

CONTRACT FOR THE PURCHASE TREES LIVE AND MANAGEMENT MANDATE (IN A PLANTATION)

OWNER IDENTIFICATION (SELLER MANAGER)

In this document, the use of the masculine to designate persons has no other purpose than to lighten the text.

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| 1) | Company Name: Carbone ForesTree
Address: 458, Rang 6 City: Saint-François-de-Sales, Québec
Postal Code: G0W 1M0 Cellular: 1(418) 480-8807
Email: carboneforestree@gmail.com |
| | Marc Deschênes President of Carbone ForesTree
Guylaine Coulombe Vice-President of Carbone ForesTree
Owner of tree plantations located on the following lots and holder of official certificates of location:
5398133 - # 5398134 - # 5398135 - # 5398136 - #5398165
Hereinafter named: THE OWNER (SELLER MANAGER) |

OBJECTS OF THE CONTRACT

2) The objects of this contract are:

2. 1) The purchase of trees is done in the Boutique section of Carbone ForesTree. When the purchase is completed, the BUYER will receive a purchase confirmation by email. Within 15 (Fifteen) working days, the name and information of THE PURCHASER and THE OWNER OF THE TREES will be entered in the (REGISTER OF BUYERS AND OWNERS OF TREES). The BUYER will also receive by email a certificate of his tree or his trees including the following information:

- **The certificate number**
- **The name of the plantation**
- **The GPS coordinates**
- **The number of trees purchased**
- **The date of the certificate**
- **The name OF THE OWNER OF THE TREES**
- **The name of the BUYER**

At the time of production of the certificate, it is the name OF THE OWNER OF THE TREES written on the certificate which will become OWNER OF THE TREES. It is the responsibility of THE OWNER OF TREES to always send their new contact details TO THE OWNER (SELLER MANAGER) so he can record the changes in the (REGISTER OF BUYERS AND OWNERS OF TREES).

THE OWNER (SELLER MANAGER) will keep the sales documents, the certificate as well as the (REGISTER OF BUYERS AND OWNERS OF TREES). The documents will be kept in a safe place.

2. 2) THE OWNER (SELLER MANAGER) remains the owner of the land (lower part) and THE OWNER OF TREES becomes the owner of only his tree or only his trees (upper part). This means that when the complete cutting of the plantation is carried out, as well as the proceeds from the sale of the wood distributed to whom the right belongs, the contract will end between the OWNER OF TREES and the OWNER (SELLER MANAGER).

THE OWNER (SELLER MANAGER) will take over all of his rights to the surface of the property (upper part of the land) as well as the next trees and productions to come. The profits will be divided in proportion to the proceeds of the timber sale according to the number of trees purchased. The REGISTER OF BUYERS AND OWNERS OF TREES as well as the proof of purchase of trees by the BUYER are an act of faith for the payment to the OWNERS OF TREES. Payment will be made on behalf of each TREE OWNER based on the number of trees purchased, the name of the plantation and other information that appears in the TREE BUYERS AND OWNERS REGISTER.

The calculation will be as follows:

	Profits from the sale of the complete cut
(Less)-	
	<u>Contractor hired to do the cutting (paid in %)</u>
(Less)-	
	<u>Administration fee of 15 (fifteen) % to the OWNER (SELLER MANAGER)</u> <u>which represents the bid to engage the contractor of the cut,</u> <u>imponderables, etc.)</u>
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(Equal)=	Total profits to be given to tree owners

	<u>Total profits to be given to tree owners</u>
(Divided) ÷	
	<u>Number of trees sold to tree owners</u>
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(Equal)=	Unit profits to be given to tree owners

The profit from the sale of the total cut is the net price per m³ of wood that the processing plants pay to the wood producers and that is negotiated by the Saguenay Lac St-Jean wood producers' union. (Transport to processing plants is deducted before the net price).

However, if OWNERS OF TREES have incorrect contact details and cannot be found, THE OWNER (SELLER MANAGER) will search for them through the Carbone ForesTree website. The period to find them is 1 (one) year, in the event that to OWNERS OF TREES are not found, the payment will then be transferred to the OWNER (SELLER MANAGER) who will reinvest it in the next tree plantations.

2. 3) THE OWNER OF TREES cannot decide to cut his or her trees, it is THE OWNER (SELLER MANAGER) who has been mandated by THE OWNER OF TREES to make this decision when the time comes.

2. 4) If THE OWNER OF TREES sells of his tree or his trees, he must notify THE OWNER (SELLER MANAGER) for him to register the transfer in the REGISTER OF TREE BUYERS AND OWNERS. However, first, THE OWNER OF TREES must offer THE OWNER (MANAGER SELLER) to buy back his tree(s). THE OWNER (MANAGER SELLER) is not required to accept the buyback of his tree or his trees.

2.5) In the event that THE OWNER (SELLER MANAGER) is purchased and/or sold, the new owner must comply with the terms of this contract. The sale will be made under the same conditions as this contract, and the new owner must comply with it.

2.6) In the event that THE OWNER (SELLER MANAGER) dies, his estate must comply with this contract.

2.7) The financial efficiency OF THE OWNER (SELLER MANAGER) cannot be guaranteed over the entire duration of the contract (planting of the tree until the total cutting and sale of the wood product) so THE OWNER OF TREES may lose part or all his investment. A rigorous administration will be required and ensured by the founder himself of Carbone ForesTree as well as his estate.

2.8) For the duration of the growth of the trees of the plantation, the costs related to the purchase, planting of the trees, property taxes and administration are included in the price that THE OWNER OF TREES pays for each tree.

2.9) Throughout the duration of the contract, THE OWNER OF TREES assigns to the OWNER (SELLER MANAGER) all his rights on the management of his tree(s) as well as on the management of the sale of the proceeds of the total cut.

2.10) Carbon capture of the trees in the plantation is also included with the purchase of the trees. 1 (one) carbon credit = 1 (one) ton of (CO₂). A total of 6 (six) trees captures 1 (one) ton of (CO₂) per year. (See lastpage reference). However, this does not include certification to sell the carbon credits OF THE TREE OWNER.

In the event that the price of carbon credits on the voluntary market were to be a profitable investment, THE OWNER (SELLER MANAGER) could decide to take the certification steps for the sale of carbon credits. In this case, THE OWNER (SELLER MANAGER) would pay the cost of the certification fee.

The profits would be distributed as follows:

Distribution of profits from the sale of carbon credits:

- 1) FIRST: Repayment of carbon credit certification fees paid by The OWNER (SELLER MANAGER).
- 2) SECOND: When all the costs of certification of carbon credits assumed by the OWNER (SELLER MANAGER) will be refunded:
For each carbon credit sold, 80 (eighty) % will go to TREE OWNERS and 20 (twenty) % will go to OWNER (SELLER MANAGER) for administration and sale of carbon credits).

(The profits OF THE OWNERS OF THE TREES will be distributed according to the date of purchase of the trees, from the oldest to the most recent).

The REGISTER OF BUYERS AND OWNERS OF TREES as well as the proof of purchase of trees by the BUYER are an act of faith for the payment to the OWNERS OF TREES. Payment will be made on behalf of each TREE OWNER based on the number of trees purchased, the name of the plantation and other information that appears in the TREE BUYERS AND OWNERS REGISTER.

For TREE OWNERS who have incorrect coordinates and cannot be found, the same conditions in paragraph # 2.2 will apply to find them.

2.11) Prior to total cutting, partial cutting (thinning) may be made with the approval of a forest engineer. This partial cut is intended to optimize the growth of the tree by ensuring the necessary space it needs to grow healthily. The selection will be made by prioritizing the trees according to their size, their maturity, in accordance with the laws of nature. The sale of the product of this cut has the same modalities as article # 2.2.

2.12) In the event that an event, fire, epidemic, tornado or any other event beyond our control (Act of God) that unfortunately would have as consequences, that the total cut is made prematurely. The proceeds of the sale of the sinister will be distributed among all TREE OWNERS in proportion to the trees purchased. The REGISTER OF BUYERS AND OWNERS OF TREES as well as the proof of purchase of trees by the BUYER are an act of faith for the payment to the OWNERS OF TREES.

Payment will be made on behalf of each TREE OWNER based on the number of trees purchased, the name of the plantation and other information that appears in the TREE BUYERS AND OWNERS REGISTER.

The loss results in the termination of the contract between THE OWNER OF TREES and THE OWNER (SELLER MANAGER).

THE OWNER (SELLER MANAGER) will take over all of his rights to the surface of the property (upper part of the land) as well as the next trees and productions to come.

The sale of the product of this cut has the same modalities as article # 2.2.

2.13) THE OWNER (SELLER MANAGER) declares to be the owner of the tree plantations located on the following lots and holder of the official certificates of location:

5398133 - # 5398134 - # 5398135 - # 5398136 - #5398165

2.14) By completing the purchase of 1 (one) or more trees, the BUYER accepts this contract in its entirety, declares to have read and then understood and to be fully satisfied with it.

Important: This document is a translation of the contract in French, the legal document is the contract in French.

Ref: https://reponsesrapides.fr/blog/quel-arbre-stocke-le-plus-de-co2/#Combien_de_CO2_absorbe_un_arbre_de_bois