

AGREEMENT FOR PARTICIPATION IN THESEAM, LLC ELECTRONIC COTTON MARKETING SYSTEM

The undersigned PARTICIPANT acting by its duly authorized owner, partner, officer, or official and The Seam, LLC (The Seam), a Delaware limited liability company with its offices and principal place of business in Memphis, Tennessee, acting by its duly authorized official agree as follows:

1. A. PARTICIPANT may act as a Seller, a Buyer, and/or a Special Servicer on the The Seam, LLC electronic cotton marketing system (the "The Seam system"). A PARTICIPANT acting as a Seller will be subject to the obligations and will perform the duties set forth in this Agreement for a Seller. A PARTICIPANT acting as a Buyer will be subject to the obligations and perform the duties set forth herein for a Buyer. A PARTICIPANT acting as a Special Servicer will be subject to the obligations and perform the duties set forth herein for a Special Servicer.
 - B. All purchases and sales are made pursuant to both the provisions of this document and The Seam's Domestic (U.S.) Rules and Terms (together the "Agreement"). PARTICIPANT acknowledges and agrees that it is PARTICIPANT's responsibility to regularly review The Seam Agreement posted electronically on The Seam system, and that the provisions of the Agreement may change from time to time. PARTICIPANT's use of The Seam system after new or revised provisions of the Agreement are posted is agreement to those provisions and terms. In connection with any purchase or sale or other transaction by PARTICIPANT on a given date, the then current Agreement including the then current Domestic (U.S.) Rules and Terms as posted electronically on the system on that date shall apply.
 - C. Pursuant to the terms of this Agreement, electronic warehouse receipts ("ewrs") sold through The Seam system by Seller shall be purchased by The Seam, and The Seam shall resell them to the first Buyer which had agreed to a price with Seller. Both the Seller and the Special Servicer warrant to the Buyer and The Seam that good and marketable title to the ewrs shall pass to The Seam and that nothing that Seller or Special Servicer has done or failed to do will prevent The Seam from passing good and marketable title to the ewrs to the Buyer upon resale. Trading on the The Seam system is not in physical cotton, all trading is in ewrs. The Seam does not assume the responsibility of the issuing warehouse to deliver the physical cotton. The cotton represented by ewrs offered on The Seam system shall be invoice ready.
 - D. (i) From and after the instant that there is an agreed price (as defined herein) between a Seller and a Buyer, there is an agreement to buy and sell and all three parties (Seller, The Seam, and Buyer) will be obligated to pay and deliver as set forth in this Agreement.

(ii) A price is an "agreed price" when the same price is both offered and accepted electronically by a Seller and a Buyer using The Seam system. The price will be cents per pound, multiplied by the original warehouse net weight per bale.
2. Ewrs may be offered and sold or purchased through The Seam system under the following alternatives:
 - A. Sale Alternatives: Ewrs may be offered through The Seam system at a firm price or a bid for ewrs may be solicited through a basis or open offer by Seller.

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- B. Purchase Alternatives: Ewrs may be purchased or solicited through The Seam system at a firm or basis price by Buyer.
 - C. Other Alternatives: Ewrs may be offered or solicited through The Seam under additional alternatives which may be developed by The Seam and selected by PARTICIPANT.
3. The Seam agrees, subject to the terms and conditions of this Agreement:
- A. to provide PARTICIPANT access to The Seam system.
 - B. when Seller has agreed to sell ewrs on The Seam system, to pay Seller, promptly after sale and delivery to The Seam of ewrs sold by Seller, the agreed price less customary invoicing deductions, less The Seam's fees to Seller, if any and less bank wire transfer cost, if any.
 - C. when Buyer has agreed to purchase ewrs on The Seam system, to deliver to Buyer the ewrs purchased by Buyer as provided in Paragraph 4.A. after receipt of good funds for the agreed price plus The Seam' fees to Buyer, and customary invoicing deductions.
 - D. to post on The Seam's website, at least five (5) calendar days in advance of their effective date, any changes in The Seam's fees, or in this Agreement including The Seam's terms and conditions.
 - E. to maintain in confidence PARTICIPANT's Confidential Information subject to Paragraph 7 below.
 - F. The Seam shall not be responsible the condition or the existence of the bales represented by the ewrs.
4. PARTICIPANT-Seller agrees, subject to the terms and conditions of this Agreement:
- A. after making an agreement to, to deliver to The Seam valid, negotiable, marketable, invoice ready ewrs on or before 9:00 a.m. CT on the seventh business day after the agreement to buy and sell is reached. Business days shall be those days in which The Seam is open for trading ewrs. If Seller withdraws its ewrs from The Seam prior to an agreement to sell, Seller will pay The Seam's retrieval fee, if any. In an ATPLC transaction, the seller will be required to deliver a CCC-605 or equivalent by 9:00 a.m. CT on the first business day following the agreement. This paragraph 4A will not otherwise apply to ATPLC sales unless the buyer elects to receive delivery immediately.
 - B. prior to offering ewrs for sale (or accepting an offer for purchase of ewrs), to provide to The Seam or to the Special Servicer complete and accurate descriptions of, and lienholder information for, all ewrs offered for sale (or sold) by Seller on The Seam system, and inform The Seam whether Seller has paid or will pay the Cotton Board fees. Prior to the offer of sale by Seller, or acceptance of an offer of purchase by Seller, Seller shall notify The Seam in writing if the payment to be paid to PARTICIPANT is to be deferred under The Seam deferred payment agreement. If any part of the payment is due to any third party such as a landlord, lender, lienholder, or gin, Seller or the Special Servicer will notify The Seam and The Seam is authorized to issue joint checks and/or split payments to such parties. A failure by Seller or the Special Servicer to notify The Seam that any

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part of the payment is due to a third party is a warranty and representation that there are no other interest holders in, or lienholders on, the ewrs sold by Seller or the underlying cotton. Seller warrants the accuracy and completion of all information provided.

- C. a Provider under this agreement is defined as any entity approved by the United States Department of Agriculture to provide Electronic Warehouse Receipts.
 - D. to accept responsibility and liability to The Seam for non-delivery of valid, negotiable, marketable ewrs sold on The Seam system by Seller, whether Seller is acting for itself or its customers or other third parties. Seller warrants to The Seam that upon sale, good and marketable title to the ewrs shall pass.
 - E. if the ewrs of Seller are offered on The Seam system and the offer is accepted by a Buyer, Seller will be obligated to honor the sale on The Seam system, regardless of any other transactions or obligations Seller has incurred or thereafter incurs.
 - F. to authorize the warehouse and AMS classing office to make available to The Seam, the Special Servicer, and to the Buyer, receiving, storage, shipping, quality, and other information on all ewrs offered or sold by Seller to The Seam or via The Seam system.
 - G. to indemnify and hold The Seam and Buyer from The Seam of ewrs sold by Seller, harmless from any and all loss or damage including, but not limited to attorney's fees caused by non-delivery, errors, lack of marketability, inaccurate information, omissions, fraud, dishonesty, unauthorized sale or other acts of Seller or of its employees or agents or other persons using Seller's access code(s).
 - H. should Buyer default in payment to The Seam of the agreed price, Seller agrees to accept in full satisfaction of any resulting damages, at the option of The Seam, either: (i) payment of the agreed price by The Seam (in exchange for delivery by Seller of the ewrs), or (ii) return of the ewrs to Seller (if they have been delivered to The Seam), and payment of any decrease in market value in the subject ewrs between the time an agreement of purchase and sale was reached, and the time of the default, as reasonably determined by The Seam.
 - I. that it will have the ability and intent to pay for and make delivery of cotton/ewrs it agrees to sell on The Seam, and it will make delivery thereof.
5. PARTICIPANT-Buyer agrees, subject to the terms and conditions of this Agreement:
- A. after The Seam notifies Buyer that Seller has delivered the ewrs to The Seam, to pay to The Seam, immediately and in no event later than 1:00 p.m. CST on the day Buyer is invoiced, good funds for the agreed price plus The Seam's fees to Buyer, and customary invoicing deductions.
 - B. to indemnify and hold The Seam, and any Seller to The Seam of ewrs bought by Buyer, and any Special Servicer, harmless from any and all loss or damage including attorney's fees caused by

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non-payment, errors, omissions, fraud, dishonesty, unauthorized purchase or other acts of Buyer or of its employees or agents or other persons using Buyer's access code(s).

- C. should Seller default in delivery, Buyer agrees to accept in full satisfaction of any resulting damages, at the option of The Seam, either: (i) the increase in market value, if any, in the subject ewrs between the time there was an agreement to buy and sell, and the time of the default, as reasonably determined by The Seam, or (ii) to accept delivery of reasonably equivalent substitute ewrs;
 - D. that it will have the ability and intent to pay for and take delivery of all cotton/ewrs that agrees to purchase on The Seam, and that it will take delivery thereof.
6. The following shall apply to each transaction:
- A. The use by PARTICIPANT of any access code(s) ("access code(s)" includes passwords) assigned to it by The Seam shall be intended by PARTICIPANT as, and shall be deemed to be, a signature, and PARTICIPANT agrees that each access code when used is intended by PARTICIPANT to, and shall, authenticate its actions. It is further agreed that the electronic records of The Seam constitute a "writing" as defined by the Uniform Commercial Code which includes any intentional reduction to tangible form. Any purchase, sale or transfer made pursuant to The Seam system shall be valid and binding on PARTICIPANT and The Seam, and neither shall assert as a defense to the validity and enforcement of such transaction any claim that the electronic records of such transaction do not constitute a "writing" or lack a "signature."
 - B. PARTICIPANT will be fully responsible for any transaction conducted by anyone using PARTICIPANT's access code or codes. Notwithstanding any notice by PARTICIPANT to The Seam or to any other PARTICIPANT that PARTICIPANT is acting as an agent for another party, PARTICIPANT's responsibility to The Seam and to other PARTICIPANTS shall be as a principal with respect to any transaction conducted by PARTICIPANT on The Seam system. PARTICIPANT will indemnify and hold The Seam, any Special Servicer, and any Buyer or Seller harmless from all loss, damage, claims, and expenses including attorneys' fees resulting from any claim or cause of action asserted by a third party for whom the PARTICIPANT was acting as agent or purportedly acting as agent.
 - C. PARTICIPANT warrants, represents, and guarantees that each person using its access code(s) has authority to act for and bind PARTICIPANT and that by so doing such person and PARTICIPANT are not in conflict with any other agreement, obligation, or law.
 - D. PARTICIPANT acknowledges that there may be computer, electronic, or other system failures from time to time, and agrees that The Seam does not warrant, represent or guarantee continued or uninterrupted access to the system. PARTICIPANT acknowledges that as a result of such failures PARTICIPANT may be cut off from the system for a period of time when trading is still being conducted on The Seam system by others who are still linked.

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- E. PARTICIPANT acknowledges that The Seam does not warrant, represent or guarantee the existence of any level of supply or demand.
 - F. PARTICIPANT agrees to immediately inform The Seam in writing or by e-mail of any error or unauthorized transaction.
 - G. Risk of loss to the cotton represented by the ewrs shall remain with the Seller until there is an agreed price between the Buyer and Seller on The Seam System resulting in an agreement to buy and sell, and thereafter risk of loss will be on the Buyer.
7. Confidentiality. Subject to the following, information sufficient to identify PARTICIPANTS other than First Handlers, with any particular offers, purchases, or sales shall be Confidential Information and shall be held in confidence by The Seam, unless disclosure is required by law. In maintaining confidentiality The Seam shall limit the number of persons who have access to such Confidential Information (“Access Persons”) and Access Persons shall agree not to provide such Confidential Information to any other persons without complying with this Paragraph 7. Access Persons will agree not to directly or indirectly engage in any cotton trading of any kind. In maintaining confidentiality The Seam shall at least use the degree of care which it uses to protect its own Confidential Information. The Seam will obtain from Access Persons (and/or their employer in the case of sub-contractors) a written undertaking that such employee will not disclose that information to any unauthorized person, and will not, directly or indirectly, engage in cotton trading including trading in cotton, ewrs, cotton futures, or cotton options. The following information shall not be considered confidential: (1) information that is now or subsequently becomes generally available to the public through no fault or breach of The Seam; (2) if The Seam can demonstrate that it had lawful possession of such information without an obligation of confidentiality prior to disclosure hereunder; (3) the information is independently developed by The Seam without the use of any confidential information of PARTICIPANT; or (4) information lawfully obtained by The Seam from a third party; (5) transaction data which has been aggregated with other participants, provided that, when aggregated, it does not identify PARTICIPANT with PARTICIPANT’S particular transactions; (6) information obtained or provided in connection with purchase and sale alternatives for non-anonymous trading which may be offered by The Seam in the future; and (7) information concerning past offers, purchases and/or sales which is necessary or desirable to be revealed and considered in connection with a claim, dispute, potential claim, lawsuit, or arbitration. If PARTICIPANT’S Confidential Information is requested to be disclosed under any alleged law, rule, regulation, subpoena, obligation, government request, or court order, The Seam shall give written notice of the request to PARTICIPANT. PARTICIPANT shall be solely responsible for taking any action necessary to oppose the disclosure, including the employment of counsel at PARTICIPANT’S expense to oppose the request. Should PARTICIPANT, after receiving notice, decline to take any action, The Seam may comply with the request for such information. If PARTICIPANT opposes the request, The Seam will cooperate in PARTICIPANT’S opposition, so long as The Seam may do so without violating any law, regulation, or other legal obligation.
8. Disputes will be resolved by arbitration as provided in The Seam’s Domestic (U.S.) Rules and Terms. This Agreement shall be construed under the laws of Tennessee except as to arbitration, which shall be

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subject to the U.S. Arbitration Act, 9 USC § 1, et seq. This Agreement shall remain in effect from year to year unless terminated as provided herein. PARTICIPANT may terminate this Agreement upon written notice of termination to The Seam. The Seam may terminate this Agreement upon written notice of termination to PARTICIPANT. The Seam or its designee may set transaction limits for the PARTICIPANT. The Seam may terminate this Agreement without notice upon default or if it is not provided upon request with assurance satisfactory to The Seam or The Seam’s designee that PARTICIPANT can and will perform its obligations hereunder. Termination shall not relieve any party of obligations arising before termination.

9. **DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY.** EXCEPT AS PROVIDED ABOVE, The Seam SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE NON-INFRINGEMENT, AND DOES NOT GUARANTEE CONTINUOUS, UNINTERRUPTED OR SECURE ACCESS TO ITS SERVICES. THE OPERATION OF THE SYSTEM MAY BE INTERFERED WITH BY NUMEROUS FACTORS. IN NO EVENT WILL The Seam BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, WHETHER OR NOT SUCH DAMAGES ARE FORSEEABLE AND The Seam HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH DAMAGE INCLUDING LOST PROFITS OR REVENUES, OR LOST DATA. The Seam LIABILITY TO PARTICIPANT HEREUNDER SHALL NOT EXCEED THE GREATER OF (1) \$100,000.00, OR (2) THE AGGREGATE TRANSACTION FEES GENERATED BY PARTICIPANT THROUGH The Seam DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

Witness our hands as of the _____ day of _____, 200__.

The Seam, LLC

Participant

Company Name:

By: _____
Signature

By: _____
Signature

Printed
Name: _____

Printed
Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____