

**AGGRESSIVE POOL SUPPLEMENTAL AGREEMENT  
TO  
GROWER’S MARKETING AGREEMENT WITH  
AUTAUGA QUALITY COTTON ASSOCIATION**

THIS SUPPLEMENTAL AGREEMENT is made between AUTAUGA QUALITY COTTON ASSOCIATION, INC. (the Association”), and \_\_\_\_\_ (the “Grower”) on the date set forth below.

**RECITALS**

- A. The Association and the Grower entered into a Grower’s Marketing Agreement (“Marketing Agreement”) for the \_\_\_\_\_ crop year. By execution and delivery of the Marketing Agreement, the Grower became a member of the Association in good standing and agreed to the aims, purposes, and methods of operations of the Association as set forth in the Articles of Incorporation and By-Laws of the Association. In accordance with the Marketing Agreement, the Grower has appointed the Association as its marketing agent for the purpose of marketing his/her cotton production from farm contract number(s) designated on the farm verification form for the current crop year.
- B. Under the terms of the Marketing Agreement, the Grower can choose between two separate pools within the Association for the market and sale of his/her cotton; (1) a “seasonal” pool that is managed based on more traditional marketing strategies; (2) an “aggressive” pool that is managed based on more aggressive marketing strategies which increase the potential for greater financial rewards but which also increase the risk of financial losses.
- C. At the time of the execution and delivery of the Marketing Agreement, the Grower had yet to designate the pool choice for cotton delivery. In order to provide for these additional terms, the Grower and the Association agree to the terms and conditions as hereinafter described.

**AGREEMENTS**

IN CONSIDERATION OF THE PREMISES, and the mutual undertaking set forth in the Marketing Agreement and herein, the parties agree as follows:

- 1. Reaffirmation of Marketing Agreement as Supplemental Hereby. The Association and the Grower each hereby reaffirm the Marketing Agreement referred to above as supplemented by this Supplemental Agreement. Such Marketing Agreement and this Supplemental Agreement shall, with all similar marketing agreements and supplemental agreements entered into among the Association and its various members, constitute a single contract. The Grower

hereby represents that he is in compliance with all material terms of the Marketing Agreement referred to above.

2. The Grower herein designates the following portion of production to the aggressive pool:

a. The following percentage of entire production:  
\_\_\_ 10% \_\_\_ 20 \_\_\_ 30 \_\_\_ 40 \_\_\_ 50 \_\_\_ 60 \_\_\_ 70 \_\_\_ 80 \_\_\_ 90 \_\_\_ 100

Or

b. All production from these farm contract numbers:  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

3. The Grower further acknowledges all production not designated above will be entered into the "seasonal" pool. Furthermore, no revisions can be made to this agreement after June 1 of the current crop year.

4. The aggressive pool will stand alone in regard to marketing expenses and market gains and losses. Only operational will be shared with the seasonal pool. Therefore, a \$5.00 per bale capital reserve will be deducted on all cotton delivered to the aggressive pool. This will be in addition to Rule 5 warehouse tariffs, cotton promotional fees, Association dues and any other charges deemed necessary by the Directors.

5. In accordance with Marketing Agreement, a prospectus of aggressive marketing strategies used can be found below:

- a. Value at risk at any given time will be a maximum of 65% of anticipated fund distribution.
- b. Value at risk in a single trade will be a maximum of 10% of anticipated fund distribution.
- c. Tools include, NY Futures Contract ( Open-Cry and Electronic), NY Futures Contract Intra Crop Spread, NY Futures Inter Crop Spread, NY Futures Contract Options, Physical Contract Sales, Over the Counter Swaps, and Non-exchanged traded risk management strategies.

IN WITNESS WHEREOF, the undersigned parties have executed this Supplemental Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

“ ASSOCIATION”  
Autauga Quality Cotton Association

By: \_\_\_\_\_  
It's President

“GROWER”

By: \_\_\_\_\_

Name of Grower, Partnership, Corporation

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Signature of Person Signing Agreement

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Printed Name of Person Signing Agreement

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Mailing Address

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City, State, Zip Code