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|                        |
| <b>Contract Number</b> |

## COTTON SOLUTIONS COOPERATIVE

### PROGRAM OPTIONS NOTICE AND ENROLLMENT AGREEMENT (CROP YEAR 2021)

Cotton Solutions Cooperative (“Cooperative”) and the undersigned producer (“Member”), in accordance with the terms of the Membership and Marketing Agreement between Cooperative and the Member applicable to the Crop Year specified herein (“Membership Agreement”), do hereby enter into this Program Options Notice and Enrollment Agreement (“Options Notice”) as a supplemental agreement thereto, and do hereby agree as follows:

- The Member’s execution of this Options Notice constitutes the Member’s agreement to opt in and enroll as a member of the Cooperative in accordance with the Membership Agreement for the Crop Year specified herein. Each of the Member and undersigned Gin agent have read the Membership Agreement and the Cooperative’s Articles of Incorporation and Bylaws as currently in effect, each of which are each incorporated herein as part of this Options Notice as is set forth herein.
- Cooperative to Receive and Market Cotton.** Cooperative is entitled to exclusively receive and market, and Member hereby contractually commits to deliver to Cooperative the upland cotton produced by and for said Member during the **2021** Crop Year as described below:

(a) the acreage denoted by Farm Serial Number and Tract listed below:

| Farm Serial # | Tract # | State Code | County Code | Acres Dryland | Acres Irrigated | Total Acres | Historical Yield Dryland | Historical Yield Irrigated |
|---------------|---------|------------|-------------|---------------|-----------------|-------------|--------------------------|----------------------------|
|               |         |            |             |               |                 |             |                          |                            |
|               |         |            |             |               |                 |             |                          |                            |
|               |         |            |             |               |                 |             |                          |                            |
|               |         |            |             |               |                 |             |                          |                            |
|               |         |            |             |               |                 |             |                          |                            |

and/or (b) the number of bales specified below from the Farm(s) denoted below (which bales shall comply with the requirements specified herein and otherwise required by Cooperative). **Member acknowledges that by electing to deliver any cotton to Cooperative designated as Committed Bales below, such election shall constitute a “Bales Contract” between Member and Cooperative and represents a firm obligation to deliver such cotton to Cooperative regardless of Member’s actual production of cotton on its Farm:**

| Committed Bales | Farm Serial # | State Code | County Code |
|-----------------|---------------|------------|-------------|
|                 |               |            |             |
|                 |               |            |             |
|                 |               |            |             |

|                                   |  |
|-----------------------------------|--|
| <b>All Cotton To Be Ginned At</b> |  |
|-----------------------------------|--|

|  |  |  |
|--|--|--|
| Pool Selection Applies to Selected Acreage and Bales | <input type="checkbox"/> Seasonal Pool<br><input type="checkbox"/> BCT Seasonal Pool (if eligible) | <input type="checkbox"/> Call Pool<br><input type="checkbox"/> BCT Call Pool (if eligible) |
|--|--|--|

|                      |              |                 |  |   |
|----------------------|--------------|-----------------|--|---|
| <b>Member’s Name</b> |              |                 | <b>Street or Route No.</b>                   |   |
|                      |              |                 |  |   |
| <b>City</b>          | <b>State</b> | <b>Zip Code</b> | <b>Member's Phone Area Code &amp; Number</b> | <b>Social Security or Tax ID No. (as per FSA Form CCC- 478)</b> |
|                      |              |                 |  |   |

| Landlord's Name (if applicable)* |       |          | Street or Route No. |   |
|----------------------------------|-------|----------|---------------------|---|
|                                  |       |          |                     |   |
| City                             | State | Zip Code | Landlord's Shares   | Social Security or Tax ID No.<br>(as per FSA Form CCC- 478) |
|                                  |       |          |                     |   |

\*Landlord Name, Address, SS, and TID required if producing member is committing Landlord share on his contract.

**3. Notifications.** Members shall notify Cooperative at 7101 Goodlett Parkway, Cordova, Tennessee 38016, Fax # (901)937-4569, promptly upon anticipation of a variation of more than 10% of historical yield as defined for crop insurance purposes for acreage committed.

**4. Marketing of Cotton.** Cooperative shall market such cotton as and when Cooperative, in its sole discretion, shall deem proper, and Cooperative may, as provided for in Section 2(e) of the Membership Agreement, retain a third party to market such cotton on behalf of Cooperative. Member hereby agrees that such third party retained to market the cotton on behalf of Cooperative shall have the discretion to market the cotton as and when the third party, in its sole discretion, shall deem proper.

**5. Term.** The term of this Option Notices shall be for the 2021 Crop Year (as Crop Year is defined in the Membership Agreement) Pursuant to the provisions of the Membership Agreement, the Member has no right to withdraw from membership in Cooperative for that Crop Year and shall deliver the cotton committed hereunto for delivery to Cooperative for the Crop Year.

**6. Authorization of Payment.** Member hereby directs and authorizes Cooperative or its agent to make the payments provided for in Section 3 of the Membership Agreement (including any Loan Deficiency Payments or other Producer Option Payments received by Cooperative from the Commodity Credit Corporation) to the gin named in paragraph 2 above, hereafter referred to as "Gin," as Member's duly-appointed agent, for disbursement. Any payments made to the Gin, as agent for the Member, shall constitute full discharge of the Cooperative's obligation to the Member to the extent of those payments and shall be treated as if those payments were made directly to the Member. The Member authorizes the Gin to transfer cotton produced by the Member to the Cooperative by delivery of electronic warehouse receipts, as agent for the Member. Member hereby directs the Gin to first pay or apply any payment or payments made by Cooperative to the Gin, for and on behalf of the Member, toward satisfaction of any outstanding liens or other encumbrances on the cotton (or proceeds therefrom) produced on the farm (or for the bales) listed above and delivered to Cooperative by the Gin on Member's behalf, second to the fees or commissions due the Gin and thereafter to pay any balance to Member. Upon each payment to the Gin, Member hereby releases and agrees to hold Cooperative (and its agents and manager) harmless from and against any and all claims the Member may have or hereafter claim to have against Cooperative with respect to each such payment.

**7. Declaration of Lien and Obligation to Disclose Future Lien/Indemnification.** Member hereby declares and warrants to Cooperative that all of the cotton delivered or to be delivered for the account and Crop Year above described is or will be free from all liens of any character save and except the liens set forth below on the Declaration of Liens attached hereto; and, if none are in effect on the date below, Member will immediately notify Cooperative of any future lien affecting said cotton.

**8. Death of Member.** In accordance with Section 5 of the Membership Agreement, the death of Member shall not in any way terminate or limit the obligation of Member thereunder or hereunder; and this Options Notice shall be binding upon the heirs, administrators, executors, and successors in interest and assigns of Member. Successors in interest shall include, but not be limited to, any person or entity gaining actual or physical possession and control over the cotton covered by this Options Notice, and shall specifically include lessees, donees and grantees of the Member, as well as assignees for the benefit of creditors, trustees in bankruptcy, court appointed keepers and general or secured creditors. Persons coming into possession shall be treated as successors in interest whether their possessory interest is voluntarily or involuntarily acquired and whether or not said possession results from judgments or agreements that predate this Options Notice.

**9. Member's Certificate for Loan for Eligible Cotton.** As the producer of the cotton covered under this Options Notice, Member hereby certifies that all representations and warranties contained in the Membership Agreement by Member are and remain true and accurate in all respects and Member hereby makes the following additional representations and warranties:

(a) Member is an eligible producer under the current Commodity Credit Corporation Cotton Loan Program regulations for a loan on the cotton that is subject to this Options Notices;

(b) Member has the full legal right and authority to deliver the cotton to Cooperative and to authorize Cooperative to pledge the cotton to CCC or other lenders and to make the representations, warranties and agreements contained herein. Member further authorizes Cooperative to receive Loan Deficiency Payments ("LDP") or marketing assistance loans (or other Producer Option Payments ("POP") from the CCC on Member's behalf in its capacity as cooperative marketing association for Member's benefit. Member will not separately apply for LDP or POP payments on the cotton covered hereby;

(c) If the cotton is produced in the capacity of landlord, share tenant, or sharecropper, the cotton covered hereunder is Member's separate share of the crop. If Member, in its capacity as a landowner, tenders cotton in which both landowner and share tenant or sharecropper have an interest, Member agrees that the benefits of any advances made and any additional proceeds received from the cotton, will be shared between the landowner and any tenants or sharecroppers having an interest in the cotton on the basis of their interests therein;

(d) Member agrees to the indemnity obligation of member under the Membership Agreement relating to USDA payment limitations, income limitations and adjusted gross income limitations on USDA Farm Program entitlements, payments, and benefits, as the Cooperative does not have access to the facts to properly assess such limitations. It is the agreement that Cooperative's redemption price shall not exceed AWP, and that any redemption cost paid by Cooperative in excess of AWP shall be solely for Member's account and Member shall promptly reimburse Cooperative for the redemption cost in excess of Adjusted World Price ("AWP"). In the event payments by Cooperative to Member from such programs exceeds the Member's applicable payment limitations, Member shall promptly reimburse Cooperative for USDA Farm Programs in excess of the payment limitations;

(e) All cotton delivered for Member's account from the current crop, which is pledged to the CCC, or other lender by Cooperative meets all requirements for such cotton to be pledged. Member shall furnish to Cooperative, upon Cooperative's request, any and all information pertaining to eligibility for the CCC Loan Program including, but not limited to, FSA Form 478 of the Farm Service Agency ("FSA") of the United States Department of Agriculture ("USDA") or successor form thereto; and

(f) The Member further represents and warrants that none of the cotton committed hereunder was grown, or will be grown, on any farm enrolled in the Average Crop Revenue Election Program ("ACRE Program").

(g) Are you, the Member, or any cotton loan co-applicant delinquent on any federal non-tax debt? [Please Initial] \_\_\_yes \_\_\_no

10. Any dispute arising between or among the Gin, the Member, the Cooperative or Cargill, will be resolved exclusively by final and binding arbitration pursuant to the Federal Arbitration Act and the arbitration rules of the American Cotton Shippers Association as modified by the terms and conditions set forth in the Membership Agreement. Cargill is a third party beneficiary of this Options Notice and the Membership Agreement. This Options Notice supplements the Membership Agreement and becomes a part of the contractual agreement between the Member and Cooperative.

IN WITNESS WHEREOF, this Options Notice is executed and entered into on this the \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by the undersigned acting by and through their duly authorized agents.

\_\_\_\_\_  
Member Signature

COTTON SOLUTIONS COOPERATIVE ("Cooperative")

\_\_\_\_\_  
By / Its (Please Print)

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**11. Acknowledgment of Agency Relationship and Acceptance of Responsibility of Lien Search.**

For value received, the undersigned Gin hereby acknowledges its designation as agent of the Member above listed producer for receipt of payments and for the delivery of the cotton derived from the farm listed above. Further, Gin hereby agrees with Cooperative and Cargill, Inc. as third party beneficiary, that it shall be solely responsible for performing any and all lien searches necessary to assure that when any payment is made by Gin to producer, there are no outstanding liens or other encumbrances on the cotton (or proceeds therefrom) produced on the farm listed above and delivered to Cooperative by Gin. Gin further agrees that, upon receipt of any payment from Cooperative, Gin shall first pay or apply the same to satisfy any and all outstanding liens or other encumbrances on the cotton (or proceeds therefrom) produced on the farm listed above and delivered to Cooperative by Gin. Payment by Gin to a producer shall constitute certification that the foregoing lien searches have been conducted and that neither the cotton (nor the proceeds therefrom) being delivered to Cooperative by Gin is subject to any further lien or other encumbrance. Gin will indemnify and hold Cooperative and Cargill, Inc. harmless from and against any and all claims, actions, suits, demands, damages, liabilities and losses, including the costs of any litigation or administrative proceeding and attorney's fees, arising by the action of any holder of a lien on the cotton (or the proceeds therefrom) produced on the farm listed above and delivered to Cooperative by Gin. Gin further covenants and agrees to pay, after receipt from Cooperative, the balance of the producer's loan deficiency payments or POP payments to Member in accordance with all applicable governmental regulations, and, in addition to the foregoing, Gin will indemnify and hold Cooperative and its agents, employees and manager harmless from and against any and all claims, damages, liabilities or losses asserted by a producer or any person or entity claiming by or through such producer arising from or as a result of any failure to properly or timely remit such loan deficiency or other payments in accordance with applicable governmental regulations.

NAME OF GIN \_\_\_\_\_

ADDRESS \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT "A"**

**DECLARATION OF LANDLORDS**

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**

**LANDLORD SIGNATURE**

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**"MEMBER"**

\_\_\_\_\_  
Name of Member, Partnership, Corporation  
or Sole Proprietor

\_\_\_\_\_  
Signature of Person Signing Agreement