



Landmark Square  
1st Floor  
64 Earth Close  
PO Box 715  
Grand Cayman  
KY1-1107

Land Rights Agreement

**Private and Confidential**

## TABLE OF CONTENTS

<a href="#">1.....</a>	<a href="#">INTERPRETATIONS AND DEFINITIONS.....</a>	<a href="#">3</a>
<a href="#">2.....</a>	<a href="#">THE APPOINTMENT.....</a>	<a href="#">6</a>
<a href="#">3.....</a>	<a href="#">COMPANY OBLIGATIONS.....</a>	<a href="#">6</a>
<a href="#">4.....</a>	<a href="#">CLIENT OBLIGATIONS.....</a>	<a href="#">7</a>
<a href="#">5.....</a>	<a href="#">WARRANTIES AND REPRESENTATIONS OF THE CLIENT.....</a>	<a href="#">9</a>
<a href="#">6.....</a>	<a href="#">REPRESENTATIONS AND WARRANTIES OF THE COMPANY.....</a>	<a href="#">10</a>
<a href="#">7.....</a>	<a href="#">INDEMNITY AND LIMITATION OF LIABILITY.....</a>	<a href="#">11</a>
<a href="#">8.....</a>	<a href="#">PAYMENT OF FEES.....</a>	<a href="#">12</a>
<a href="#">9.....</a>	<a href="#">CONFIDENTIALITY AND PRIVACY.....</a>	<a href="#">12</a>
<a href="#">10.....</a>	<a href="#">TERMINATION OF SERVICES.....</a>	<a href="#">13</a>
<a href="#">11.....</a>	<a href="#">INTERPRETATION.....</a>	<a href="#">14</a>
<a href="#">12.....</a>	<a href="#">CHANGE OF CONTROL.....</a>	<a href="#">14</a>
<a href="#">13.....</a>	<a href="#">NOTICE.....</a>	<a href="#">14</a>
<a href="#">14.....</a>	<a href="#">SURVIVAL.....</a>	<a href="#">14</a>
<a href="#">15.....</a>	<a href="#">AMENDMENT OR MODIFICATION.....</a>	<a href="#">15</a>
<a href="#">16.....</a>	<a href="#">MISCELLANEOUS.....</a>	<a href="#">15</a>
<a href="#">17.....</a>	<a href="#">FORCE MAJEURE.....</a>	<a href="#">16</a>
<a href="#">18.....</a>	<a href="#">COUNTERPARTS.....</a>	<a href="#">16</a>
<a href="#">19.....</a>	<a href="#">GOVERNING LAW AND JURISDICTION.....</a>	<a href="#">16</a>
<a href="#">Schedule.....</a>	<a href="#">.....</a>	<a href="#">17</a>

**THIS AGREEMENT** is made the                      day of                      20[12]

**BETWEEN:**

- (1)     **REFORESTATION GROUP LIMITED** of Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman KY1-1107 (the **Company**); and
- (2)     \_\_\_\_\_ of \_\_\_\_\_ (the **Client**).

**BACKGROUND:**

- (A)     The Company has received from the Client a duly completed Reforestation Land Request Form with supporting documentation.
- (B)     The Company owns under exclusive Lease from the Freeholder Brazilian farm land (the Property as defined below), and the Client wishes to purchase and the Company wishes to sell, as part of its services, the beneficial rights to share in the interests and profits generated from of a distinct parcel or parcels of the Property (the Plot(s) as defined below).
- (C)     The Client wishes to procure the Services (as defined below) and Company has agreed to provide them.

**IT IS AGREED** as follows:

1.     **INTERPRETATIONS AND DEFINITIONS**

- 1.1     The definitions and rules of interpretation in this clause 1 apply in this Agreement.

**Agreement** means this agreement.

**Confidential Information** means all matters related to the business of the Company including its suppliers' names, agents' names, customers' names and all other related information.

**Client** means the co-signatory to this Agreement and includes its representatives.

**Crop** means an arable crop set out in the Schedule to be planted on the Plot(s).

**Effective Date** means the later of the date of this Agreement and the date that the Purchase Price is received by the Company in cleared funds.

**Freeholder** means Carbano Novo Mundo a company incorporated in Brazil with of registered office address [    ].

**Harvest Period** means each period of seven years unless otherwise agreed between the parities, the first such period commencing on the Effective Date.

**Information Memorandum** means the information memorandum of the Company as amended from time to time.

**Lease** is the lease of the Property granted to the Company by the Freeholder dated 1st August 2012 and expiring on 31st July 2042.

**Management Company** means the land manager appointed by the Client from time to time with the prior written agreement of the Company to perform planting, maintenance and harvesting on the Plot(s) as defined in their Plantation Management Agreement.

**Net Profits** means:

- the proceeds of sale of the Crops harvested from the Plot(s) less all taxes, levies, duties and the costs relating to such sale, including transportation costs and the costs of harvesting the Crops; plus
- any additional income arising from the Plot(s); less
- relevant costs before calculating or paying the Profit Share, including the Service Fee, insurance fees etc.

**Plot(s)** means a parcel or parcels of the Property identified in the Schedule.

**Property** means the Brazilian farm land owned by the Company under the Lease known as “FAZENDA BOA SORTE”, for the property located in Margem Esquerda do Igarape Arauai, in the municipality of Capitão Poço- PA CEP: 69.650-00 in the State of Pará, registered with the Brazilian Land Registry with title numbers 66675/2012. To the coordinates of DATUM: WGS84 – W: 47:26:31,32 – S: 02:11:08,90.

**Prohibited Persons** means persons:

- prohibited under the laws of any country by reason of being a minor or having no legal capacity (for whatever reason) or otherwise unqualified to be a party to a contract;
- who are undischarged bankrupts or who have been imprisoned or found guilty of any criminal offence (other than a motoring offence carrying a non-custodial sentence);
- who have been proven to act in a fraudulent or dishonest manner in any civil or criminal proceedings; or
- who are resident in a country subject to any international restriction or embargo including, but without prejudice to the generality of the foregoing those imposed by the Security Council of the United Nations, the European Union and the United Kingdom.

**Profit Share** means [5]% of the Net Profits arising from time to time and due to the Company.

**Purchase Price** means the price paid by the Client to the Company as set out in the Schedule.

**Reforestation Land Request Form** is the land rights request form of the Company as amended from time to time.

**Services** has the meaning set out in clause 3.

**Service Fee** means the fees due to the Management Company appointed by the Client and paid via the Company.

**Term** means a date 21 years from the **Effective Date** or the completion of the **Harvest Period**, whichever is later.

**Trust** is a disposition of property to a person (trustee) or persons jointly (trustees) in whom the legal title then vests in the confidence that the benefits will be applied to the advantage of one or more other persons (beneficiaries) or some other object permitted by law

- 1.2 References to statutory provisions, regulations or notices shall include these provisions, regulations or notices as amended, extended, consolidated, substituted or re-enacted from time to time.
- 1.3 Reference to Clauses are to clauses of this Agreement and headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 References to a **party** or to the **parties** are references to the parties to this Agreement.
- 1.5 The Schedule to this Agreement forms part of it.
- 1.6 Words “**include**” and “**including**” shall not limit the preceding words.
- 1.7 All obligations and undertakings of the Client under this Agreement shall include an obligation to procure the same from the Client’s heirs or beneficiaries should this Agreement be in force during succession, whether through demise or through execution of a power of attorney.

## 2. **THE APPOINTMENT**

The Client hereby appoints the Company with effect from the Effective Date until its appointment shall be terminated in accordance with clause 10 and the

Company hereby accepts such appointment and agrees to provide the Services and to assume the obligations set out in this Agreement.

3. **COMPANY OBLIGATIONS**

3.1 In consideration for the Purchase Price paid to the Company, the Company agrees to:

- 3.1.1 grant the beneficial right to the Client to share in the Net Profits, less the Profit Share;
- 3.1.2 grant the right to the Client (and the Management Company on the Client's behalf), to plant, maintain and harvest the Crop on the Plot(s);
- 3.1.3 provide annual reports to the Client on the status of the Crop;
- 3.1.4 provide reasonable assistance to the Client in the appointment of a Management Company and liaise with the Management Company on behalf of the Client in coordinating the planting, maintenance and harvesting of the Crop;
- 3.1.5 assist the Client with the transportation and sale of the Crop; and
- 3.1.6 provide recommendations and such other information that is reasonably requested by the Client, to enable the Client to perform its obligations under this Agreement,
- 3.1.7 Pay the Service Fee to the Management Company, defined in their Plantation Management Agreement, on behalf of the Client

all the above together are the **Services**.

3.2 The Company affirms and attests that it holds an exclusive right from the Property Freeholder to issue this Agreement, and that the Property is proven to be legally held by the Freeholder with full title and without third party encumbrance.

#### 4. **CLIENT OBLIGATIONS**

##### 4.1 The Client agrees that it shall:

- 4.1.1 appoint a Management Company throughout any Harvest Period for the purpose of planting, maintaining and harvesting the Crop, and shall provide fifteen days written notice to the Company prior to the appointment of any replacement Management Company;
- 4.1.2 on or shortly after the Effective Date, plant the approved Crop on the Plot(s) and replant the Plot(s) with the approved Crop at the end of each Harvest Period until the end of the Agreement;
- 4.1.3 consent to the harvesting of the Crop at the end of each Harvest Period;
- 4.1.4 promptly provide the Company with such information and instructions as necessary to enable the Company to perform the Services;
- 4.1.5 not use, exploit, develop, access, restrict access or otherwise cause anything thing to be done to the Plot(s) except as otherwise specified herein;
- 4.1.6 not place any third party encumbrance upon this Agreement or the Services for any reason whatsoever;
- 4.1.7 not use or permit the use of any herbicides, insecticides, fertiliser, soil improver, biological agent or other chemical treatment on the Plot(s) without the prior written agreement of the Company;
- 4.1.8 not to develop the Plot(s) in any other way whatsoever, to raise any structure of any kind, to exploit any mineral rights or sub-soil resources of any kind, or to limit, impede or otherwise obstruct the rights of neighbouring Plot(s) holders or impede in any way



Company or the Freeholder in exercising their rights of possession of the Plot(s) and the Property;

4.1.9 maintain the Plot(s) and the Crop to ensure that no risk is created that might reasonably be expected to affect the yield of crops from neighbouring Plot(s);

4.1.10 not use, nor permit the use of, the Plot(s) or any part thereof for any illegal or unreasonable purposes; and

4.2 Further, neither this Agreement nor the rights contained herein may be sold, transferred or traded in whole or in part without the Company's prior written consent. Such consent will not be unreasonably withheld assuming the transferee successfully completes a Land Request Form.

## **5. WARRANTIES AND REPRESENTATIONS OF THE CLIENT**

5.1 The Client represents and warrants to the Company that:

5.1.1 it has read and understood the information relating to the purchase of the land rights as set out in the Information Memorandum;

5.1.2 it has read and understood the risks in relation to participating in this type of agreement;

5.1.3 it has obtained independent professional advice (including tax advice) prior to entering into this Agreement;

5.1.4 it has sufficient knowledge, expertise and experience to evaluate the risks of investing in the land rights set out herein and to make an informed decision with respect thereto;

5.1.5 it is aware of the risks inherent in entering into this agreement and the risks inherent in investing in the underlying Crops to be farmed, harvested and sold;

5.1.6 it can bear the risk of loss of its entire investment;

- 5.1.7 any taxable liability, duties, levies etc for the Client arising from the execution or operation of this Agreement shall be the sole responsibility of the Client;
  - 5.1.8 it is not a Prohibited Person;
  - 5.1.9 this Agreement is binding upon it and enforceable in accordance with its terms and except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity;
  - 5.1.10 it has complied with and will continue to comply with all laws, rules and regulations or court and governmental orders by which it is bound or to which it is subject in connection with the execution and performance of this Agreement;
  - 5.1.11 that it has never been subject to investigation or criminal proceedings under the Proceeds of Crime Act 2002 or the Money Laundering Regulations 2007; and
  - 5.1.12 that it has never appeared on a governmental watch list, been disbarred from holding a directorship, or is an undischarged bankrupt.
- 5.2 Where the Client is a Trust then 5.1.1 to 5.1.6 apply only to the Trust beneficiaries, who should countersign this Agreement. Each of the warranties provided by the Client in this Agreement shall continue throughout the term of this Agreement.

## **6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

- 6.1 The Company represents and warrants to the Client that:
- 6.1.1 it is validly existing, duly empowered and authorised to execute, deliver and perform this Agreement and to give effect to the Services contemplated hereby;

- 6.1.2 this Agreement is binding upon it and enforceable in accordance with its terms except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity; and
  - 6.1.3 it has complied with and will continue to comply with all laws, rules and regulations or court and governmental orders by which it is bound or to which it is subject in connection with the execution and performance of this Agreement.
- 6.2 Each of the warranties provided by the Company in this Agreement shall continue throughout the term of this Agreement.

## **7. INDEMNITY AND LIMITATION OF LIABILITY**

- 7.1 The Client shall, and to the extent applicable, indemnify the Company against all actions, claims, costs, losses and damages which may arise against the Company in connection with or arising from:
- 7.1.1 any material breach by the Client of the terms of this Agreement;
  - 7.1.2 the provisions of Services by the Company, except where the Company has acted with negligence, fraud or wilful default.
  - 7.1.3 the use or actions of the Services by the Client contrary to written guidance provide by the Company or this Agreement;
- 7.2 To the maximum extent permissible by applicable laws, the Company expressly excludes any liability to the Client and any third parties for any damage or loss to the Client or any other person arising out of the operation of the Company and/or use of the Services by the Client except in circumstances where such loss or damage arises as a direct result of the negligence, wilful default or fraud of the Company.
- 7.3 The aggregate liability of the Company in respect of all causes of action arising out of or in connection with the Services it has provided to the Client

under this Agreement (whether for breach of contract, in negligence or any other tort, under statute or otherwise at all) shall not exceed the [Profit Share] to the Company in its provision of the Services.

7.4 Nothing in this Agreement shall exclude or limit the liability of any party for any injury or death arising from negligence.

7.5 The indemnity provided in this clause 7 is without prejudice to any other indemnity in favour of the Company and the termination of Services in accordance with clause 10 herein shall not relieve the Client from indemnifying the Company.

## **8. PAYMENT OF FEES**

8.1 On signing this Agreement, the Client shall pay or procure the payment of, the Purchase Price to the Company by electronic transfer to any such bank account as the Company has confirmed in writing to the Client.

8.2 The Company shall pay an initial Service Fee to the Management Company appointed by the Client. Each subsequent Harvest Period within

8.3 The Company shall pay to the Client all Net Profits, within thirty days of the successful sale of the Crop, less the Profit Share due to the Company.

8.4 All payments under this agreement shall be in Pounds Sterling.

8.5 Unless otherwise agreed in writing with the Client, the Client will not be entitled to any interest accruing on any money held by the Company for the benefit of the Client.

## **9. CONFIDENTIALITY AND PRIVACY**

9.1 The parties agree that Confidential Information may be obtained, directly or indirectly, during the performance of this Agreement.

9.2 The Client undertakes not to use or disclose Confidential Information in whatever form, without the prior written consent of the Company, unless

required to do so in writing by a court of competent jurisdiction in which case the Client must inform the Company *contemporaneously* that such disclosure has been made.

9.3 The Company collects personal information and personal data when the Client communicates with it, and the Client acknowledges and agrees that the Company may use this personal data and information to facilitate supplying the Services, and from time to time to provide to the Client information, reference notes, guidelines, advice and marketing materials relating to the Services, and to providing such other information to the Client as the Company may from time to time wishes.

9.4 The Company shall protect personal information and personal data of the Client from unauthorised access, use or disclosure and except where permitted in this Agreement, the personal information and personal data collected is used only for these purposes and it is never sold, lent, leased or otherwise distributed outside of the Company otherwise in accordance with clauses 9.3 and 9.6..

9.5 The Client accepts that its personal information and personal data may be transferred to countries that do not provide adequate protection of data in accordance with applicable data protection legislation including Article 26 (1) of the EU Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

9.6 The Company reserves the right to treat the obligations of confidentiality and privacy in this clause as not applicable and may divulge confidential information, personal information and personal data when they are obliged to by a court of competent jurisdiction.

## 10. **TERMINATION OF SERVICES**

10.1 The Agreement shall terminate at the end of the Term except as otherwise provided below.

- 10.2 The Client may terminate this Agreement with at least 30 days prior written notice before the end of any Harvest Period. Following termination all the Client's rights to subsequent crops or Services shall immediately cease and return to the Company, and no compensation shall be due to the Client. Sums due to the Client up to the date of termination shall remain payable.
- 10.3 The Company will notify the Client if an agreed planting or harvesting date has not been met in full or other material terms or warranties in this Agreement are breached by the Client. Should the Client fail to remedy the breach within 30 days of written notice to do so then this Agreement will terminate immediately and all accrued rights to Crops or Services shall return to the Company, and no compensation shall be due to the Client.
- 10.4 Despite termination of this Agreement, clauses 7 (indemnity and limitation of liability), 9 (confidentiality and privacy), and this clause 10 (termination of services) shall continue in full force.

## **11. INTERPRETATION**

- 11.1 In offering and providing the Services, the Company does not, nor is it to be interpreted as though it does in any way sanction, advocate or condone directly or indirectly the commission of any unlawful act or omission by any person or company in any jurisdiction or that the Services be utilised in any way whatsoever for any illegal or fraudulent purpose.

## **12. CHANGE OF CONTROL**

A change of control of either party to this Agreement shall have no effect on this Agreement.

## **13. NOTICE**

All notices required to be delivered under this Agreement shall be effective only if in writing and shall be delivered personally or by registered mail, postage prepaid, return receipt requested, or by facsimile. Notice shall be

deemed given when received by the party to whom notice is required to be given. For the avoidance of doubt, communications by email shall not be valid notices under this Agreement.

**14. SURVIVAL**

The provisions of this Agreement shall survive the termination of this Agreement with respect to any events occurring or matter arising while this Agreement was in effect.

**15. AMENDMENT OR MODIFICATION**

Except as otherwise provided herein, this Agreement may not be amended or modified except by the written consent of all of the parties.

**16. MISCELLANEOUS**

16.1 This Agreement supersedes all prior terms of business and agreements whether oral or written with respect to such subject matter.

16.2 No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

16.3 No waiver of any provision of this Agreement shall be effective unless the same shall be made in writing by the party seeking to grant such waiver and acknowledged in writing by the other party.

16.4 Nothing in this Agreement shall create or be deemed to create a relationship of landlord and tenant, or employment, partnership or joint venture between the Company and the Client.

16.5 If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be

severed and the remainder of the provisions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid illegal or unenforceable provision eliminated.

- 16.6 In the event of a holding of invalidity so fundamental as to prevent the accomplishment of the purpose of this Agreement, the parties shall immediately commence good faith negotiations to remedy such invalidity.

17. **FORCE MAJEURE**

- 17.1 Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations, provided that if the period of delay or non-performance continues for six months, the party not affected may terminate this Agreement by giving fourteen days' written notice to the other party.

- 17.2 The Company shall not be liable for any damage caused to the Crops and Plot(s) by acts of God, flood, earthquake, windstorm or other natural disaster.

18. **COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one original instrument.

19. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the English Law without regard to the principles of conflicts thereof. The parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to decide and to settle any dispute or claim arising out of or in connection with this Agreement.



IN WITNESS WHEREOF, the undersigned have executed this Agreement this \_\_\_\_  
day of \_\_\_\_\_, 2012.

## SCHEDULE

20. Plot(s): the Plot(s) of [ ] hectares as delineated in the affixed map.

21. Purchase Price: [ ]

The Purchase Price is based on the hectare size of the Plot(s) with an agreed price of £10,000 per hectare.

22. Management Company [ ] or such other entity as agreed from time to time in writing.

23. Crop: Eucalyptus trees.

**This Schedule may be amended from time to time by the written agreement of the parties in accordance with clause 15 of the Agreement**

<b>SIGNED</b> for and on behalf of [ <b>the</b> <b>Reforestation Group Limited</b> ]	<i>Signature</i>  [Authorised person][Director]
	<i>Print name</i>

<b>SIGNED</b> by [ <b>N A M E O F</b> <b>INDIVIDUAL</b> ]	<i>Signature</i>
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<b>SIGNED</b> by [ <b>N A M E O F</b> <b>INDIVIDUAL</b> <i>as beneficiary of the above named Trust</i>	<i>Signature</i>
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