

**GROWER'S MARKETING AGREEMENT
WITH
AUTAUGA QUALITY COTTON ASSOCIATION**

THIS GROWER'S MARKETING AGREEMENT is hereby made and executed in duplicate by and between Autauga Quality Cotton Association (the "Association"), a cooperative association for mutual farming and trucking organized under Title 2-10-90, et seq., Code of Alabama 1975, with its principal place of business in Autauga County, Alabama, and the undersigned (herein referred to as the "Grower") on the date set forth below.

RECITALS

1. The Association is organized as a mutual farming and trucking cooperative association under the laws of the State of Alabama for the purpose of standardizing and improving the quality of cotton produced within its membership area and for the purpose of offering its members the benefit of cooperative marketing of cotton produced by the membership.

2. Grower is familiar with the Articles of Incorporation and Bylaws of the Association, is in accord with the Association's aims, purposes and methods of operation and desires to take advantage of the benefits of cooperative marketing afforded by membership in the Association. In applying for membership in the Association, Grower subscribes to those purposes and aims and desires to assure the Association the absolute right to handle, sell and market Grower cotton produced or controlled by Grower as hereinafter described.

AGREEMENT

1. Application for Membership; Tax Reporting of Patronage Dividends. Grower hereby applies for membership in the Association and, in so doing, acknowledges that he has read, understands and approves the Association's Articles of Incorporation and Bylaws (which are incorporated herein by reference). Grower 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, Grower agrees to comply with such rules and regulations relating to marketing procedures and other procedural matters as the Board of Directors of the Association may adopt from time to time. Grower also acknowledges that the Board of Directors may decline to accept or renew a Grower 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 Association, but such ineligible cotton shall not be entitled to the guaranteed payment provided in Section 4 hereof but, instead, shall only participate in the ineligible pool, if any, provided for in Section 4.

By execution of this Marketing Agreement, Grower 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 him from the Association, will be taken into account by him 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.

2. Tax Reporting of Per Unit Retain Allocations. By execution of this Marketing Agreement, Grower agrees that the stated dollar amount of per unit retain allocations paid in cash, or per unit retain certificates made in the form of a written notice (as defined in Sections 1388(g) and (f) of the Code, or any subsequent statute of similar import), and which are received by him from the Association, will be taken into account at their stated dollar amounts in the manner provided in Sections 1385(a)(3) and 1388(h) of the Internal Revenue Code of 1986, or any subsequent statute of similar import, in the taxable year in which such cash or written notice of per unit retain certificates are received by him. The current per unit retain is \$0.10 a bale but may be increased or decreased by action of the Association's Board of Directors.

3. Sale of Cotton to Association; Association's Authority as Marketing Agent. Grower (and each other member of the Association entering into a marketing agreement similar to this) hereby agrees to sell to the Association, and the Association hereby agrees to buy from the Grower, for marketing those acres of cotton described in the Farm Verification Form executed by Grower and the Association concurrently herewith or hereafter executed by Grower and the Association, and hereby appoints the Association as the EXCLUSIVE MARKETING AGENT for such cotton produced by Grower. Once executed, such Farm Verification Form shall be deemed to supplement and be a part of this Marketing Agreement and shall remain in effect until a new Farm Verification Form is executed by the Grower and the Association or until this Marketing Agreement is terminated, whichever occurs first.

This Marketing Agreement is intended to confer upon the Association certain authority with respect to the cotton committed by the Grower to the Association for marketing under the terms of this Marketing Agreement and then current Farm Verification Form as soon as such cotton has potential existence, but such cotton shall remain the property of the Grower and at his risk and expense until delivery to an approved warehouse for the account of the Association or, should the Association decide to ship cotton direct to a mill or other purchaser, until delivery from an approved gin to a carrier for the account of the Association for direct shipment to the ultimate purchaser of such cotton, all as hereinafter provided.

The Association may pledge cotton stored in a warehouse or warehouse receipts evidencing such cotton to the Commodity Credit Corporation 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 Commodity Credit Corporation)

and receive proceeds of a loan made pursuant to such pledge and the Association may redeem such cotton by repayment of such loan. Alternatively, the Association may sell the cotton or warehouse receipts evidencing such cotton and receive loan deficiency payments (commonly known as the Producer Option Payment) from the Commodity Credit Corporation or any similar governmental agency if any such loan deficiency payments are available.

Grower's agreement hereunder applies to all cotton produced by him that he has committed for sale to the Association for marketing under the terms of this Marketing Agreement and then current Farm Verification Form executed in connection herewith. Promptly after gathering, Grower shall deliver his committed cotton production to an approved cotton gin (to be designated by the Association) for ginning, baling and delivery to an approved warehouse (or for direct shipment as directed by the Association) at Grower's expense. The Association 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 Association) for storage to the account of the Association or, should the Association decide to ship cotton direct to a mill or other purchaser, at the Association's instruction, to a designated carrier for the Association's account for direct shipment to the ultimate purchaser of such cotton. Upon delivery of such cotton to an approved warehouse or to a designated carrier to the account of the Association, title and risk of ownership shall pass to the Association. All warehouse receipts and other evidences of ownership with respect to such cotton shall be delivered promptly to the Association, or to such other buyer, marketing agent or broker as the Association may designate. Grower agrees that the Board of Directors of the Association may establish a deadline after which the Association may reject any cotton, or warehouse receipts for cotton, tendered to the Association by Grower. If the Board does not establish a different date, such deadline shall be March 1 of the year following planting.

The Association is hereby authorized to treat all such cotton 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 including, without limitation, entering into contracts in advance for the sale of Grower's committed cotton, entering into additional or supplementary marketing agreements with such other marketing agents or brokers as the Association may select, and fixing the prices at which the Association shall deem appropriate for the sale thereof. The Association's power of sale, power to borrow money and other powers of ownership of such cotton may be exercised in its own name and on its own account for any purpose of the Association and the Association 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, warehouse receipts received by it with respect thereto, account sales, or other documents covering such cotton or pools thereof or receivables, notes, acceptances, bills of lading, orders or other documents with respect thereto.

Grower warrants and represents that no creditor has or will have a lien or security

interest upon the Grower's cotton crop committed hereunder except as set forth in the Declaration of Liens that is a part of then current Farm Verification Form and agrees that the Association may rely upon such Declaration without making any independent investigation of the status of liens against Grower's cotton crop committed hereunder. Grower agrees to indemnify and hold the Association harmless against any and all loss (including attorney's fees) which it may suffer as a result of breach of this warranty.

4. Payment. The Association may maintain separate record keeping accounts for different characteristics of cotton, such as government loan eligible or ineligible, different varieties, 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 Association 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, Grower shall receive as a guaranteed payment for such cotton (but not for ineligible cotton) produced by him and sold to the Association for marketing pursuant to this Marketing Agreement and the Farm Verification Form, the government loan value applicable to cotton of like variety, grade and quantity (less insurance, receiving and first month's storage charges and cotton research, promotional fees and any other deductions authorized by the Board of Directors, such as loadout, compression, freight to a compression point, if any, Grower authorized ginning charges, costs of cottonseed sold to the Grower, and Association expenses) and such additional amount as the Board of Directors may determine prior to September 30 of each crop year. Such guaranteed payment shall be made at such times and in such amounts as is agreed between the Association and the Grower in the Supplemental Agreement or Farm Verification Form, provided the Supplemental Agreement or Farm Verification Form is entered into on or before September 30 but prior to Grower's delivery to an approved warehouse for the Association's account as provided herein, or, in the absence of such an agreement, at such times and in such amounts as the Association's Board of Directors may determine. Out of separate accounts for cotton not eligible for the government loan program, Grower shall receive such initial amount as the Board of Directors shall determine to be economically feasible to be paid to Grower.

In the sole and absolute discretion of the Board of Directors of the Association, the Association may make, out of such separate accounts, additional payments to Grower without reference to the net earnings of the Association, before substantially all of the cotton to be marketed by the Association for the crop year involved is disposed of, provided that the Board of Directors of the Association determines the amount of such payments by reference to the market price of cotton sold and the anticipated selling price of unsold cotton. Any remaining proceeds realized from the sale by the Association 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 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 and after deduction of

insurance, receiving and first month's storage charges and cotton research, promotional fees and any other deductions authorized by the Board of Directors, such as loadout, compression, freight to a compression point, if any, Grower authorized ginning charges, costs of cottonseed sold to the Grower, and Association 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 funds shall be distributed to the Association's members as patronage dividends in accordance with the number of pounds of cotton sold to the Association by each member, as provided in the Association's Bylaws.

The Association shall not become liable to the Grower 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 (or the amount initially determined by the Board of Directors to be paid for ineligible cotton) covered by this Marketing 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 Grower participating in a respective account. Notwithstanding anything to the contrary set forth in this Section 4, if the Board of Directors determines that it is permitted to do so, 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.

In the event that the United States Department of Agriculture should notify the Association that the Association may not act as agent for the Grower in placing cotton subject to this Agreement in the Commodity Credit Corporation loan program or in applying for or receiving loan deficiency payments, the Association shall promptly notify Grower of such information and Grower shall be released from the provisions of the Agreement solely for the purpose of placing such cotton in the Commodity Credit Corporation loan program in his own name or applying for loan deficiency payments. Grower agrees to notify the Association of such action within three (3) days thereafter. Grower shall retain the amount he receives from the Commodity Credit Corporation and the guaranteed payment referred to in Section 4 of this Marketing Agreement shall not be made by the Association. Any loan deficiency payments applied for by Grower are hereby assigned to, shall be the property of and shall be paid to the Association for distribution to Grower as provided in previous paragraphs of this Section 4.

If the Association is not permitted to place Grower's cotton in the Commodity Credit Corporation loan program or to apply for loan deficiency payments, Grower still desires for his cotton to be marketed by the Association under this Agreement. Therefore, Grower hereby appoints the Association as his sole and exclusive agent to redeem or withdraw cotton placed in the Commodity Credit Corporation loan program by Grower and to thereafter market such cotton in accordance with this Marketing 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 Marketing Agreement, duly executed by Grower or his representative, shall be sufficient authorization to any cotton warehouse to permit the Association to withdraw or redeem cotton from the Commodity Credit Corporation loan program or to receive and be paid any loan deficiency payments. Grower hereby agrees

that he will not withdraw or redeem cotton from the Commodity Credit Corporation loan program or apply for any loan deficiency payments without the advance written consent of the Association and consents to the notification by the Association 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 Association or notification to the Commodity Credit Corporation to make loan deficiency payments to the Association. Grower agrees to cooperate with the Association in any reasonable request by the Association and to execute such documents or take such actions as may be necessary or helpful to the Association in withdrawing cotton from the Commodity Credit Corporation loan program, marketing such cotton in accordance with the Association's marketing program and applying for any loan deficiency payment.

5. Geographic Pools. The Board of Directors of the Association may establish marketing pools among members located in particular geographic areas within the membership area. In the event such a marketing pool is established for a particular geographic area, all growers growing cotton within such geographic area who are subject to this Marketing Agreement shall become members of, and be included within, the marketing pool associated with such geographic area, and the Grower (and each other member of the Association located within the geographic area of the marketing pool who is subject to this Marketing Agreement) and the Association agree to enter into a separate Marketing Pool Agreement which shall specify the individual rights and responsibilities of the Grower and the Association with respect to the creation and operation of, and the payment for cotton sold from within, the marketing pool established thereby. Notwithstanding anything contained herein to the contrary, in the event that one or more marketing pools are established under this Section 5, the operation of such pools shall be governed by the terms and conditions of the separate Marketing Pool Agreement and shall not be governed by the terms and conditions of this Marketing Agreement and the Farm Verification Form, except to the extent that such agreements do not conflict with the provisions contained in the Marketing Pool Agreement. If the Grower does not wish to be included within a marketing pool established in his geographic area, the Grower may opt out of such pool by providing the Association with notice of cancellation of this Marketing Agreement within fifteen (15) days of notification of the establishment of the geographic area marketing pool.

6. Marketing Pools. The Board of Directors of the Association may establish separate pools of cotton that will be managed based on different marketing strategies. Pursuant to that authority, the Board of Directors of the Association has established the following two separate pools for the marketing and sale of cotton: (i) a "seasonal" pool that is managed based on more traditional marketing strategies; and (ii) an "aggressive" pool that is managed based on more aggressive marketing strategies, which strategies increase the potential for greater financial rewards but which also increase the risks for greater financial loss. The Grower shall automatically be a member of, and all Grower cotton committed to the Association pursuant to his then current Farm Verification Form shall be placed within, the "seasonal" pool unless the Grower executes and delivers to the Association, not later than June 1, on a form prescribed for such purpose by the

Association, a separate agreement that shall affirm the Grower's decision to place all or a portion of his cotton in the "aggressive" pool offered by the Association. To assist the Grower in deciding whether to join the "aggressive" pool, the Association shall furnish an information package to the Grower not less frequently than annually describing in greater detail the different marketing strategies to be used in connection with each of the "seasonal" and "aggressive" pools offered by the Association.

7. Term. This Marketing Agreement shall be binding upon the Grower, his heirs, representatives, successors and assigns, and shall continue in effect for each crop year following the signing of this Agreement, from year to year, unless a signed notice of cancellation is given by either the Grower or the Association on or before December 15 prior to the then next upcoming crop year; 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.

8. Series of Agreements; Irrevocability. This Marketing Agreement is one of a series of marketing agreements generally similar in terms, comprising, with all such agreements executed by other growers who become members of the Association by the execution thereof, one single contract between the Association and such growers, mutually and individually obligated to the Association and other members under all of the terms thereof. Accordingly, Grower's appointment of the Association as marketing agent and Grower's other obligations hereunder shall be irrevocable during the term hereof. Grower acknowledges that the Association acts in its own name for all of its members in the sale of cotton produced by such growers, in any other transaction with respect to such cotton contemplated or appropriate hereunder, and in any action or legal proceeding on or arising out of this marketing agreement.

9. Remedies. This is a contract for the marketing of personal property under special circumstances and conditions under which other members of the Association, the Association and third persons intend to rely on entering into agreements and contracts for the sale of cotton. The Grower acknowledges that the Association cannot practicably go into the open market and buy cotton to replace any cotton that the Grower 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 Grower of any material provision of this Marketing Agreement, particularly as to the delivery or marketing of committed cotton other than through the Association, the Association shall, upon proper action instituted by it, be entitled to an injunction to prevent further breach and to a decree for specific performance hereof, according to the terms of this Agreement. If and to the extent that the equitable relief described above is not available, the Association shall be entitled to receive for every breach of this agreement for which such equitable relief is unavailable, liquidated damages in an amount equal to the difference between (a) the price of such cotton on the New York futures market during the period beginning with the date of breach or default by the Grower (taking into account the grade, staple and micronaire of such cotton) and ending with the final delivery by the Association of cotton sold during that year, and (b) the highest price per pound received by the Association for

the membership cotton (of the same or nearest grade, staple and micronaire) sold by it from the same year's crop. Grower agrees that, in the event of one or more breaches of this Marketing Agreement, the Association may retain such damages from any funds due Grower by the Association. The Grower understands and acknowledges that the Association is entering into contracts for the sale of cotton with third parties based upon the adherence to this Agreement by Grower and all other members who have executed a similar marketing agreement, and that the breach hereof by Grower will have an adverse effect upon the Association's ability to perform such contracts which would cause irreparable damage to the Association. Each Grower executing this Marketing Agreement acknowledges that this Agreement is one of a series of agreements of similar import among all members of the Association, depending for its value upon the adherence of each Grower to all of such agreements.

10. Expenses. If the Association brings any action to enforce any provision or to secure specific performance hereof or to collect damages of any kind for any breach of this Marketing Agreement, or if, as a result of any action or inaction by Grower, the Association is required to defend itself in any action brought against it or to retain counsel to advise the Association even if no suit is filed, the Grower shall pay to the Association all court costs, costs for bonds and otherwise, accounting fees, expenses of travel and all other expenses arising out of or caused by the 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 Association may deduct any amounts due under this Agreement, including this section, from any funds due to Grower from the Association by offset against Grower's equity in the Association, deduction from Grower's account or otherwise.

11. Annual Statement and Availability of Records. Upon the request of the Association, the Grower will furnish to the Association a statement of his expected cotton acreage to be planted for the coming crop year. The Grower recognizes that, in order for the Association to pursue its aims and purposes and conduct its affairs pursuant to this marketing agency in an orderly fashion, the Association should have access to Farm Service Agency cotton records, Agricultural Marketing Service classing records and the ginner's records with respect to Grower's cotton. Accordingly, Grower agrees that such records shall be available to the Association at all reasonable times and hereby authorizes and directs that such records shall, upon application of the Association, acting through its Board of Directors, be made available to the Association for examination by the Association. Grower further agrees that a copy of this Marketing 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 Association for the purposes herein described. Grower further agrees to execute any power of attorney, designation of the Association as agent for Grower or other form required by any ginner or by Farm Service Agency officers or by Agricultural Marketing Service officers.

12. Capacity and Authority of Grower in the Execution of this Agreement. By the execution of this Marketing Agreement, Grower 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.

13. Promulgation of Farm Programs. If the United States government establishes or promulgates (a) programs (such as, marketing loan, loan deficiency payments, producer option program, payment in kind, classing certificates, etc.) that impact the marketing or collateralization of the Grower's cotton or (b) any other program, under which Grower 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 Association, its agent or its affiliate is hereby authorized and will receive any and all things and program benefits. If the Association, its agent or another cooperative or like organization sponsored by or affiliated with the Association elects to establish a marketing program for which payment is made in things, and if Grower is eligible to participate in such program, Grower agrees to market his items qualifying for payment in things through the Association, its agent or affiliate under such terms and conditions as may be established by the Association, its agent or affiliate, when such a marketing program is established.

14. Notices. All notices, written communications, warehouse receipts, checks and other documents to be furnished by Grower to the Association or by the Association to Grower shall be deemed properly delivered, if delivered in person or mailed, United States mail, postage prepaid to the following addresses:

To the Association: Autauga Quality Cotton Association
208 Medical Center Court
Prattville, Alabama 36066

To the Grower: At the address indicated at
the end of this Agreement.

15. Controlling Law. This Marketing Agreement is entered into in the State of Alabama and is intended to be governed by the law of the State of Alabama. Accordingly, the terms and provisions hereof shall be construed and interpreted in accordance with the laws of the State of Alabama.

16. Entire Agreement. 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 Marketing Agreement, and this Agreement represents the voluntary and clear understanding of both parties fully and completely. This Agreement may not be modified except by writing signed by the parties or their duly authorized representatives.

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

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

[Execution to Follow on Next Following Page]

IN WITNESS WHEREOF, the undersigned parties have executed this Marketing Agreement this _____ day of _____, 20_____.

“ASSOCIATION”:

Autauga Quality Cotton Association

By: _____
Its _____

“GROWER”

Name of Grower, Partnership, Corporation
or Sole Proprietor

Signature of Person Signing Agreement

Printed Name of Person Signing
Agreement

Mailing Address

City, State and Zip Code

SSN/Tax ID No. _____

EXHIBIT "A"

CERTIFICATION OF LIENS

Grower 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 Grower:

NAME	ADDRESS
_____	_____
_____	_____
_____	_____
_____	_____

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

If the Grower fails to notify the Association in writing of all of the present and future holders of a security interest or lien on his cotton crop, the Grower 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 4 of the above agreement for his cotton, in the discretion of the Board of Directors.

"GROWER"

Name of Grower, Partnership, Corporation
or Sole Proprietor

Signature of Person Signing Agreement