

INTELLIGENT STORAGE SERVICES PARTICIPANT AGREEMENT

This agreement, entered into on the _____ day of _____, 2006, by and between Intelligent Storage Services ("ISS", a division of eCotton), and _____ ("Participant"), is for the purposes and on terms and conditions set forth and established in this document. See attached registration form(s) for Participant's location(s) providing for each location covered by this agreement. Each location must indicate all of the information required on the attached registration form.

RECITALS

ISS maintains and operates a system for storage, maintenance, transfer, and management of warehouse receipts for bales of cotton in customary form and content by electronic means (the "electronic warehouse receipt") as provided by applicable law and regulations (the "Provider System").

An "Issuer" is a person or entity that operates a cotton storage warehouse, issuing warehouse receipts to the depositor of bales of cotton stored in such warehouse, and has a contractual agreement to use the Provider System for issuing electronic warehouse receipts.

A "Participant" is a person or entity, other than an Issuer, who desires to use or have access to the Provider System for storage, maintenance, transfer, and management of electronic warehouse receipt data.

The purpose of this agreement is to establish the terms and procedures governing the providing of electronic warehouse receipt services by ISS and the use thereof by Participant.

Now, therefore, for and in consideration of the mutual agreements as set forth in this document, ISS and Participant agree as follows:

- I. TERM AND RENEWAL.** This Agreement shall become effective on the date set forth above, and shall continue until terminated according to Section VIII.
- II. SERVICES PROVIDED.** For the fees specified in the ISS Schedule of Fees, and commencing as provided therein, ISS will provide the following services for the benefit of Participant:
 - A. A system to maintain and transfer electronic warehouse receipts according to the United States Warehouse Act (USWA) or other applicable Federal or State law and regulations.
 - B. Such standard reports as may be described in the Schedule of Fees.
 - C. A utility program to condition files and initiate communications with the ISS EWR Provider System, for Intel-based PCs running the Windows operating system.
 - D. Such other services as may be reasonably requested by Participant which are not included in the ISS Schedule of Fees and/or rates set and updated periodically by ISS.
 - E. Compliance with Federal and State rules and regulations governing Providers of electronic warehouse receipt services.
 - F. Provided Participant is a "Holder" of an electronic warehouse receipt as that term is defined in the United States Warehouse Act (USWA) and applicable Federal or State law and regulations, compliance with Participant's instructions concerning transfer of such electronic warehouse receipt and related data.
- III. CHARGES.** Participant agrees to pay ISS, within ten (10) days of date of invoice, charges for services provided by ISS in connection with this Agreement as set forth in the ISS Schedule of Fees. The ISS Schedule of Fees may be reviewed and updated annually by ISS. Any amended or revised Schedule of Fees shall become part of this Agreement, applicable to any bales recorded for processing under this Agreement. If Participant fails to make timely payment for such charges, ISS may suspend service until paid.
- IV. DATA/ISSUANCE OF RECEIPTS.**
 - A. ISS agrees to provide Participant specific data transaction formats with instructions needed for transmission to ISS by Participant.
 - B. Participant agrees to accurately and completely provide all Required Data for each bale or transaction in the prescribed formats. ISS shall have no responsibility to supply or correct missing or incorrect data. *Required Data* means that information required by applicable Federal or State law or regulation and by ISS to transfer or otherwise act on an electronic warehouse receipt.
 - C. Participant will have the sole responsibility of initiating changes to the Electronic Warehouse Receipt data for electronic warehouse receipts on which they are the Holder. Any optional data may be changed by the issuing warehouse or ISS. ISS's responsibility will be limited to modification of such data based upon change data properly transmitted to ISS by Participant.
 - D. ISS is authorized by Participant to comply with requests or directions by Federal or State authorities regarding any electronic warehouse receipt data.
 - E. With respect to the transfer of any electronic warehouse receipt, Participant warrants that it is a Holder with the authority to

make such transfer.

- F. Participant shall be solely responsible for monitoring and verification of its information in the ISS system, and shall notify ISS immediately upon the discovery of any error or discrepancy. Upon request by ISS, Participant shall verify the accuracy of the information in the ISS system relevant to Participant.
- G. Participant shall comply with all applicable laws and regulations, including 7 C.F.R. Part 735.
- H. If Participant requests ISS to provide official USDA class data, Participant shall provide to ISS any and all necessary agency or other rights as may be required from time to time by USDA.

V. EQUIPMENT. Participant will, at its cost, provide and maintain its facilities with equipment compatible with the ISS system as specified in Section II-C. Participant is solely responsible to insure that such facilities are, and continue to be, compatible with the ISS system.

VI. HOURS OF ACCESS.

- A. Except as provided herein, ISS shall make the electronic warehouse receipt system operative and accessible to Participant seven days per week during the hours of 6:00 A.M. to 12:00 midnight, Eastern Time.
- B. If ISS cannot provide access to the electronic warehouse receipt system as described in paragraph A, ISS shall provide notice to Participant as follows:
 - 1. For scheduled downtime, an advance notice of at least 4 calendar days via ISS "Newsflash"; and
 - 2. For nonscheduled downtime, ISS will make efforts to promptly notify Issuer by fax, telephone, or email.
- C. Hours of operation may be diminished as permitted by USDA, and may be extended at ISS's option.

VII. NOTICE. Notices or communications shall be given in writing by U.S. Mail, UPS, facsimile, email, or ISS "Newsflash." Each party initially designates herein the contact person and alternate person to be contacted with respect to any matter relating to this Agreement. Such contact persons may be changed by written notice. Unless otherwise notified, the parties shall direct all communications to the person designated:

Participant Holder ID: _____

ISS Contact: Shawn Lipscomb

Participant Contact: _____

Address: 3200-112 Glen Royal Rd.
Raleigh, NC 27617

Phone: 919-783-6111

Fax: 919-571-0772

VIII. TERMINATION. Either party may terminate this Agreement by giving the other party timely written notice. In case of material breach by either party, the other may terminate this Agreement upon 30 days written notice unless such breach is curable and, prior to giving such 30 day written notice, a notice of 10 days opportunity to cure shall have been given and the party in breach shall have failed to cure.

IX. AMENDMENT. If required to meet Federal or State directives this Agreement shall be amended from time to time by issuance of a written addendum by ISS; otherwise, it may be amended only by a written agreement signed by both parties.

X. CCC LOAN. Participant recognizes that, when placing EWRs into CCC loan, the Provider System will designate Participant as the initial Redemption Agent on those EWRs, and, if CCC authorizes the use of Electronic Agent Designation (EAD) in leau of paper CCC-605 forms, the initial EAD on those EWRs. By transferring Loan Redemption Rights, Participant certifies that they are the owner of such rights or that they are authorized by the owner to act as the owner's agent.

XI. SECURITY. Participant may gain access to the ISS system only through use of a confidential password. Participant will be initially advised by telephone of an assigned password. ISS provides a method for Participant to directly change its password from time to time. Participant agrees to follow all ISS security instructions. Participant and ISS agree to maintain the confidentiality of the password. The ISS system depends, in part, on the use of fax and/or email confirmations. Should Participant not have an operable fax system or email address, the definition of *operable* including ISS being in possession of the telephone number of the fax system or the email address, Participant waives any and all security protection such confirmations might otherwise have afforded.

XII. DUTY OF CARE/LIMITATION OF LIABILITY. Participant acknowledges that data processing entails the likelihood of human and machine errors, omissions, delays, and losses, which may give rise to loss or damage. Accordingly, Participant

agrees that ISS shall not be liable as a result of any such errors, omissions, delays, and losses unless caused by its gross negligence or willful misconduct. PARTICIPANT AGREES THAT IN NO EVENT WILL ISS BE LIABLE FOR INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES. PARTICIPANT FURTHER AGREES THAT IN NO EVENT WILL THE TOTAL AGGREGATE LIABILITY OF ISS FOR ANY CLAIMS, LOSSES, OR DAMAGES ARISING UNDER THIS AGREEMENT AND THE SERVICES PERFORMED HEREUNDER, EXCEED THE GREATER OF: \$5,000.00; OR THE TOTAL AMOUNT PAID BY PARTICIPANT TO ISS PURSUANT TO THIS AGREEMENT DURING THE PRECEDING TWELVE (12) MONTH PERIOD. ISS shall have no obligation to maintain any data or other record, electronic or otherwise, for more than: six (6) years from the end of the calendar year of its cancellation in the case of EWR records; or six (6) years from its creation for all other records. It shall be a condition precedent to the maintenance of any claim against ISS that written notice of such claim shall be made to ISS not less than thirty (30) days after the event or events giving rise to such claim, and suit thereon shall be brought within one (1) year after the event or events giving rise to such claim. Participant shall adopt such measures as it deems appropriate to limit its exposure with respect to such potential losses and damages, including (without limitation) examination and confirmation of results prior to use thereof, provision for identification and correction of errors and omissions, preparation and storage of backup data, replacement of lost or mutilated documents, and reconstruction of data. Participant agrees to maintain at all times alternative methods capable of replacing any lost data. Participant will indemnify and hold harmless ISS and its officers, employees, agents and attorneys from all loss and liability, including attorney's fees, which result from Participant's failure to perform its obligations under this Agreement or from claims of third parties against ISS arising from alleged acts or omissions of Participant.

XIII. LAW, ARBITRATION, AND JURISDICTION. This agreement is governed by the provisions of North Carolina law. In the event of any dispute arising out of or in connection with this Agreement or the rights in or to the electronic warehouse receipts, the parties agree to submit to the jurisdiction of any state or federal court in Wake County, North Carolina. The parties agree that all disputes arising out of this contract shall be resolved by final, binding arbitration conducted in Wake County, North Carolina, or any other county or state if agreed to by all parties, conducted by one or three arbitrator(s) selected by mutual agreement. In the event the parties cannot agree on the number or identity of arbitrator(s), the arbitrators will be selected by the Executive Vice President of the National Cotton Council. In the event of multiparty disputes, the same arbitrator(s) may decide one or more related disputes. Since the purpose of this arbitration agreement is to provide for arbitration by persons familiar with the cotton industry, it shall not be grounds for disqualification of either the Executive Vice President or of the arbitrator(s), that they had conducted in the past, or may conduct in the future, business with any parties to the dispute(s). If necessary, in the arbitrator's judgment, the arbitrator(s) may employ counsel to assist him or her, and the reasonable cost of such counsel shall be included in the arbitrator's expenses. The decision of the arbitrator(s) shall be in writing and signed by the arbitrator(s) (or a majority thereof), and shall be final, and judgment upon the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitrator's fees and expenses shall be advanced equally by the parties. The arbitrator(s) may, in the decision, provide for reimbursement from one party to the other for legal fees, and for arbitration fees and expenses advanced.

XIV. USDA REQUIRED NOTICE. The user (Participant) and their employees are subject to the provisions of criminal and civil fraud statutes that apply to making a false certification or statement, illegal conversion or causing removal of agricultural products from warehouse space, fraudulent adjustments or correction, and concealment of operational or financial condition and as such may be punishable by imprisonment, fines, and other penalties including but not limited to the following: 18 U.S.C. 286, 287, 371, 641, 651, 1001, and 1014; and 31 U.S.C. 3729.

XV. CONFIDENTIALITY. ISS shall keep confidential, and shall not disclose to any third party, except as otherwise provided in the Schedule of Fees, all data and materials furnished by Participant for processing hereunder, and ISS agrees that such information will not be used by ISS for any purposes other than the provision of processing services pursuant to the Agreement; provided, however, that such confidentiality provisions shall not apply to data disclosed (a) with permission of Participant, (b) to the USDA or its affiliated entities during customary audits or reporting, or (c) to then current holders of the pertinent bales, or (d) as otherwise required by law. ISS's obligation under this Section is limited to diligent compliance with the same methods and procedures that ISS uses to protect its own confidential information from disclosure.

Participant: _____

Intelligent Storage Services

By: _____

By: _____

Title: _____