

Agro Forestry Contract With Anticipated Sale Management

REUNITED

FROM ONE PART,withnationality, Passport n° with address country.....
AND FROM THE OTHER, Eliseo Quintanilla Ripoll, with Passport n° 52772588P

INTERVENING

Mr. Eliseo Quintanilla Ripoll does it in name and representation of the mercantile of Spanish nationality **CORPORACIÓN ECOLÓGICA Y BOSQUES TROPICALES S.A.**, addressed in Alicante, C/ Portugal 27 Entresuelo C, 03003, with C. I. F. A-53905014, it constituted by virtue of deed given the day July 2nd, 2004, before the Notary of Alicante, Mr. Jesus María Izaguirre Ugarte, with the number 1.025 of order of its protocol, incorporated in the Mercantile Registry of Alicante volume 2.825, sheet 1, Book 0, page A-86053, inscription 1ª. (Hereinafter referred to as **EcoBosques®**).

He acts his condition of CEO of said company, by virtue of the faculties conferred by the Board of Directors its reunion dated July 2nd, 2004, agreement that was finalized by means of public deed before the Notary of Alicante D. Jesus Maria Izaguirre Ugarte dated July 2th , 2004 with number 1.025 of order of its protocol. Powers are found properly recorded in the Mercantile Registry of Alicante, volume 2.825, sheet 1, Book 0, page A-86053, inscription 1ª.

THE CLIENT-BUYER

AND AS PROPRIETOR-BENEFICIARY

They do it in its own name, right, and representation (Hereinafter referred to as CLIENT-PROPRIETOR)

WHEREAS

First.- That ECOBOSQUES® considers its activity, among others, to develop sustainable agro forestry plantations in fertile agricultural lands, planting and cultivating trees selected by their capacity and vigour of growth and negotiating the maintenance of the same, for their sale to Clients and, subsequently, to carry out the sale to third parties, of the wood the products produced by the trees at the opportune moment of their short and uprooting, once these they meet the necessary conditions optimized for they said process, arranged by a complete team of professionals of our business for the achievement of the maximum possible benefit.

Second.- ECOBOSQUES® is full holder of at least the following properties:

a) Two Fincas (**Fincas Iguazú y Las Lagunas**) sited in Argentina, Province of Corrientes, Municipio de Mburucuyá, with a total surface of 63 and 139 hectares described in the writing N° 35 of the Notary Graciela Echazarreta May 2, 2005 inscribed and sited in Registro de la Propiedad Inmueble and under real state number 249 y 312 respectively and in Direccion General del Catastro bajo Adrema: M1-339-3 the first finca and M1-277-3 the second one.-

b) One Finca (**Finca Yoshg Luna**) sited in Argentina, Province of Corrientes, Municipio de Mburucuyá, with a total surface of 100 hectares described in the writing N° of the Notary Graciela Echazarreta February 15, 2005 inscribed and sited in Registro de la Propiedad Inmueble and under real state number 297 Departamento General Paz and in Direccion General del Catastro bajo Adrema: H1-328-3.-

c) One Finca ("**Finca Laurel Galán I**") sited in Costa Rica, Distrito Once Cutris, Cantón Diez San Carlos Provincia de Alajuela, with a total surface of 64 hectares described in the writing N° 170 of the Notary Álvaro Camacho Mejía January 20, 2005 inscribed and sited in the Registro Publico de la Propiedad de Bienes Inmuebles finca n° 290834 with inscription of the document volume 556, writing 04952 and under real state n° 281.773-000, volume 546, sheet 16982.-

d) One Finca ("**Finca Laurel Galán II**") composed at its time by 4 fincas sited in Costa Rica, Provincia de Alajuela, with a total surface of 83 hectares described in the writing N° 159, 160, 161, 162 and 163 of the Notary Luis Valenciano Salazar August 4, 2005 inscribed and sited in the Registro Publico de la Propiedad de Bienes Inmuebles fincas n° 290833, 290834, 290835, 181284 and

181264 with inscription of the document volume 556, sittings 04952, 04957, 04959 y 04950.-

Third.- Over the referred ranches, ECOBOSQUES® proceeded during the period between **30/08/2004** and **30/11/2005** the plantation of ... batches (xx batches of Teak and xx batches of Oak), between others, composed each batch of teak or oak of 10 trees of each species with 1 year of age approximately (Hereinafter referred to as **The Batch**), for its following development, being identify and localise each one of these trees with an alphanumeric code and a public notary signed testimony specified in Appendix I which is attached to this contract, not being able to form part outside of it.

Fourth.- That the Client,with Passport n°....., is interested in acquiring xx batches of 10 trees of teak identified with the numbers **from xx to xx** and xx batches of 10 trees of oak identified with the numbers **from xx to xx**, for a total amount of **XX Euros** referred in the above paragraph, so that ECOBOSQUES® will proceed to its development, maintenance, and the posterior selling of the resulting wood, or delivery, all that in the terms and conditions held in this contract, so that, both parts being conformed, have agreed to formalize the present contract, prior to the recognition of the legal capacity in which they act, put into effect with arrangement to the following.

GENERAL TERMS AND CONDITIONS

FIRST.- The object of the contract is the sale, by ECOBOSQUES®, and in favour to the Client, of the trees mentioned and numbered in the paragraphs before, so as the rendering of the services from ECOBOSQUES®, consisting in the growing, maintenance, and attention of them, final cut down, uprooting, delivery, or selling of the resulting wood. All these services could be provided by ECOBOSQUES® or by third parties, but always maintaining the same responsibility to the Client.

I. CONTRACT OF SALE

SECOND.- ECOBOSQUES®, through its legal representative, sells to the Client, who acquires, the batch as described in the third section above, firmly rooted and identified properly to Appendix I of this contract.

THIRD.- ECOBOSQUES® hereby certifies the good condition of the batch, and the trees being sold, as well as its feasibility to grow properly.

FOURTH.- The transfer of title to a third party from part of the Client, as whole or part of the batch, as well as the rights and inherent liabilities, will be subordinated to its prior written communication to ECOBOSQUES® and its corresponding acceptance also written, properly indicating the buyer's identification, sale price and payment conditions. ECOBOSQUES® could then choose within thirty lawful days to be counted from the receptions of the communication, to be acquired, with a preferred disposition, the trees in the same offered conditions, which will be notified to the Client within the term. In this case, the transfer would have to be formalised within the term of fifteen days to be count from the reception of notice by the Client.

In the case that the Client will not receive the proper notification from ECOBOSQUES® to use the right to buy, the Client will be free to sell, which will occur in the maximum term of thirty days to be counted from the deadline date and in the same priority informed conditions to ECOBOSQUES®, transfer which should be credited to ECOBOSQUES® through a copy of the transfer document, and the acceptance by the new buyer of the subrogation of each and all of the rights and liabilities of the contract, specially those mentioned in the fourteen article, according to a transfer agreement provided by ECOBOSQUES®, as well as, accreditation, if proceed, of the accomplishment of all tax duties resulting from the transaction.

FIFTH.- In the case that the client would wish to sell all or part of the batch as well as the rights and liabilities inherent in itself, during the life of this contract, and would not find a buyer by his/her own means, and as sown in the paragraph above, a mandate of sale could be given to ECOBOSQUES® by written communication. After the sale, ECOBOSQUES® will pay 80% of the sale amount in charge of selling expenses.

II. RENDERING OF SERVICES

II.-A) GROW, MAINTENANCE AND CARE SERVICES.

SIXTH.- ECOBOSQUES® will maintain and manage the Client trees from the time they are planted until harvested, sale, or deliver. Periodical inspections and

monitor of growth will be continuously made by our staff. The customer could visit the installations, the plantations and the trees when planned and agreed with EcoBosques®.

SEVENTH.- The maintenance covers, among other things, the following services, which are listed merely as a guideline and must not be taken as exhaustive:

1. Watering.
2. Weeding, between line labour, and soil protection and maintenance.
3. Organic soil nutrition
4. Mineral soil nutrition
5. Formation and quality thinning, and pruning
6. Surveillance and fencing
7. Prevention and treatment of plagues and diseases
8. Any other activities concerning the perfect growth of the tree and the plantation.

ECOBOSQUES® guarantees a substitution at no charge of those trees which either die or not grow properly **within the first four years** of this contract for other ones of the same species and same age of the originals.

In the case of a death of a tree older than four years, ECOBOSQUES® could choose with this order to:

- a) To substitute those trees for other ones of the same age and species, planted in other fincas of the company in order to back up the casualties of the trees.
- b) Cancel the contract, because of not being able to accomplish it, and pay the client as compensation the 90% of the sale of the wood obtained of the trees affected and or the compensation by the insurance plus the money resulting of the not consumed maintenance of the trees and pending to apply.
- c) To substitute them for new planted trees, in that case, the life of the contract will automatically extended for the same time between the signing date of the contract and the date of the sinister, the modification of those articles related to beginning and end dates is self understood, and so that a new term will be issued starting at the time of planting and finishing sixteen years after, being the rest of its content unaltered but for those affected by the time variation, or could reimburse the amount paid for the trees sinister and in that case would understood modified the number of trees in the contract being unaltered the rest of stipulations of the contract.

In the case that during the life of this present contract will a massive death or massive destruction of the trees or fincas occur, ECOBOSQUES® could act regarding points a, b, or c. Massive death is understood to be 80% or more of death or destruction of the trees in one sector or finca where the client and/or EcoBosques® has its trees

The application of any of the possibilities mentioned above excludes and it is incompatible with the exercise of any other action as well as what is in the nineteenth article, which is inapplicable to this case.

ECOBOSQUES® will offer the maintenance services mentioned before according to the proceedings and standards of quality usual to the care of the trees.

Likewise, in the render of this services, ECOBOSQUES® could use, except if consider its destruction more adequate, the rests and waste coming from pruning and other maintenance activities, falling this rests in the benefit of the plantation, choosing ECOBOSQUES® to determine the destination of them.

The client authorise ECOBOSQUES® to make tests, R&D, studies and investigations considered necessary on the trees with charge to ECOBOSQUES® and with a compromise **not to diminish its productivity or be consider as an aggression**. The results obtained by this investigation will be in favour to ECOBOSQUES®, as well as the possibility of future sale of the "emission rights" Carbon rights or equivalent and image rights derived from publicity, promotion, or any other public diffusion of the plantation.

EIGHTH. Due to the amount of time until the felling of the trees and that the maintenance and care of the trees is an essential part of its feasibility and from the contract, the client will entrust this services and with a irrevocable character to ECOBOSQUES® and therefore accepts that these tasks will be done with exclusively and exclusive by ECOBOSQUES®, by itself or by a third party, without the client's right to entrust them to other person or entity, as well as not to interfere in the development of such services during the length of the contract.

In the case that ECOBOSQUES® will subcontract with a third any of this maintenance services, the third party will respond to the client of its correct execution.

NINTH.-Oak and Chinaberry The rendering of cultivation and maintenance services referred to Oak and Chinaberry will have a **maximum length of 16 years**, to be counted from the signing date until the sale of the wood, the cut of the trees and its uprooting, or delivery as disposed in the following articles; all of it without penalty to other articles of this contract about the anticipated sale of the trees, reposition of the trees for death or massive death, etc., as well as the rights of both parts to extend mutually the term of it.

NINTH. Bis -Teak. The rendering of culture and maintenance services referred to Teak in the finca Laurel Galan will have a **length of 16 years**, with the possibility to cut it at the twentieth year by the client's request, to be counted from the signing date until the sale of the wood or delivery, the cut of the trees and its uprooting as disposed in the following articles; all of it without penalty to other articles of this contract about the anticipated sale of the trees, reposition of the trees for death or massive death, etc., as well as the rights of both parts to extend mutually the term of it.

II.- B) FELLING SERVICES, UPROOTING, DELIVERY AND MANAGEMENT OF THE SALE

TENTH.- ECOBOSQUES® is compromised and obligated to, within the terms and conditions mentioned in this contract, to make as many actions as needed in order to sell or deliver the resulting wood property of the client as well as the cut and uprooting of them, offering at the clients disposal the revenue or the wood of it, once deducted the corresponding quantities listed below.

The client is compromised and obligated to, not to entrust this services to third parties different from ECOBOSQUES® during the term of the contract, ordering, with an irrevocable manner, and once the contract is expired, the sale or delivery of the resulting wood of the trees, and the posterior cut and uprooting, for which is allowed ECOBOSQUES® in a especial and exclusive manner, but in a broad and enough form as required by Justice, to perform as many jobs as needed until the end of those services.

ELEVENTH.- Once the term of the contract finishes, ECOBOSQUES® within three months during the **felling period** immediately before referenced at Appendix III, will notify by letter the clients, the best purchasing offers received in the world market, so that the clients in a thirty days term counting from reception of the letter, could advise ECOBOSQUES® which offer is selected, or either present a better offer by a third, in which case ECOBOSQUES® will be obligated to sell the trees to the third or equal the offer by this one.

The sale offers object of this contract will be referenced by the species of the trees, the emplacement of the sector or finca, and the amount of money the client will receive according to the price offered by thirds, per tree or by the economical valuation offered for the sector where the trees property of the client are emplaced.

Felling and uprooting will be performed by ECOBOSQUES®, once the wood is sold, in the first fifteen days of the first working period, as stated in **Table of Felling** attached on Appendix III, in which it is determined the time of biological stops for trimming in order to optimize the volume and quality of the resulting wood.

TWELVE.- Once the terms appointed in the first paragraph of the above clause, if the client did not accept by writing any of the purchase proposals offered, or requested its delivery, ECOBOSQUES® will proceed to the sale of the resulting wood and uprooting of the trees that are object of this contract, by the highest price communicated to the client, or will buy the wood for its own. The percentage from the sale corresponding to the client, detailed ahead, would be at the client's disposition, being deposited in a separated account of the company.

THIRTEENTH.- The part for the client for the sale of the resulting wood of the trees is 90% of the total amount of the sale. The part for ECOBOSQUES® as payment for wood sale services referred in the stipulation mentioned before, is an equivalent amount to the remaining ten percent (10%) of the sale of the resulting wood of your trees, amount which will be deducted from the total amount of the sale, and invoiced to the client, charged with the taxes that will correspond at any case.

The total amount of the felling costs of the trees and sale of the wood will be assumed by ECOBOSQUES® being, solely, on the client's account, taxes,

licenses, municipal taxes, etc, that could be necessary in the future to proceed to such activities, and only in the case that they will exist.

If the client decides to keep the trees after its harvest will have a term of 10 natural days, since the reception of the purchase offers, to apply for this option. The trees will be delivered in the plantation, having a term of 30 natural days since its communication to take them away, once the term expires, custody and warehouse charges will apply. The payment of the 10% for uprooting costs will be valued by market prices, the rest of the costs such as transport, taxes, etc will be on the customer's account.

III.- COMMON PROVISIONS

FOURTEENTH.- Due to the diverse Law businesses held in this contract, and that all and each of them hold double character of principal and accessory respect the others, both parts convene that it will be considered, for interpretation and carrying means as a sole contract and, consequently inseparable the rights and duties in it contained, so that any transfer of the trees proprietorship to a third will necessarily, the subrogation of the buyer of the totality of the rights and duties that are held in this contract.

The transfer to a new buyer will have to be notified by letter to ECOBOSQUES® attaching a transfer document in a maximum of thirty working days from the date of transmission. Once the term finishes and ECOBOSQUES® do not receive notification of the transfer from the new buyer, would be understood that it has not occurred, which will derive as mentioned in the nineteenth article in its total resolution.

FIFTEENTH.- Given that this bill contract contains several transactions of a diverse character with respect to the rate of V.A.T. to be applied, the taxable base, the rates and their corresponding contributions will be recorded separately.

a).- The sale price provided for in Chapter I of this contract is set at Euros, plus 0 Euros for the 0% V.A.T. to be applied.

b).- The price to be paid for the maintenance service provided for in Chapter II-A of this contract is set at Euros, plus Euros for the 0% V.A.T. to be applied.

The sum mentioned before take effect after the reception of the amount of **XX Euros** (XX EUROS) through a bank money transfer in favour to EcoBosques® which gives in your favour the most complete letter of payment, unless the good end of the payment means used, by such amounts and concepts.

With independence of the price paid for from the client, ECOBOSQIES has a **Fidelity Bonus** with an increment of an additional 10% of the quantity of the initial batches or what is the same, 1 trees for each batch of ten trees if the contract holder would be the same than the original holder and the contract is in force at any of the following dates:

At the date of the 8th anniversary of the contract dates: one tree additional from the same species, age, and characteristics of the trees in the original batch.
At the date of the 16th anniversary of the contract dates: one tree additional from the same species, age, and characteristics of the trees in the original batch.

In the case the client will transfer the contract to a third before the dates mentioned above its at ECOBOSQUES® disposal the application of the Fidelity Bonus.

SIXTEENTH.- In the case of the client's decease will be understood automatically the total transfer of rights and liabilities inherent in this contract to its inheritors/legatees by being accredited properly.

SEVENTEENTH.- ECOBOSQUES® compromises not to transplant any trees of this contract to a different location held in this contract, unless it could be in defense or benefit of the client, or in the case of sinister or force majeure.

EIGHTEENTH.- ECOBOSQUES® compromises to maintain the ownership and the rights of the ranches mentioned in the second statement, as well as not to burden, alienate, or hand over, for any of the means admitted in Law, the land where the trees are planted.

The client understands and accepts that there are associated risks to any business opportunity, and that the acquisition of trees is not a financial asset or instrument.

NINETEENTH.- The breach of contract in the obligations assumed by the parts in benefit of the present contract, (especially those referred in chapter

fourth, fifth, eight, tenth, eleventh, and fourteenth) will empower the part that fulfills to resolve the contract, as well as to ask the other part indemnify the other in common agreement, to pay one and one half the average value of the trees in the moment of the breach of the contract according to prices shown in Appendix II. Resolved the contract by this cause, the client authorizes ECOBOSQUES® to cut the trees of its property, remaining the resulting wood at the client's disposition, who will also assume the costs of this transaction if it is the part that breaches the contract. The amount to be paid for indemnity agreed for what written above, would have to be effective, which can not be extended, of one month to be counted from notification of the part that breached the contract; in the case of non-payment, the unpaid amount will be charged with annually interest rate according to the legal interest rate applicable in the moment of the breach of the contract, increased by 2 percentage points.

TWENTIETH.- Both parts renounce to its own jurisdiction, if they had one they have to submit to **Arbitration** in what is related to interpretation, execution, as well as any reclamation derived from this contract. The Arbitration will be in equity and according to the Arbitration Law from 23rd December 2003, active in Spain and in Spanish language. The contracting parts submit expressly to the Arbitration Court of the Bar Association of Alicante. The Arbitration Court has to be formed by at least three arbitrators designed by this court between those entitled and associated to the Official Association of Forestry and Agricultural Engineers. The contract will be subject of Laws in Spain, and the contract version prevailing in case of translation will be the one in Spanish language.

TWENTYFIRST.- EcoBosques® compromises to:

1. Not to sell or alienate the lands where the trees are planted while the contract still active.
2. Apply for FSC certification or similar.
3. Send an invoice of purchase
4. Free delivery of Informative Bulletins or newsletters periodically in order to maintain customers properly informed.
5. To maintain in the staff a team of agricultural and forestry engineers and will recommend an annually price of sale according to the age of the trees and the market prices.
6. Free delivery of the Audit
7. Develop and sponsor a web page to generate a secondary market for clients who want to sell or buy its batches in order to try to gain liquidity.

And in proof of acceptance and conformity of what above exposed, sign the present contract in duplicated copy for a single effect in the places and dates indicated below.

Thursday, 02 de February de 2006

Signed.

Eliseo Quintanilla Ripoll
ECOBOSQUES® Corp. Ecológica y Bosques Tropicales S.A.

Signed..

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APPENDIX I

Situation and geographical identification of the tree batch:

The or those forestall batches sold in the present contract to which this appendix takes **inseparable** part, will be located and identified geographically through topographic technical report (**topographic release**) **made by an expert topographer** and covered by a **Notary Certificate with the Hage Apostille** that will be at no charge at the clients disposal and at the clients request will be sent by letter in the term of three months to the clients address indicated in this contract.

The Notary Certificate locates with geographical reference either the trees, the ranch, and the sector that constitute the batch or batches. The certificate will be issued after payment has been made.

This identification instrument will be independent of other identification forms such as GPS and or WEBCAM that are being considered for its use in our ranches in the future.

**APPENDIX II Table of Prices
Of Oak and Chinaberry.**

Age of the Tree	Value Euros
0	320 €
1	349 €
2	380 €
3	414 €
4	452 €
5	492 €
6	537 €
7	585 €
8	638 €
9	695 €
10	758 €
11	826 €
12	900 €
13	981 €
14	1.069 €
15	1.166 €
16	1.270 €

**APPENDIX II Table of Prices
TEAK**

Age of the Tree	Value Euros
0	320 €
1	349 €
2	380 €
3	414 €
4	452 €
5	492 €
6	537 €
7	585 €
8	638 €
9	695 €
10	758 €
11	826 €
12	900 €
13	981 €
14	1.069 €
15	1.166 €
16	1.270 €
17	1.380 €
18	1.500 €
19	1.630 €
20	1.780 €

APPENDIX III Table of Felling

The table of thinning indicates most suitable the season of the year to fell the trees, in an efficient way, taking into account the experience of our professionals depending of the species of the trees and the climatology in order to reach the best quality of the wood. Felling the trees in other seasons could cause the wood not to reach the proper quality. Each species has its own felling period detailed below in the following chart:

Species	Fell Period
<i>Melia azedarach gigantea</i>	December to March
<i>Grevillea robusta</i>	December to March
<i>Tectona grandis</i>	June to September