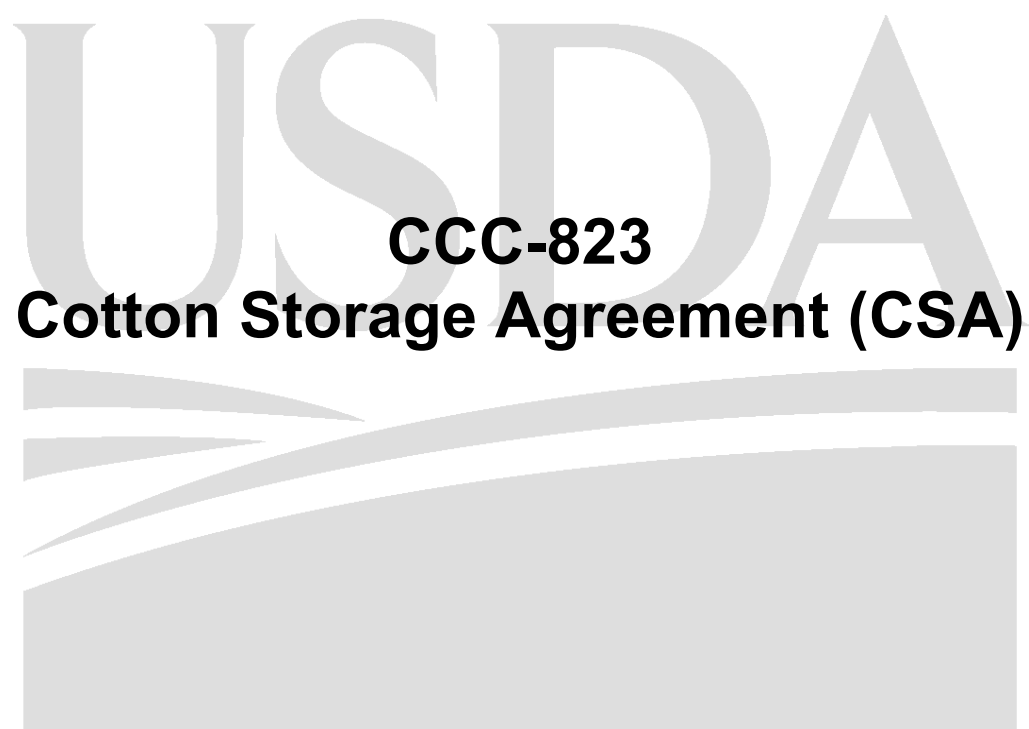


**UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation**



Cotton Storage Agreement

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Warehouse Code _____

Master Code _____

COTTON STORAGE AGREEMENT

This Cotton Storage Agreement (Agreement or CSA) is a contract for the storage and handling of CCC-interest Cotton. This Agreement is entered into between the Commodity Credit Corporation (CCC) and (1) _____, with principal place of business at (2) _____, (the warehouse operator). This Agreement covers warehouse facilities located at (3) _____ and commonly known as (4) _____ (warehouse).

PART 1 - DEFINITION OF TERMS

Additional Surcharge – An additional surcharge is 1) a charge that is not clearly defined in the warehouse tariff; 2) a charge that, relative to other non CCC-interest cotton, would discriminate against cotton that was CCC-interest cotton; or 3) a charge made in addition to the published storage charge and associated with the length of time the bale has remained in storage.

Annual Renewal Date - The date the contract renews. Currently July 1 of each year for certain warehouses in the State of Texas and September 1 for all other warehouses.

Approved Space - Warehouse space approved by a CCC Contracting Officer for the storage of cotton.

Business Day - A calendar day excluding Saturdays, Sundays, or federal holidays.

CCC - A wholly-owned government corporation within the U.S. Department of Agriculture.

CCC-interest cotton - Cotton, the title in which is vested in CCC, or cotton which is placed under price support loan to CCC.

CCC List of Approved Warehouses - A list of cotton warehouses approved under the CSA. These warehouses are approved to store CCC-interest cotton. Warehouses that have been removed from the CCC List of Approved Warehouses may not accept cotton to be pledged as collateral for a price support loan, nor will additional CCC-owned cotton be placed in the warehouse until the warehouse is reinstated to the List.

CCC-loan cotton - Cotton which was placed in storage by someone other than CCC and pledged to CCC as security for a CCC price support loan.

CCC-owned cotton - Cotton in which title is vested in CCC.

Day or Days - Calendar day or days.

Delivery or Outhandling - The process of removing the cotton from storage including picking out bales by tag number; removing cotton from the warehouse; loading the cotton according to custom into railroad cars, trucks, or other conveyances for shipment; and other customary delivery services performed by warehouse operators.

Staging Shipping Order - Shipping order sent by the shipper to a warehouse with an associated tag list, holdership of receipts is not transferred to the warehouse. This order is referred to as a batch 31 type file per EWR Inc.'s Cotton Client Interface Manual. This order must be replaced by a Shipping Order (batch 21 type file) with matching tag list before the time of shipment.

Electronic Warehouse Receipt (EWR) - A warehouse receipt that is authorized by the Director of The Warehouse and Commodity Management Division, Agricultural Marketing Service, to be issued or transmitted under the U.S. Warehouse Act in the form of an electronic document.

Facility - All buildings or other protective structures used or able to be used by the warehouse operator to store cotton. Under certain circumstances an approved facility may include outside "yard" storage, as determined by CCC.

Loading Order - Instructions issued by CCC to the warehouse operator authorizing and directing disposition of CCC-interest cotton. Such instructions may include, but are not limited to, the description of the cotton, method of delivery, storage stop date, and warehouse receipt number.

Locator ID- Electronic field within the provider system used to indicate the exact location of a bale within a warehouse.

Nonreconcentrated CCC-owned cotton - Cotton in storage at the warehouse which was placed in storage by a third party but currently owned by CCC (including baled sample loose, pickings, or sweepings).

Nontransferred CCC-loan cotton – Cotton in storage at the warehouse which was placed in the warehouse by a third party and pledged to CCC as security for a marketing assistance loan.

Provider - An individual or entity that maintains electronic warehouse receipts in a central filing system and has a Provider Agreement with the Warehouse and Commodity Management Division, Agricultural Marketing Service.

Receiving - The process of receiving cotton for storage including unloading the cotton from conveyance; sampling the cotton on arrival at the warehouse, if requested; tagging the bales of cotton; weighing the cotton; issuing warehouse receipts; placing the cotton in storage; and other customary receiving services performed by warehouse operators.

Receiving Documents - Documents provided to CCC by a warehouse operator upon receiving CCC-interest cotton. These documents may include Exception Reports or Notices of Damaged or Short Bales, Reconditioning Reports, Invoices for Cotton Warehouse Charges, Shipping and Receiving Lists, Weight Sheets, and Warehouse Receipts.

Reconcentrated CCC-loan cotton - Cotton in storage at the warehouse which was placed in storage by CCC after being pledged to CCC as security for a price support loan.

Reconcentrated CCC-owned cotton - Cotton in storage at the warehouse which was placed in storage by CCC and which is owned by CCC (including baled sample loose, pickings, or sweepings).

Schedule of Rates - The CCC form, excluding Part C, submitted by the warehouse operator and approved by the CCC contracting officer containing the rates for services that will be paid by CCC under this Agreement.

Shipping Order- Order sent by the shipper to a warehouse with a valid schedule date and associated tag list making the warehouse the holder of the EWR receipts. This order is referred to as a batch 21 type file per EWR Inc.'s Cotton Client Interface Manual.

Shipping Order Update- Order used by shippers and warehouses to exchange request load dates and schedule dates for a shipping order. Before a Shipping Order Update can be sent, the shipper must send a batch 21 (shipping order) or 31 (staging shipping order). This order is referred to as a batch 23 type file per EWR Inc.'s Cotton Client Interface Manual.

Transferred CCC-loan cotton – CCC-loan cotton which was originally pledged for a marketing assistance loan at another CCC-approved warehouse, and was subsequently moved to a second CCC-approved warehouse with permission from CCC.

Warehouse Operator - Person who owns or manages a cotton warehouse.

Yard Storage – Cotton stored outside of approved space, but on property legally controlled by the warehouse operator. Yard storage will be approved only in storage deficit areas, as determined by CCC. Written concurrence from any applicable licensing authority for the use of yard storage must be submitted to CCC prior to approval.

PART 2 - GENERAL TERMS

A. Scope

(1) Unless otherwise specified in this Agreement, the provisions of this Agreement –

- (a) the provisions of this Agreement shall apply to all warehouse operators storing, or intending to store, CCC-interest cotton that have entered into this Agreement; and

(b) the rates specified in the Schedule of Rates shall apply to all CCC-interest cotton.

- (2) With respect to CCC-interest cotton, the title of which has been transferred by CCC (or its authorized sales agent) to a transferee, a warehouse operator shall not apply any additional surcharge until the transferee has subsequently transferred such cotton.

B. Documents Incorporated by Reference

Incorporated by reference into this Agreement are the following documents:

- (1) Application for Approval of Warehouse for Storage of Cotton and/or Cotton Linters;
- (2) Schedule of Rates;
- (3) Supplement to the Uniform Storage Agreements, as amended; and
- (4) 7 C.F.R. parts 1403, 1407, 1423, and 1427.

C. Terms of the Agreement to Prevail

Applicable federal laws, regulations of the United States, and the terms of this Agreement prevail over the written or printed terms of warehouse receipts representing CCC-interest cotton, the warehouse operator's tariff or posted rates, and state or local laws or regulations to the extent that such laws or regulations are inconsistent with the provisions of this Agreement or the laws and regulations of the United States. The provisions of any state law, local law, regulation, or tariff which are not consistent with or imposes additional restrictions on the provisions of federal law and regulation or this Agreement are of no effect to the extent of such inconsistency.

PART 3 - WAREHOUSE OPERATOR'S RESPONSIBILITIES

A. Storage Requirements

- (1) The warehouse operator shall:
- (a) Keep CCC-interest cotton stored within a facility approved by CCC;
 - (b) Maintain the warehouse in sound physical condition;
 - (c) Not concentrate CCC-owned cotton into facilities which have the highest fire insurance rates;
 - (d) Unless otherwise provided in this Agreement, be responsible for all losses associated with CCC-owned cotton stored by the warehouse operator unless the warehouse operator shows that such loss was caused by forces not within the control of and without the fault or negligence of the warehouse operator;
 - (e) Maintain CCC-interest cotton at all times in the warehouse named on the warehouse receipts; except to the extent that CCC agrees, in writing, that such cotton may be held instore at other locations;
 - (f) Weigh all CCC-interest cotton as required by Cotton Loan Regulations (7 C.F.R. part 1427), however, the use of gin weights is acceptable if the use of gin weights is permitted by the warehouse operator's applicable licensing authority. The use of gin weights does not relieve the warehouse operator of the responsibility for the accuracy of the weights shown on warehouse receipts;
 - (g) Keep CCC-interest cotton stored in such a manner that is consistent with fire standards and insurance requirements;
 - (h) Populate the locator ID on all electronic warehouse receipts; and
 - (i) For other than Federally licensed warehouses, maintain a current and valid license for the kind of storage operation for which the warehouse operator seeks approval, if such license is required by State or local regulations or law.

- (2) In addition to the above, for warehouses located in storage deficit areas approved for yard storage, the warehouse operator shall:
 - (a) Notify CCC prior to placing CCC-loan cotton in yard storage;
 - (b) Provide written consent from any applicable licensing authority clearly describing the alternative storage methods approved by such licensing authority;
 - (c) Mark all warehouse receipts with dates that bales are moved in to and out of yard storage;
 - (d) Provide written evidence of all-risk insurance;
 - (e) Provide bale location files for all CCC-loan cotton in a format determined by CCC; and
 - (f) Comply with special handling requirements as directed by CCC.

B. Sampling and Trimming

The warehouse operator:

- (1) Shall not sample or permit anyone to sample CCC-interest cotton unless so authorized in writing by CCC or by the owner of CCC-loan cotton; and
- (2) When sampling is authorized, shall remove from any bale only that cotton which is necessary to secure representative samples, properly trim the sample holes, and otherwise maintain the cotton.

C. Shipping

- (1) Each bale of CCC-owned cotton must be covered in material meeting specifications adopted and published by the Joint Cotton Industry Bale Packaging Committee (JCIBPC) prior to shipment.
- (2) If requested by CCC, the warehouse operator shall furnish shipping documents in such format and number as CCC may specify for any CCC-interest cotton ordered shipped by CCC. Bills of lading covering shipments of CCC-interest cotton for the account of or in the name of CCC shall not be used by the warehouse operator or surrendered to others for use in support of transit claims, concentration claims, or for any other purpose unless approved by CCC and until such bills of lading have been properly endorsed by CCC.
- (3) The warehouse operator, if shipping CCC-interest cotton, shall notify the receiving warehouse operator prior to releasing the shipment to the carrier.
- (4) The warehouse operator must promptly deliver CCC-interest cotton in accordance with loading orders issued by CCC. The loadout must be completed by the shipment completion date shown on the loading order, unless other arrangements satisfactory to CCC are made. If applicable, all loading orders will include the storage stop date after which CCC will no longer be obligated to pay storage on such cotton.
- (5) CCC will not pay delivery or receiving charges as defined in Part 4(D) to either the shipping or receiving warehouse operator when CCC-loan cotton is transferred using the CCC-699C Cotton Transfer Agreement.
- (6) If the warehouse operator fails to loadout CCC-interest cotton in accordance with loading orders and the terms of this Agreement or other terms of this Agreement, the warehouse operator agrees to allow CCC to remove the CCC-interest cotton ordered out. Any costs incurred by CCC to recover such cotton will be paid by the warehouse operator.

D. Receiving

The warehouse operator upon receipt of CCC-interest cotton must furnish CCC receiving documents in such format and number as CCC may require.

E. Notices to CCC

With respect to CCC-interest cotton, the warehouse operator will promptly notify CCC, in writing, if the bale:

- (1) Bears any visible evidence of being false-packed, water-packed, mixed-packed, reginned, or repacked;
- (2) Has been compressed to high density or to any density not approved by CCC;
- (3) Has been reconditioned, but the weights on the warehouse receipt have not been adjusted to reflect the weights after reconditioning;
- (4) Is not clean and in good condition;
- (5) Does not bear the origin gin bale number; or
- (6) Is packaged in material which does not meet the specifications adopted by the Joint Cotton Industry Bale Packaging Committee (JCIBPC) for bale coverings and bale ties or in material which is not identified and approved by JCIBPC as experimental packaging material.

F. Authorizations Regarding Warehouse Receipts

The warehouse operator shall furnish CCC written authorization to stamp the applicable warehouse receipts with appropriate legends when submitting to CCC any notice required under section E. If electronic warehouse receipts are used, CCC may add the appropriate legends to the additional information records associated with the warehouse receipts.

G. Inducements and Redemptions

The warehouse operator or the warehouse operator's agent shall not take any action which:

- (1) Would cause cotton to be pledged as collateral for a CCC price support loan; or
- (2) Would hamper redemption of loan cotton.

H. Insurance

- (1) The warehouse operator shall insure and at all times keep insured all CCC-loan cotton against loss or damage by fire for its full market value as determined by the United States Department of Agriculture (USDA) at the time and place of loss under a policy or policies providing coverage equivalent to that afforded under the standard fire policy of the state in which such cotton is stored. Such insurance shall include damage to such cotton by water from the warehouse sprinkler system when such damage results from fire in the same warehouse in which such cotton is stored. For insurance purposes, full market value of compressed cotton shall be the market value as determined by USDA. Without in any way limiting the warehouse operator's liability under this section, the warehouse operator shall carry a standard form of insurance policy approved for cotton warehouse operators in the state in which the warehouse is located with a deductible provision on baled cotton not to exceed \$10,000 for each loss to baled cotton in such warehouse.
- (2) In addition to the above provisions, any CCC-interest cotton approved for yard storage must be insured against all risks including (but not limited to) flood and country damage. Proof of such all-risk insurance, showing CCC as the loss payee, shall be required prior to approval for yard storage.
- (3) Notwithstanding any provision to the contrary contained in the warehouse receipts, the warehouse operator shall not be obligated to insure CCC-owned cotton.
- (4) If the warehouse operator insures CCC-interest cotton against hazards or for a period of time for which such insurance is not required by the terms of this Agreement, such insurance will be at the warehouse operator's expense and such insurance shall inure to the benefit of CCC.

I. Notices of Damage to CCC-interest Cotton

The warehouse operator shall, no later than the next business day, notify CCC of any damage to CCC-interest cotton while it is in the warehouse operator's custody. If the warehouse operator is uncertain as to whether cotton which is damaged is CCC-interest cotton, the warehouse operator shall promptly notify CCC that it may have an interest in cotton which has been damaged. CCC may require transmission of electronic bale listings in a format determined by CCC.

J. Care of and Liability for Damaged CCC-interest Cotton

The warehouse operator shall promptly recondition all CCC-interest cotton damaged from causes other than nuclear incident, nuclear reaction, nuclear radiation, radioactive contamination, flood, fire, strikes, riot, war, public enemy, or act of God without cost to CCC and shall pay CCC for all losses sustained with respect to CCC-owned cotton, based upon the market value of the cotton as determined by USDA at the time and place of loss, unless the warehouse operator establishes to the satisfaction of CCC that such damage was not caused by the warehouse operator's failure to exercise due care.

K. Records

- (1) The warehouse operator must maintain current and complete records at all times with respect to all cotton stored, handled, or under the control of the warehouse operator. Access to these records must be available on-site, unless otherwise agreed to by CCC, in writing. Specifically, the warehouse operator must maintain records which show:
 - (a) All bales for which warehouse receipts are outstanding;
 - (b) Location of each bale in store provided by an electronic open bale location file in a format determined by CCC;
 - (c) Disposition of all bales shipped;
 - (d) Accurate status of all service and shipping orders;
 - (i) Respond to shipper generated Shipping Order or Staging Shipping Order containing a valid requested shipping date with a Shipping Order Update no later than two business days, in the interest of providing a documented audit trail. Further communication between the merchant and the warehouse will be documented through Shipping Order Updates.
 - (e) All weights and reweights established by the warehouse operator;
 - (f) All reconditioning including weight before and after reconditioning of all CCC-interest cotton, and weight of pickings removed; and
 - (g) Identity of CCC-interest cotton or other than CCC-interest cotton.
- (2) If electronic warehouse receipts are used, such receipts must be filed with a provider having a Provider Agreement with the Warehouse and Commodity Management Division, Agricultural Marketing.
- (3) The warehouse operator must retain the warehouse receipts and disposition documents related to each bale of CCC-interest cotton and the supporting documents for a period of not less than 6 years, unless otherwise authorized in writing by CCC.
- (4) The warehouse operator must allow CCC access to any records requested by CCC regarding the warehouse, its financial condition, or the operation of the warehouse.

L. Examinations

- (1) At any time during business hours, the warehouse operator must permit CCC to examine the warehouse and its equipment; inspect and take inventories of CCC-interest cotton stored therein; and examine the books, records, papers, and accounts relating to the warehouse and to all cotton stored therein. The warehouse operator must furnish whatever assistance is necessary to enable CCC to perform such inspection or examination and shall provide and maintain in proper condition such equipment and facilities as deemed necessary by CCC to avoid risk and hazard to authorized representatives of CCC. Examinations and inspections made by CCC or by a Federal, state, or other recognized supervisory body will, however, in no way relieve the warehouse operator of the responsibilities under the terms of this Agreement or obligation as a public warehouse under the law. The examination may be stopped, and the warehouse will be removed from the Approved List if the warehouse or its equipment is not safe to conduct or continue the examination of the warehouse.
- (2) Warehouse examinations under this Agreement are only intended for the use of CCC and are not for the protection of any other party, including the warehouse operator. CCC does not guarantee the results of its examinations to the warehouse operator or any other party.

M. Reports

The warehouse operator must:

- (1) Furnish CCC reports with respect to receiving, storing, conditioning, and delivery of CCC-interest cotton and with respect to the warehouse operator's financial condition, cotton fire insurance rates, total inventory of CCC-interest cotton, and outstanding storage obligations as CCC may request.
- (2) Immediately notify CCC in writing of any change in the capacity of the warehouse facilities, or whenever the warehouse operator is unable to accomplish loadout of CCC-interest cotton in accordance with loading order instructions issued by CCC.

N. Financial Statements

Financial statements must be submitted to the Warehouse and Commodity Management Division, Beacon Facility, Mail Stop 9148 P.O. Box 419205, Kansas City, Missouri 64141-6205, within 90 calendar days after the close of the warehouse operator's fiscal year.

O. Changes in Ownership or Operation

The warehouse operator must promptly notify CCC in writing of any change in ownership or operation of the warehouse. This Agreement will not automatically continue with change of ownership or operator.

P. Duplicate or Replacement Warehouse Receipts

The warehouse operator must issue duplicate or replacement warehouse receipts as requested by CCC upon receipt of an indemnity agreement and representation by CCC that the original warehouse receipts have been lost or destroyed.

Q. Payment of Fees

- (1) Application fees for each new warehouse code or successor agreement are eighty-five dollars (\$85) per thousand bales of approved capacity, with a minimum of one hundred seventy dollars (\$170), and a maximum of seventeen hundred dollars (\$1,700).
- (2) If a warehouse operator defaults in carrying out the terms of this Agreement, CCC may assess a fee as part of the requirements for reinstatement to the CCC List of Approved Warehouses.
- (3) Annual renewal fees will be announced if applicable.

R. Security Plan

The warehouse operator must:

- (1) Have a security plan that includes measures to protect cotton handled and stored under this Agreement.
- (2) Conduct a facility vulnerability assessment and establish procedures that address:
 - (a) General security of the physical structures and grounds of the warehouse,
 - (b) Shipping and receiving procedures to ensure that cotton is not subject to tampering,
 - (c) Action to be taken in the event of a national emergency and Contact information for local security authorities.

S. Delivery, Service and Shipping Standard

- (1) The warehouse operator will:
 - (a) Unless prevented from doing so by severe weather conditions, fire, explosion, flood, earthquake, insurrection, riot, strike, labor dispute, acts of civil or military authority, non-availability of transportation facilities, or any other cause beyond the control of the warehouse operator that renders performance impossible, deliver stored cotton without unnecessary delay.
 - (b) Be considered to have delivered cotton without unnecessary delay if, for the week in question, the warehouse operator has made available for shipment at least 4.5 percent of their applicable storage capacity in effect during the relevant week of shipment.
- (2) Notwithstanding any reporting requirements found elsewhere in this Agreement, the warehouse operator will report to CCC on a weekly basis bales made available for shipment (BMAS) during such week. The reporting week is the seven-day period starting at midnight following the close of business (COB) on Saturday and ending at midnight after COB of the following Saturday. The warehouse operator shall report to CCC before COB of the first business day of the following week. This report will include:
 - (a) BMAS, defined as:
 - (i) New PBI/mark combinations not already counted in a previous week as made ready during a defined period, equaling bales shipped plus bales not picked up. Bales not picked up will be reported during that defined period as described in 7 C.F.R. Part 1423.11 Delivery and Shipping Standards for Cotton Warehouses. Report PBI/mark combinations to EWR in the weekly cotton flow reports. For purposes of determining compliance, the BMAS calculation shall be based on the regulation in 7 C.F.R. Part 1423.11 Delivery and Shipping Standards for Cotton Warehouses.
 - (b) Applicable storage capacity determined by using the higher of:
 - (i) the CCC approved storage capacity or
 - (ii) the maximum number of bales stored at any time during the applicable crop year, and
 - (c) Active shipping orders, defined as any cotton bales that:
 - (i) Were scheduled and ready for delivery at any time prior to the reporting date, but (1) were not picked up by the shipper, (2) remain available for immediate loading, and either (3) another shipping date has not been arranged for such bales, or (4) such bales have not been charged a restocking fee
- (3) CCC will not include or credit any shipped bale toward meeting the BMAS requirements in this section if the warehouse receipt remains open or un-cancelled past the close of business of the next business day.

- (4) The warehouse operator may resolve any claim for noncompliance from any entity other than CCC with the cotton shipping standard in a court of competent jurisdiction or through mutually agreed upon arbitration procedures. In no case will CCC provide assistance or representation to parties involved in an arbitration proceeding arising with respect to activities authorized under the CSA.
- (5) The warehouse operator will:
 - (a) be open for the purpose of receiving cotton for storage and delivering cotton out of storage and for settlement purposes every normal business day for a period of not less than six hours between the hours of 8a.m. and 6 p.m.,
 - (b) post the warehouse business hours at the public entrance to both the office and warehouse, or
 - (c) post notice, in case the warehouse is not to be kept open as required, the period during which the warehouse is to be closed and the name, the address, and telephone number of the person who will be authorized to receive and deliver cotton stored in the warehouse.

PART 4 - CCC'S RESPONSIBILITIES

A. CCC Not Obligated to Store Cotton

Nothing in this Agreement obligates CCC to tender cotton to the warehouse operator for storage or handling. The storage period for the cotton will be at the option of CCC.

B. Notices to Warehouse Operator

- (1) CCC will promptly send the warehouse operator a document listing the warehouse receipt numbers of cotton in storage at the warehouse on which CCC has made a loan to a producer.
- (2) CCC will promptly submit to the warehouse operator a statement showing, by receipt numbers, the date on which each bale of cotton (other than loan cotton) becomes CCC-owned cotton.

C. Notices to Warehouse Operators Regarding Shipment

When CCC-interest cotton is shipped to another approved warehouse for reconcentration, CCC will furnish the shipping and receiving warehouse operators a listing of such CCC-interest cotton by tag and receipt numbers. This section does not apply to CCC-loan cotton shipments using CCC-699C Cotton Transfer Agreement procedures.

D. Warehouse Charges

Charges on CCC-interest cotton will be determined and paid as follows:

- (1) Receiving Charges - CCC will pay receiving charges on CCC-interest cotton in accordance with the rates specified in the Schedule of Rates in effect at the time the service was performed, provided, that CCC will pay a receiving charge on CCC-loan cotton only if:
 - (a) A receiving charge has not been paid to the warehouse operator by or for the depositor of the CCC-loan cotton, and
 - (b) CCC-loan cotton is either shipped from the warehouse on CCC's instructions, the initial loan period is extended, or CCC acquires title to the cotton.
- (2) Storage Charges
 - (a) In lieu of section 25 of the Supplement to the Uniform Storage Agreement (CCC-20), as amended, CCC will make quarterly payments based on CCC prepared invoices in accordance with procedures as established by CCC.

- (b) CCC will pay storage charges on CCC-interest cotton in accordance with rates specified in the Schedule of Rates in effect at the time the service was performed, provided storage charges on CCC-loan cotton will be paid by CCC only if storage charges have not been paid to the warehouse operator by or for the depositor of the CCC-loan cotton, and the CCC-loan cotton is shipped from the warehouse on CCC's instructions, or CCC acquires title to such cotton. However, in the event the initial loan period is extended, CCC will pay the accrued unpaid storage charges at the applicable rates specified in the Schedule of Rates in effect at the time the service was performed.
- (c) Storage charges are accrued on a monthly basis. If CCC-interest cotton is in a warehouse during part of a month, the storage charges will be prorated for the time the cotton is actually stored by the warehouse operator.
- (d) Storage charges will be paid by CCC through the storage stop date shown on the loading order when CCC-owned cotton is disposed of by CCC. If any such CCC-owned cotton is rejected prior to shipment from the warehouse, CCC will furnish the warehouse operator a listing of the rejected bales, and such cotton will, for the purposes of determining storage charges, be treated as never having been disposed of by CCC. CCC will pay the warehouse operator an amount equal to the cost of the insurance on such cotton, if any, paid by the warehouse operator for the period from the storage stop date shown on the loading order through the last day of the month in which such cotton is rejected.
- (e) The rates specified in the Schedule of Rates shall cease to apply to CCC-loan cotton on the date that such cotton is redeemed from the loan and ceases to be CCC-interest cotton.

(3) Compression

- (a) CCC-interest cotton must indicate a compression code of Gin Standard Density Bales (3) or Gin Universal Density Bales (5) to be eligible for a Marketing Assistance Loan. Flat bales are not eligible for a Marketing Assistance Loan or Loan Deficiency Payment.
- (b) The compression charge shall be at the rate specified in the Schedule of Rates in effect at the time the service is performed.

(4) Delivery or Outhandling

- (a) The charge for delivery or outhandling of CCC-interest cotton ordered shipped by CCC will be at the rate specified in the Schedule of Rates in effect at the time the service was performed.
- (b) The warehouse operator must refund to producers any delivery or outhandling charge collected by the warehouse operator for cotton which becomes CCC-loan cotton while stored in the warehouse.
- (c) No charge for delivery or outhandling will be paid by CCC when a charge for the service has been included in any other charge or has been otherwise collected.

(5) Other Charges

Charges for services authorized by CCC not listed in the Schedule of Rates will be at rates agreed to by CCC and the warehouse operator but not in excess of those charged other customers for the same service.

(6) Other Invoices

Any invoice for payment by CCC must be submitted on a form which is acceptable to CCC for amounts payable under this Agreement. All claims for payment must be submitted to CCC within 12 months from the date they were incurred, unless otherwise agreed to by the warehouse operator and CCC in writing. CCC is not obligated to pay claims not timely submitted.

(7) Restrictions on Payments.

- (a) CCC will pay only for services authorized by CCC in writing.
- (b) No charge will be payable to the warehouse operator:

- (i) By a subsequent holder of the warehouse receipts representing cotton previously owned by CCC for any charges not authorized by this Agreement for services performed with respect to such cotton prior to the time it was pledged to CCC;
- (ii) By a subsequent holder of the warehouse receipts representing cotton which had been covered by this Agreement for standard density compression, regardless of where such compression was performed, if such cotton has been compressed to a higher density; or
- (iii) By CCC or a subsequent holder of the warehouse receipt for storage or handling of samples drawn on arrival or the inbound drayage from rail facilities, unless such charge was incurred at the request of CCC.

PART 5 - REMOVAL, TERMINATION, EFFECTIVE DATE

A. Removal from the CCC List of Approved Warehouses

- (1) CCC may remove the warehouse from the CCC List of Approved Warehouses under this Agreement for:
 - (a) Any material breach of the Agreement;
 - (b) Failure to pay any amount due to CCC; or
 - (c) Suspension or debarment of the warehouse operator or warehouse.
- (2) CCC may charge a fee in accordance with Part Q of this Agreement prior to reinstatement of the warehouse to the CCC List of Approved Warehouses.
- (3) CCC may accelerate the maturity date of all loans on CCC-interest cotton, and loadout or otherwise dispose of all CCC-owned cotton in a warehouse which fails to be reinstated to the CCC List of Approved Warehouses.

B. Termination

- (1) In addition to the grounds specified in other provisions of this Agreement, this Agreement may be terminated as follows:
 - (a) Either party may terminate this Agreement without cause with respect to any and all warehouses subject to this Agreement. Written notice of termination must be given to the other party at least 30 days prior to the date the termination is to be effective. Termination under this section will not give rise to any damages under this Agreement.
 - (b) CCC may terminate this Agreement immediately if the warehouse operator has committed a material breach of the terms of this Agreement.
- (2) After termination of this Agreement, all provisions of this Agreement including, but not limited to, storage, loading out and settlement of CCC-interest cotton, will remain in effect until all CCC-interest cotton is removed.
- (3) Notwithstanding any other provision of this Agreement relating to disputes, the warehouse operator may request that the Director of the Warehouse and Commodity Management Division review any Contracting Officer's determination which proposes termination of this Agreement. If the Director should agree to review the Contracting Officer's proposal, the Director will become the Contracting Officer with regard to this matter. Once the issue or issues which are the subject of the warehouse operator's request for the Director's review are resolved, upon the Director's direction, the original Contracting Officer may resume as the Contracting Officer for this Agreement.

C. Effective Date

This Agreement will become effective upon the date hereinafter specified by CCC and will, as of such date, supersede any existing Agreement, and any amendments, or supplements thereto between the warehouse operator and CCC. This Agreement will remain in effect until the first annual renewal date thereafter and will be renewed automatically for one year on each annual renewal date after the effective date unless previously terminated in accordance with the provisions set forth above.

NOTE: *The authority for collecting the following information is Pub. L 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

*The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is 15 U.S.C. 714 and regulations promulgated thereunder (7 CFR Parts 1427 and 1403). The information will be used to complete the terms of an agreement between the warehouse operator and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO THE WAREHOUSE AND COMMODITY MANAGEMENT DIVISION, Beacon Facility, Mail Stop 9148 P.O. BOX 419205, KANSAS CITY, MISSOURI 64141-6205 or electronically to warehousing@usda.gov***

<p>5. WAREHOUSE OPERATOR:</p> <p>5A. _____ (COMPANY NAME)</p> <p>5B. By: _____ (SIGNATURE)</p> <p>5C. Title: _____</p> <p>5D. BUSINESS TELEPHONE NO. WITH AREA CODE OF PERSON RESPONSIBLE FOR RATES OFFERED: _____</p>	<p>6. COMMODITY CREDIT CORPORATION:</p> <p>6A. By: _____ (CONTRACTING OFFICER)</p> <p>6B. Effective Date: _____</p>
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In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.