall receive as a guaranteed minimum payment for such cotton (but not for ineligible cotton) produced by him and sold to the Cooperative for marketing pursuant to this Agreement and the Options Notice, the government loan value applicable to cotton of like variety, grade and quantity (less cotton board fees and other deductions permitted under the CCC regulations and authorized by the Board). Member acknowledges that the amount paid to the Members of the Cooperative may vary depending upon the time a particular program or pool was created or made available or joined or by the geographical area in which the Member's farm is physically located, quality, or other factors. The Member may receive such additional amount or amounts as the Board of Directors may determine, provided that there is no guarantee or assurance of any payment in excess of the government loan value less authorized deductions. Subject to applicable CCC Regulations, such guaranteed payment shall be made at such times and in such amounts as is agreed between the Cooperative and the Member in the Options Notice or in any written supplemental agreement thereto ("Supplemental Agreement") provided the Options Notice or the Supplemental Agreement is entered into prior to Member's delivery to an approved warehouse for the Cooperative's account as provided herein, or, in the absence of such an agreement, at such times and in such amounts as the Cooperative's Board of Directors may determine. Out of separate accounts for cotton not eligible for the government loan program, Member shall receive such initial amount as the Board of Directors shall determine to be economically feasible to be paid to Member.

(b) In the sole and absolute discretion of the Board of Directors of the Cooperative, and without any obligation to do so, the Cooperative may make, out of such separate accounts, additional advances to Member based on results of the Cooperative and receipt of any payment above government loan value by Cargill, before substantially all of the cotton to be marketed by the Cooperative for the crop year involved is disposed of, provided that the Board of Directors of the Cooperative determines the amount of such payments by reference to the market price of cotton sold and the anticipated selling price of unsold cotton. Such additional advances (if any) are made with a first payment on or about February 15th, a second payment on or about May 15th, with a final settlement payment (if any) to occur no later than September 30th following the end of the crop year. Any remaining proceeds realized from the sale by the Cooperative on behalf of its members of cotton eligible for the government loan program shall be allocated to the one or more separate accounts maintained for government loan eligible cotton pools and programs and any proceeds from the sale of cotton not eligible for government loans shall be allocated to the one or more separate accounts maintained for such ineligible cotton. After deduction of insurance, receiving and storage charges and cotton board research fees, promotional fees and any other deductions authorized by the Board of Directors, such as loadout, compression, freight to a compression point, if any, Member authorized ginning charges and Cooperative expenses (such expenses being reasonably allocated to each account on the basis of costs incurred with respect to

proceeds of cotton allocated to such account), such remaining proceeds shall be distributed to the Cooperative's Members participating in the particular pools or programs to which accounts the proceeds are allocated in accordance with quality and the number of pounds of cotton sold to the Cooperative by each member, as provided in the Cooperative's Bylaws. For cotton eligible to be placed into loan, the Cooperative nor Cargill shall become liable to the Member for any amount in excess of the government loan value of the eligible cotton less first months insurance, receiving and storage charges and cotton research fees in the case of cotton ineligible pools for the loan covered by this Agreement until such time or times as such cotton has been finally sold and patronage dividends have been determined and declared. All distributions from each separate account established above shall be made ratably on the basis on the quantity of cotton delivered by each Member participating in a respective account. Notwithstanding anything to the contrary set forth in this Section 3, if the Board of Directors determines that it is permitted to do so under CCC and other regulations, the eligible and ineligible accounts or other accounts established based upon differing cotton categories as provided for herein may be combined and administered as a single fund. If enhancement to the price is made, each member in the same program or pool will receive the same enhancement which such price for a member may be adjusted for quality differences in the cotton, warehouse charges, time of delivery and other specific expenses of that member and, in the case of a "call" pool or program, increased by such gains or charged with losses relating to the member's establishment of a selling price through the Cooperative.

(c) In the event that the United States Department of Agriculture should notify the Cooperative that the Cooperative may not act as the cooperative marketing agent for the Member in placing cotton subject to this Agreement in the CCC loan program or in applying for or receiving loan deficiency payments, the Cooperative shall promptly notify Member of such information and Member shall be released from the provisions of the Agreement solely for the purpose of placing such cotton in the CCC loan program in his own name or applying for loan deficiency payments but not from provisions to otherwise market the cotton committed hereunder. In such case, Member agrees to notify the Cooperative of such action within three (3) days after Member's placing such cotton into the Commodity Credit Corporation. Member shall retain the amount he receives from the CCC and the guaranteed payment referred to in Section 3 of this Agreement shall not be made by the Cooperative. Any loan deficiency payments applied for by Member are hereby assigned to, shall be the property of and shall be paid to the Cooperative for distribution to Member as provided in previous paragraphs of this Section 3.

(d) If the Cooperative is not permitted to place Member's cotton in the CCC loan program or to apply for loan deficiency payments, Member still desires for his cotton to be marketed by the Cooperative under this Agreement. Therefore, Member hereby appoints the Cooperative as his sole and exclusive agent to redeem or withdraw cotton placed in the CCC loan program by Member and to thereafter market such cotton in accordance with this Agreement (and apply for loan deficiency payments for any cotton so marketed that was not placed in the loan program) and agrees that a copy of this Agreement, duly executed by Member or his representative, shall be sufficient authorization to any cotton warehouse to permit the Cooperative to withdraw or redeem cotton from the CCC loan program or to receive and be paid any loan deficiency payments therein. Member hereby agrees that he will not withdraw or redeem cotton from the CCC loan

program or apply for any loan deficiency payments without the advance written consent of the Cooperative and consents to the notification by the Cooperative of the Farm Service Agency and cotton warehouses where such cotton is stored that the cotton may not be withdrawn without the prior written consent of the Cooperative or notification to the CCC to make loan deficiency payments to the Cooperative. Member agrees to cooperate with the Cooperative in any reasonable request by the Cooperative and to execute such documents or take such actions as may be necessary or helpful to the Cooperative in withdrawing cotton from the CCC loan program, marketing such cotton in accordance with the Cooperative's marketing program and applying for any loan deficiency payment.

(e) Member shall receive his share of loan proceeds less cotton board fees from the CCC loan within fifteen (15) business days from the Cooperative's receipt of such payment from CCC. Likewise, if eligible cotton is not placed in a loan with CCC, the first payment to the Member will be made no later than fifteen (15) business days after receipt of USDA classing data and electronic warehouse receipts, and will be equal to at least the CCC loan rate at the applicable warehouse, less cotton board fees.

4. Marketing Programs or Pools. The Board of Directors of the Cooperative may establish from time to time multiple separate programs or pools of cotton that will be managed based on different marketing strategies or based upon, among other factors, geographical areas, cotton variety and times of placing cotton with Cooperative. Pursuant to that authority, the Board of Directors of the Cooperative has currently established the following two separate programs or pools for the marketing and sale of cotton: (i) a "seasonal" pool that is managed based on traditional industry strategies with all decisions made by the Cooperative and its marketer; and (ii) a "call" pool that is managed based on more aggressive marketing strategies, which strategies permit, on certain conditions, involvement by the member in the pricing of cotton, which may increase the potential for greater financial rewards but which also may increase the risks for greater financial loss due to the ability of a member to establish under certain conditions his price for cotton. Any pools or programs established shall be offered or closed at such times as the Board or Cooperative's designee may determine. The Member shall automatically be a member of, and all Member cotton committed to the Cooperative pursuant to his then current Options Notice shall be placed within, the "seasonal" pool if Member does not select a program or pool in his Options Notice. To assist the Member in deciding whether to join the "call" pool, the Cooperative shall furnish informational material to the Member not less frequently than annually describing in greater detail the different marketing strategies to be used in connection with each of the "seasonal" and "call" pools offered by the Cooperative.

5. Term. This Agreement shall be binding upon the Member, his heirs, representatives, successors and assigns, and shall continue in effect for each crop year following the signing of this Agreement if Member commits cotton for a crop year pursuant to an executed Options Notice even in the event of a Member's death; provided, however, that in the event of termination of this Agreement it shall continue in effect until the fulfillment of the obligations undertaken or assumed by

the parties hereto with respect to crop years prior to termination including, but not limited to, Member's delivery of the cotton committed for that crop year.

6. Irrevocability. Member's appointment of the Cooperative as its exclusive cooperative marketing association agent and Member's other obligations hereunder shall be irrevocable during the term hereof. Member acknowledges that the Cooperative (and its members) are relying on Member's agreements herein and in the Options Notice and that the Cooperative acts in its own name for all of its members in the sale of cotton produced by such Members in any transaction with respect to such cotton contemplated or appropriate hereunder and in any action or legal proceeding on or arising out of this Agreement in reliance on such irrevocability.

7. Remedies. This is a contract for the marketing of personal property under special circumstances and conditions under which other members of the Cooperative, the Cooperative itself and third persons (i.e., Cargill) intend to rely on entering into agreements and contracts for the sale of cotton. The Member acknowledges that the Cooperative cannot practicably go into the open market and buy cotton to replace any cotton that the Member may fail to deliver and that this contract would be the proper subject for the remedy of specific performance in the event of a breach thereof. In the event of a breach by the Member of any material provision of this Agreement, particularly as to the delivery or marketing of committed cotton other than through the Cooperative, the Cooperative shall, upon proper action instituted by it, pending the adjudication by arbitration and without any waiver by it of the right to arbitrate, be entitled to a temporary restraining order and preliminary injunction to prevent any or further breach hereof and to a decree for specific performance hereof, according to the terms of this Agreement. In no event shall Cooperative's seeking or obtaining such equitable relief be deemed a waiver of arbitration. If, and to the extent that, the equitable relief described above is not available, the Cooperative shall be entitled to receive, and Member shall pay for each and every breach of this Agreement by Member for which such equitable relief to stop the breach is unavailable, liquidated damages in an amount equal to the product determined by multiplying (a) the spot price for cotton, defined as the settlement price of the ICE Cotton No. 2 Futures for March for the calendar year following the projected harvest date of the cotton committed (i.e., for cotton harvested in October of a calendar year then the ICE Cotton No. 2 Futures contract for March for the following calendar year) on the day of the breach or, if not available on that date, the business day immediately preceding the date such breach for which such spot price is available, by (b) the number of pounds of cotton with respect to which the failure occurred. Member agrees that, in the event of one or more breaches of this Agreement, the Cooperative may retain and offset such damages from and against any funds due to Member from the Cooperative. The Member understands and acknowledges that the Cooperative and Cargill, as marketing agent, are entering into contracts for the sale of cotton with third parties based upon the adherence to this Agreement by Member and all other members who have executed a similar Agreement, and that the breach hereof by Member will have a material adverse effect upon the Cooperative's and Cargill's ability to perform such contracts which would cause irreparable damage to the Cooperative and Cargill. Each Member executing this Agreement acknowledges that this Agreement is one of a series of agreements of similar import among all members of the Cooperative, depending for its value upon the adherence of each Member to all of such agreements.

8. Expenses. If the Cooperative brings any action in arbitration to enforce or attempt to enforce any term, condition or provision hereof, to enforce an award granted in arbitration, to secure specific performance hereof or other equitable relief or to collect in arbitration any damages of any kind for any breach of this Agreement, or if, as a result of any action or inaction by Member, the Cooperative is required to defend itself in any action brought against it or to retain counsel to advise the Cooperative in connection with any proposed even if no suit is filed, the Member shall pay to the Cooperative all court costs, costs for bonds and otherwise, accounting fees, expenses of travel and all other expenses arising out of or caused by the arbitration, litigation or the possibility of litigation, and any reasonable attorney's fee expended or incurred by it in any such proceedings or potential proceedings, and all such costs and expenses shall be included in the judgment and shall be entitled to the benefit of any lien securing any payment hereunder. The Cooperative may retain, offset and deduct any amounts due under this Agreement, including this section, from any funds due to Member from the Cooperative by offset and set off against Member's equity in the Cooperative, deduction from Member's account or advances or otherwise.

9. Annual Statement and Availability of Records. Upon the request of the Cooperative, the Member will furnish to the Cooperative a statement of his expected cotton acreage to be planted for the coming crop year. Member shall also provide such yield and progress information, as the Cooperative shall request by e-mail or otherwise from time to time. Member will not have an affirmative duty to initiate communications to the Cooperative about his cotton crop except for communicating information relating to damaging events specific to the Member's acreage or bales (such as hail damage, drought, insect damage, or other damaging event.) Member agrees that the cotton crop committed shall be accessible to the Cooperative's designated agents who may enter the fields at any time to inspect the cotton crop. The Member recognizes that, in order for the Cooperative to pursue its aims and purposes and conduct its affairs pursuant to this marketing agency in an orderly fashion, the Cooperative should have access to Farm Service Agency cotton records, Agricultural Marketing Service classing records and the ginner's records with respect to Member's cotton. Accordingly, Member agrees that such records shall be available to the Cooperative and its designees at all reasonable times and hereby authorizes and directs that such records shall, upon application of the Cooperative, acting through its Board of Directors, be made available to the Cooperative for examination by the Cooperative. Member further agrees that a copy of this Agreement, duly executed by him or his representative, shall be sufficient authorization to persons having possession of such records to deliver the same to the Cooperative or its designees for the purposes herein described. Member further agrees to execute any power of attorney, designation of the Cooperative as agent for Member or any other form required by any ginner or by Farm Service Agency officers or by Agricultural Marketing Service officers.

10. Capacity and Authority of Member in the Execution of this Agreement. By the execution of this Agreement, Member hereby binds himself individually and each partnership, corporation, trust, estate or other legal entity that is a producer of cotton that is subject to this Agreement and in which he holds a material interest and upon whose behalf he has the power and authority to execute this Agreement. Member represents that he is experienced in cotton production and sale, and that based on Member's experience and knowledge of the cotton market Member has

elected to market cotton through the Cooperative in full awareness of the risks thereof. Cooperative and Member acknowledge that cotton markets are highly risky and volatile, and that Cargill makes no representations or guarantees with respect to the success of its marketing of Cooperative's cotton and its ability to achieve any price enhancements. Member warrants that the Member has the right to commit all the production from land so designated in the then current Options Notice and any prior Options Notice executed by such Member, and that any person with an interest or lien in said crop has authorized the Member to execute this Agreement, for and on their behalf to commit such cotton. Member warrants that there is no other person or lienholder with an interest in said cotton crop committed other than those identified in the Options Notice and Declaration of Liens. In the event a lessor executes and delivers an Options Notice such signature shall conclusively establish the lessor's agreement to membership in the Cooperative. In addition, if other person has signed for a lessor or other person, the person signing for the lessor or person warrants the signatory's authority to make and bind the lessor or other person as a member of the Cooperative.

11. Promulgation of Farm Programs. If the United States government establishes or promulgates (a) programs (such as, but not limited to, marketing assistance loans, loan deficiency payments, producer option program, payment in kind, classing certificates, exchange certificates, etc.) that impact the marketing or collateralization of the Member's cotton or (b) any other program under which Member is entitled to receive government commodities or government certificates or payment of subsidies payable in things (such as, cash, commodity certificates, generic certificates, registered or bearer forms of monetary value, etc.) for his eligible cotton program participation or his cotton, the Cooperative, its agent or its affiliate is hereby authorized and will receive any and all things and program benefits. If the Cooperative, its agent or another cooperative or like organization sponsored by or affiliated with the Cooperative elects to establish a marketing program for which payment is made in things, and if Member is eligible to participate in such program, Member agrees to market his items qualifying for payment in things through the Cooperative, its agent or affiliate under such terms and conditions as may be established by the Cooperative, its agent or affiliate, when such a marketing program is established.

12. Notices. All notices, written communications, warehouse receipts, checks and other documents to be furnished by Member to the Cooperative or by the Cooperative to Member shall be deemed properly delivered, if delivered in person or mailed, United States mail, postage prepaid or delivered via nationally recognized overnight courier (i.e., FedEx, UPS or DHS) to the following addresses:

To the Cooperative:	Cotton Solutions Cooperative 40 South Main St, Suite 2700 Memphis, Tennessee 38103
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To the Member:	At the address indicated at the end of this Agreement.
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Any such notice or written communication shall be deemed given when delivered, if delivered in person, two (2) calendar days following deposit in a United States Mail receptacle and one (1) business day after deposit with the nationally recognized overnight courier.

13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Member and his heirs, successors and permitted assigns and the Cooperative and its successors and assigns. This Agreement is a personal agreement of the Member and may not be assigned or delegated to another by the Member without the prior written consent of the Cooperative and no such assignment by Member shall in any way relieve or release the Member of its obligations and duties hereunder.

14. Governing Law. This Agreement is entered into in the State of North Carolina and is intended to be governed by the law of the State of North Carolina except that in the event of the Federal Arbitration Act shall govern the arbitration provided hereunder. Accordingly, the terms and provisions hereof shall be construed and interpreted in accordance with the laws of the State of North Carolina.

15. Entire Agreement; Modifications. There are no oral or other conditions, promises, covenants, representations or inducements in addition to or in variance with any of the terms of this Agreement (as supplemented by the documents referenced in Section 2(h) hereof), and this Agreement, as so supplemented, represents the voluntary and clear understanding of both parties fully and completely. This Agreement may not be modified except by writing signed by each of the parties or their duly authorized representatives.

16. Pronouns. Masculine pronouns used in this Agreement include, where appropriate, feminine and neuter, and singular pronouns include, where appropriate, the plural.

17. Paragraph Headings. The paragraph headings in this Agreement are inserted for convenience of reference only and are not to be construed in any manner as a part of this Agreement.

18. Dispute Resolution and Arbitration.

(a) Except with respect to any action by the Cooperative to seek equitable relief to prevent a breach or further breach of this Agreement by obtaining a restraining order or preliminary injunction, the Cooperative and Member agree to meet within fourteen (14) days after written notice from one party to the other party of a dispute or controversy under this Agreement. In the event that the designees of the Cooperative and Member (if the Member is an entity) cannot resolve a dispute or controversy within thirty (30) calendar days following their meeting, the parties hereto agree that the arbitration procedure set forth in subsection 18(b) below shall be followed.

(b) Except for any action by Cooperative to seek equitable relief to prevent a breach or further breach or for any action to enforce an arbitration award, Cooperative and Member

shall be obligated to submit to arbitration, pursuant to the rules of the American Cotton Shippers Association, any and all controversies, claims or disputes arising out of or relating to the following subjects: (i) this Agreement, including, without limitation, the execution, validity, interpretation or breach hereof, (ii) grading or rejection of any of Member's products by Cooperative (except for Cooperative's rejection of cotton not delivered by the deadline after ginning), or (iii) failure to deliver or refusal to accept any of Member's products that are bought, or contracted to be bought, from Member by Cooperative (except for Cooperative's rejection of cotton not delivered by the deadline after ginning). The arbitrator(s) selected shall have the authority to grant injunctive relief. If any such arbitration is determined to be unavailable to resolve such a controversy, claim or dispute, the parties hereto shall be entitled to relief as expressed herein. Because the Cooperative's members are located in multiple states, the parties hereto agree that this Agreement and the deliveries hereunder (and any dispute thereof) involves interstate commerce and is governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.).

(c) Each of the parties hereto submits to the exclusive jurisdiction of any federal district court for the district in the State in which the crop acreage involved is located, and any action or proceeding for equitable relief and for any action or proceeding to collect upon or enforce any arbitration award arising out of relating to this Agreement shall be submitted to such court. Each of the parties hereto waive any defense or claim for lack of personal jurisdiction or any defense or claim for any inconvenient forum to the maintenance of any action or proceedings that are brought in such federal court and waives any bond, surety or other security that might be required of any other party with respect thereto.

19. Cotton Eligibility. For cotton committed to the Cooperative, in addition to any additional representations and warranties made by Member in a duly executed Options Notice, the Member does hereby certify as follows:

- A. Member represents that all cotton shall be eligible for CCC loan and loan deficiency payments, that the cotton was produced in Member's capacity as a lessor, land owner, tenant or sharecropper, and that all procedures, including the filing of necessary forms or reports, required by the USDA or CCC to make the cotton eligible have been completed.
- B. The Cooperative is hereby authorized to pledge the cotton to the CCC as security of any amounts loaned by the CCC to the Cooperative on the cotton pursuant to the current Cotton Cooperative Loan Agreement (Form G), plus charges and interest, and the cotton so pledged by the Cooperative to the CCC shall be redeemable only by the Cooperative or its designee.
- C. The Member has a legal right to deliver the cotton to the Cooperative and to authorize the Cooperative to pledge the cotton to the CCC and to make the representations, warrants and agreements contained herein.

- D. The cotton has not been previously sold or repurchased or placed in the CCC loan and redeemed.
- E. Member is an eligible member under the current CCC Cotton Loan Program Regulations for a marketing assistance loan on the cotton.
- F. Member certifies that all cotton delivered for his account from the current crop, which is pledged to the CCC by the Cooperative meets CCC requirements and the requirements of this agreement.
- G. Member further represents and warrants that good farming practices will be followed, and that the cotton committed to be delivered under this Agreement will be upland cotton, will be in good condition, will be produced in the crop year designated on the Options Notice and will be ginned as directed by the Cooperative.
- H. Member further represents and warrants that the cotton will not be false packed, water packed, mixed packed, reginned or repacked.

20. Authorization for Farm Programs. Member acknowledges that Cooperative must have the ability both to act for Member and to verify crop production. Member hereby irrevocably constitutes and appoints the Cooperative, acting through its designated employees and/or its administrator, agent, designee or as attorney-in-fact to act for and on behalf of the Member for the purposes of: (a) obtaining and handling receipts in Member's name and/or conducting title transfers of warehouse receipts (paper or electronic) as agent or attorney-in-fact for and on behalf of the Member or for the protection of any persons who may lawfully come into possession of the receipts; (b) taking delivery of cotton samples and cotton warehouse receipts or equivalent; and (c) requesting and receiving from any cotton gin, warehouse, broker, cooperative, classing office, insurer, insurance agent, Commodity Credit Corporation, Cotton Board, Farm Service Agency, Risk Management Administration, U.S. Department of Agriculture (USDA), EWR, Inc., Internal Revenue Service, The Seam, LLC and/or from any other source, the following data and information pertaining to the crop year(s) mentioned in the enrollment form(s): the number of bales of cotton ginned, warehoused, produced, or sold, and the number of acres of cotton (or other crops) planted, certified and harvested, on the farms listed in the enrollment form(s) and on any other farms farmed by Member; Member's and Member's farms' eligibility for cotton loan payment programs; classing information for cotton Produced by Member; all USDA forms containing any information concerning Members' farms. Member hereby irrevocably grants to the said attorney-in-fact full power and authority to do and perform all acts and things requisite or appropriate to be done as fully as the Member might or could do if personally present in order to investigate to determine if Member has complied with Member's obligations to Cooperative. Member acknowledges its obligation to the Cooperative and to the other members of Cooperative to fully perform its obligations to Cooperative, and Member directs the persons and entities listed above, including, but not limited to, the Farm Service Agency and Risk Management

Administration, to provide the information described above when requested by Cooperative whether that information is requested during the specified crop year or at some other time. This power of attorney is irrevocable as a power coupled with an interest in reliance on the irrevocable grant of the above powers.

21. Acceptance as Member. Cooperative accepts Member as a member, provided it meets all other necessary qualifications, and this Agreement and Options Notice constitutes Member's certificate of membership.

22. Designation of Gin as Agent. If Member has designated a gin to receive payments for and on behalf of the Member as member's agent, the designated gin will receive payments for the Member even if the Member gins its cotton committed hereunder with another ginner unless and until the original designated gin agent agrees in writing to the change and the new gin who is to be designated as agent agrees in writing to be the agent for payments for the member and each of such written notices and agreements are received by Cooperative.

23. Severability. Any term or provision of this Agreement that is invalid, unenforceable or unconscionable in any situation in any jurisdiction shall not affect the validity or enforceability to the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision and any other situation or any other jurisdiction.

24. Third Party Beneficiary; No Partnership or Joint Venture. The parties hereto expressly agree that the Cooperative's marketing agent and administrative agent for a crop year shall be an intended third party beneficiary of the provisions of this Agreement and may enforce the provisions of this Agreement as such third party beneficiary in its own name or in the name of the Cooperative, for and on behalf of the Cooperative. Nothing herein contained shall constitute or be deemed to create a partnership or joint venture between Cooperative and Cargill, as each is a separate entity with distinct contractual interests and rights in assuring Member's performance of his or its obligations hereunder.

25. Payment Limitation Indemnity. Member acknowledges that the USDA imposes payment limitations and income, adjusted gross income and other limitations upon USDA Farm Program entitlements, payments, and benefits (including, but not limited to, marketing gains), and that this Agreement does not take into consideration such limitations. *In the event a Member's payment limitation, or income limitations, or adjusted gross income limitations, or other loss eligibility for government programs, or changes in USDA Farm Programs, causes the Cooperative or the Cargill to pay in excess of the Adjusted World Price ("AWP") at time of, or in connection with, redemption of the cotton committed under this Agreement by an Options Notice, then Member will promptly reimburse Cooperative for its allocated share of such redemption cost in excess of AWP as determined by Cooperative in its discretion. The parties intend that the buyer's redemption cost shall not exceed AWP, and that any redemption cost in excess of AWP shall be for the involved Member's accounts.*

26. Adjustments for Program Changes. Member acknowledges that the farm program for the crop year may be changed, modified, and/or sequestered by Congressional or administrative

action prior to or after the execution of this agreement. If so, it is agreed that payments and distributions may be adjusted by the Cooperative in reasonable proportion to the changes in the applicable farm program. Member will be notified of the reasons for any such adjustment.

27. Electronic Communication and Signatures. The Cooperative may use electronic communications for contracting with its members, correcting errors, and/or communicating with members concerning meetings and other matters. Electronic records and communications shall be binding on the parties. The parties shall immediately notify each other in writing of any error in electronic records or communications. If Member establishes an electronic password, Member will not allow any unauthorized person to use Member's password, and Member will be bound by any communication made using such password. Member has provided an email address to the Cooperative and Member agrees to keep abreast of notices and information provided by email. Contracts electronically "signed" shall be binding on the parties. "Sign" means, with present intent to authenticate or adopt a record; (i) to execute or adopt a tangible symbol; or (ii) to attach to or logically associate with the record an electronic sound, symbol, or process.

[Execution to Follow on Next Following Page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement this _____ day of _____, 2021.

“COOPERATIVE:”

COTTON SOLUTIONS COOPERATIVE

By: _____
Its _____

Witness: _____
Print Name: _____

“MEMBER:”

Name of Member, Partnership, LLC
Corporation or Sole Proprietor

Signature of Person Signing Agreement

Printed Name of Person Signing
Agreement

Mailing Address

City, State and Zip Code

SSN/Tax IDNo. _____

Farm IDs: _____

EXHIBIT "A"

DECLARATION OF LIENS

TO: COTTON SOLUTIONS COOPERATIVE

Member certifies that the following persons, banks, lending institutions, landlords or other creditors have or will have a lien or security interest upon the cotton crop of Member:

NAME	ADDRESS
_____	_____
_____	_____
_____	_____
_____	_____

Member further certifies that no other persons or entities have any liens or security interests upon the Member's crop. If any other person or entity acquires a lien or security interest which attaches to such crop, Member warrants that, within three (3) days of such attachment, he will notify the Cooperative in writing of the identity and address of such lienholder.

If the Member fails to notify the Cooperative in writing of all of the present and future holders of a security interest or lien on his cotton crop, the Member hereby waives his right to the guaranteed payment provided for in this agreement and may be paid the lesser of the eligible or ineligible cotton price paid pursuant to Section 3 of the above agreement for his cotton, in the discretion of the Board of Directors.

"MEMBER"

Name of Member, Partnership, Corporation
or Sole Proprietor

Signature of Person Signing Agreement