



Alabama
Farm Bureau Cotton Association
Montgomery, Ala.

DUPLICATE
ORIGINAL to
FARM BUREAU

MARKETING AGREEMENT
AND
APPLICATION FOR MEMBERSHIP

MARKETING AGREEMENT AND APPLICATION FOR MEMBERSHIP

The Alabama Farm Bureau Cotton Association, a non-profit Association, with its principal office at Montgomery, Ala., hereinafter called the Association, first party, and the undersigned Grower, second party, agree:

1. The Grower is a member of the Association and is helping to carry out the express aims of the Association for co-operative and orderly marketing, for minimizing speculation and waste, for reducing the dumping of cotton and for stabilizing cotton markets in the interest of the grower and the public, through this and similar undertakings by other Growers.

2. The Association agrees to buy and the Grower agrees to sell and deliver to the Association all of the cotton produced or acquired by or for him in Alabama during the years 1927, 1928, 1929, 1930, 1931, 1932 and 1933. However any member of the Association shall be permitted voluntarily to withdraw therefrom during any year, and cancel his marketing agreement so far as concerns crops not then produced, provided he shall notify the Association of his desire to do so on or before March 1st of the year during which he wishes to withdraw, such notice to be in writing and delivered personally or by registered mail. The withdrawal of any member and the cancellation of his marketing agreement shall have no effect whatever upon the marketing agreements of the other members. The Board of Directors may, at any time, upon notice given by registered mail to any Grower, cancel his marketing agreement and terminate his membership; such cancellation shall have no effect whatever upon the marketing agreements of other members. Neither the voluntary withdrawal of a member, nor the cancellation of his membership by the Board shall affect such Grower's interest in the reserve which shall be held and distributed as pro-

vided in Section 6 of this agreement, and any cotton which such member may have delivered to the Association shall continue to be subject to the provisions of this agreement and shall be marketed and settled for in the manner herein provided. When any member has exercised his privilege of withdrawing from the Association, or when the Board of Directors has exercised its privilege of terminating the membership of any member, such person shall not thereafter be readmitted to membership except upon such conditions as may be prescribed by the Board of Directors.

3. The Grower expressly warrants that he has not heretofore contracted to sell, market or deliver any of his said cotton to any person, firm or corporation, and that no one else has any interest therein, except as noted at the end of this agreement. Any cotton covered by existing contracts or liens, may be excluded from the terms hereof only for the period and to the extent there noted.

4. (a) All cotton shall be delivered at the earliest reasonable time after ginning for account of the Association to such warehouse as may be directed by the Association, and by delivery to the Association of the endorsed warehouse receipts or bills of lading, or as directed by it.

(b) Any deduction or allowance or loss that the Association may make or suffer on account of inferior grade, quality or condition at delivery, shall be charged against the Grower individually.

(c) The Association shall make rules and regulations and shall provide inspectors or graders or classifiers to standardize, grade and class the quality and method and manner of handling, pressing and shipping such cotton; and the Grower agrees to observe and perform any such rules and regulations and to accept the grading established by the Association, which shall be in accordance with the Official Cotton Standards of the United States.

5. (a) The Association shall pool or mingle the cotton of the Grower with cotton of like quality, grade and staple delivered by other Growers. The

Association shall classify the cotton and its classifications shall be conclusive. Each pool shall be for a full season unless otherwise ordered by the Board of Directors, which shall have full power to establish other pools from time to time of longer or shorter duration, and make rules and regulations governing the handling of such pools.

(b) Provided, however, that the Grower shall have the right to require the Association to resell not exceeding one-half of the cotton delivered by him to the Association during any season, either pooling the same or without pooling it with the other cotton as hereinbefore provided, at the option of the Association, and to pay to him without undue delay the net proceeds thereof after deducting reasonable costs and expenses and reserves as provided in Section 6 of this agreement. In order to exercise such right the Grower shall notify the Association in writing, that he wishes certain described cotton sold in accordance with this provision, which notice shall accompany the documents covering the cotton at the time such documents are delivered to the Association. The Association will handle sales of non pooled cotton in accordance with such reasonable rules and regulations as may be established by the Board of Directors from time to time. In the absence of rules made by the Board of Directors to the contrary it is understood that only cotton which classes low middling and better or cotton equivalent in value to low middling or better shall be eligible for sale under this provision.

(c) The Association will endeavor to sell the cotton gradually as the spinning industry requires it, or at the best possible price before another crop is produced; but in case prices are not satisfactory or production is greater than consumption, or there are abnormal trade or financial conditions, the Association will, in its conclusive discretion, hold such part of the cotton as may not be sold at a satisfactory price, until there is a fair demand for it.

6. The Association agrees to resell such cotton together with cotton of like quality, grade and staple, delivered by other Growers under similar contracts, at the best price obtainable by it under

market conditions; and to pay over the net amount received therefrom (less freight, storage, insurance and interest), as payment in full to the Grower and Growers named in contracts similar hereto according to the cotton delivered by each of them, after deducting therefrom, within the conclusive discretion of the Association, the costs of maintaining the Association, \$10.00 membership fee (for new members only), costs of handling, grading and marketing such cotton; and reserves for credits and other general purposes, and reserves not to exceed one per cent of the gross resale price. Such reserves shall be used by the Association for the organization of subsidiary corporations for the purpose of affording credits, ginning facilities, financing, seed, warehouse facilities, sale methods, or otherwise; or for any other proper purpose, in its conclusive discretion; and shall be distributed, in whole or in part only, at any time during the corporate life thereof, as and how and when the Directors of the Association may deem advisable; but the interest of the Growers in such reserve shall be in accordance with their contributions thereto. The interest of the Growers in the present reserve of the Association shall be held and used likewise by the Association, together with new reserves created hereunder; and may be distributed in the discretion of the Directors.

7. The Grower agrees that the Association may handle, in its discretion, some of the cotton in one way and some in another; but the net proceeds of all pooled cotton, except as otherwise provided in paragraph 5 (b) hereof less charges, costs and advances, shall be divided ratably among the Growers in proportion to their deliveries to each pool, payments to be made from time to time until all the accounts of each pool are settled, according to differentials as to grade, color and staple, to be established conclusively by the Board of Directors of the Association on the basis of the average differentials in prices received throughout by the Association from the sales of each year's crop of pooled cotton.

8. The Association may sell the said cotton with in or without this state, prior to or after delivery, directly to spinners, or exporters, or to or through

subsidiary corporations or otherwise, at such time and upon such conditions and terms as it may deem profitable, fair and advantageous to the Growers; and it may sell all or any part of the cotton to or through any agency, now established or to be hereafter established, for the cooperative marketing of the cotton of Growers in other states throughout the United States under such conditions as will serve the joint interest of the Growers and the public; or exercise any powers or rights granted hereunder through any joint agency or exchange of cooperative cotton associations; and any proportionate expenses connected therewith shall be deemed marketing costs under Paragraph 6.

9. The Grower agrees that the title to the cotton delivered hereunder shall pass absolutely to the association upon delivery, and that the Association shall borrow money in its name on the cotton through drafts, notes or otherwise, or on any warehouse receipts or bills of lading or upon any accounts for the sale of cotton or on any commercial paper delivered therefor. The Association shall prorate the money so received among the Growers equitably, as it may determine, or use any part thereof for any corporate purpose.

10. The Association may establish selling offices, warehouses, plants, marketing, statistical or other agencies in any place.

11. The Grower shall have the right to stop growing cotton and to grow anything else at any time at his free discretion, but if he produces any cotton during the term hereof, as landlord or lessor or as tenant or lessee; or if cotton is produced on any land owned or controlled by him, his interest shall be included under the terms of this agreement and must be sold and delivered only to the Association.

12. Nothing in this agreement shall be interpreted as compelling the Grower to deliver any specified quantity of cotton per year; but he shall deliver all the cotton produced or acquired by or for him

or produced on land owned or controlled by him or legally subject to his control, to the full extent of his interest.

13. (a) This agreement shall be binding upon the Grower as long as he produces cotton directly or indirectly, or has the legal right to exercise control of any commercial cotton or any interest therein during the term of this contract; and such interest will be conclusively presumed where cotton is produced on his land; and such presumption shall hold against any form of rental; or against any form of transfer or conveyance to a relative.

(b) If this agreement is signed by a copartnership it shall apply only to the cotton of said copartnership and it shall terminate in the event of the dissolution of the copartnership. In the event of the death of a Grower after signing this agreement, the agreement will apply to the estate of the Grower only to the extent of any crop planted prior to his death.

(c) The Grower shall notify the Association prior to making any crop mortgage; and the Association will advise the Grower in any such transaction. If the Grower places a crop mortgage upon any of his crops during the term thereof, the Association shall have the right, in its discretion, to take delivery of his cotton and to pay off all or part of the crop mortgage for the account of the Grower and to charge the same against him individually. The Grower agrees on demand of his mortgage, to execute an assignment of his interest in the cotton here sold to the Association for the protection of the creditor to the extent of the Creditor's just claim; and the Association in turn agrees upon notice and receipt of such assignment, to respect the same and to pay accordingly the proceeds otherwise due the Grower.

14. From time to time the Grower agrees to mail or deliver to the Association any statistical data requested on the forms provided for that purpose by the Association.

15. This agreement is one of a series generally similar in terms, comprising with all such agree-

ments signed by individual Growers, or otherwise, one single contract between the Association and the said Growers, mutually and individually obligated under all of the terms thereof. The Association shall be deemed to be acting in its own name, for all such Growers, in any action or legal proceedings on or arising out of the contract.

16. The Grower hereby expressly authorizes the Association to deliver to any warehouse corporation organized for cooperation with the Association any or all of his cotton for handling, processing or storing; and to charge against his cotton the prorated shares of the funds necessary to create a reserve, equivalent to one class of its preferred stock annually plus bonus, to retire the said class; and to pay the interest on advances and the dividends on all outstanding preferred stock; and for such deductions the Grower shall receive a proportionate interest in such warehouses.

17. If the Grower has on hand any cotton free of lien and capable of delivery, he shall deliver such cotton to the Association as it may direct, to be marketed generally in the manner hereinabove set forth.

18. (a) Inasmuch as the remedy at law would be inadequate; and inasmuch as it now and ever will be impracticable and extremely difficult to determine the actual damage resulting to the Association should the Grower fail to sell and deliver all of his cotton, the Grower hereby agrees to pay the Association for all cotton delivered, sold, consigned, withheld or marketed by or for him other than in accordance with the terms hereof, the sum of three cents per pound as liquidated damages for the breach of this contract; all parties agreeing that this contract is one of a series dependent for its true value upon the adherence of each and all the growers to each and all of the said contracts; and further agreeing that the said sum is reasonable and is fairly related to the actual damages ordinarily suffered in like circumstances; and that there is no other method under which damages can be calculated or estimated.

(b) The Grower agrees that in the event of a breach or threatened breach by him of any provision regarding delivery of cotton, the Association shall be entitled to an injunction to prevent breach or further breach hereof; and the parties agree that this is a contract for the purchase and sale of personal property under special circumstances and conditions and that the buyer cannot go to the open markets and buy cotton or replace any which the Grower may fail to deliver.

(c) If the Association brings any action whatsoever by reason of a breach or threatened breach hereof, the Grower agrees to pay to the Association all costs of court, costs for bonds and otherwise, expenses of travel and all expenses arising out of or caused by the litigation and any reasonable attorney's fees expended or incurred by it in such proceedings; and all such costs and expenses shall be included in the judgment and shall be entitled to the benefits of any lien securing any payment thereunder.

19. The Association is expressly authorized to exercise any or all of the grading, inspecting, marketing or other powers or rights granted hereunder through the American Cotton Growers Exchange or any other similar central agency to be organized for co-ordinating the activities of this and similar cooperative marketing associations in other states.

Any cost of maintaining such central agency shall be prorated among the said associations on basis of gross sale proceeds from the products delivered by them respectively, or equitably otherwise, and shall be considered part of the costs and deductions provided for in Paragraph Six.

20. The parties agree that there are no oral or other conditions, promises, covenants, representations or inducements in addition to or at variance with any of the terms hereof; and that this agreement represents the voluntary and clear understanding of both parties fully and completely.

The undersigned cotton grower hereby applies for membership in Alabama Farm Bureau Cotton Association and agrees that the Articles or Incorporation, the By-Laws, and the Marketing Agreement of the Association shall be binding upon him in all their terms.

Read, considered and signed at

Huntsville

State of Alabama,

this 18 day of March, 1930

I Schiffman & Co.,

Grower By L. B. Goldsmith

(Do not sign without reading)

Member of Firm

P. O. Address Huntsville, Ala.

Accepted by the Association in accordance with the resolution adopted by the Board of Directors of the Association.

ALABAMA FARM BUREAU COTTON
ASSOCIATION,

By Secretary

Production in 19 was bales.

I have placed a mortgage or lien on my 19

crop in favor of

P. O.

To Solicitor: Print below, so that same may be read easily, Grower's name, correct post office address, and cotton shipping station.

I. Schiffman & Co.,

By L. B. Goldsmith

(Name)

Member of Firm

Huntsville, Ala.

(Post Office)

(R. F. D.)

Huntsville, Ala.

(Railroad Shipping Station)

Madison

County.

V. H. Giles

Solicitor.

Protection to be given to the
I have placed a mortgage on my property
and have given to the mortgagee
a copy in favor of

to be given to the mortgagee

to be given to the mortgagee
to be given to the mortgagee
to be given to the mortgagee

I. Schittman

By I. Schittman
(Name)

Member of firm

Monteville, Ala.

(Post Office at Monteville, Ala.)

Monteville, Ala.

(Railroad Shipping Station) MONTAVILLE

County

Monteville

Solicitor