

77 Ann 5-1

CARBON SERVICES AGREEMENT e+thomas411@yahoo.com

Landowner/Entity: (please print) ANN THOMAS STOVAY	GreenTrees, LLC	Contract Number: GRT 236
Phone: 602186074	Contact Number: 540-253-2506	
Address: 39 POINTE ROYAL WAY PENNSACOLA, FL 32502	Address: P.O. Box 250	
City, State, Zip:	City, State, Zip: The Plains, Virginia 20198	

This Carbon Services Agreement (this "**Agreement**") is entered into as of March 25 (the "**Effective Date**"), by and between Ann Thomas Stovall (hereafter referred to as the "**Landowner**") and GreenTrees, LLC ("**GreenTrees**"). All capitalized terms not otherwise defined herein have the meanings ascribed to them on **Exhibit A, Definitions. Exhibits A, B and C** to this Agreement are hereby incorporated herein by reference.

WHEREAS, the Landowner has established and maintains, or desires to establish and maintain, a sustainable and ecologically diverse bottomland hardwood forest on the Property, and the Landowner desires to receive carbon incomes and ecological value from this bottomland hardwood forest; and

WHEREAS, the Landowner (i) has determined that the prospect of revenues from Carbon Sequestration Credits are a financial determination in the land use of the Property, and (ii) hereby desires to engage GreenTrees to provide Carbon Services (as defined in **Exhibit A**) in relation to the Property during the Term for the purpose of realizing revenues from Carbon Sequestration Credits.

NOW THEREFORE, for and in consideration of the foregoing and the mutual covenants contained herein and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which is hereby acknowledged, the Landowner and GreenTrees hereby agree as follows:

1. **Appointment.** The Landowner hereby appoints GreenTrees to provide Carbon Services in relation to the Property during the Term. Such appointment is irrevocable, except as described in Section 6 of the Terms and Conditions. GreenTrees hereby accepts such appointment and agrees to use commercially reasonable efforts to provide Carbon Services in relation to the Property during the Term.

2. **Landowner's Representations, Warranties & Covenants.** The Landowner hereby represents, warrants and covenants to GreenTrees as follows:

a. except (i) as described in Section 6 of the Terms and Conditions or (ii) in circumstances where (A) each transferee of the Landowner's interest in the Property is reasonably satisfactory to GreenTrees and (B) prior to or contemporaneously with its acquisition of such interest, such transferee has executed an agreement with GreenTrees in form and substance substantially identical to this Agreement, the Landowner is and shall remain during the Term the sole owner and holder of fee simple title to the Property and the rights to the sequestration of the carbon on the Property (collectively, the "**Carbon Sequestration Rights**");

b. the Landowner has all necessary power and authority to grant the rights granted hereunder and to perform the obligations hereunder;

c. that (i) the Property has not been in a forest state within the 10 years prior to the reforestation occurring in connection with the Landowner's enrollment in either the Wetland Reserve Program or Conservation Reserve Program, and (ii) such reforestation is or was voluntary and not driven by a requirement of law and/or regulation;

d. the Property is free from any and all Liens that would prevent or interfere with the rights of GreenTrees granted under this Agreement;

e. the Carbon Sequestration Credits to be generated by the Property are free, and shall remain free, from any and all Liens (other than any Lien granted hereby); and

f. carbon sequestration is a purpose of the Conservation Reserve Program's Bottomland Hardwood Conservation Practice 31 (CP31); or the Wetlands Reserve Program (7 CFR 1467.20) enrollment and restoration, as applicable.

3. Access Rights. The Landowner hereby grants to GreenTrees during the Term, for the sole purpose of providing Carbon Services in relation to the Property: (A) the irrevocable right to (i) register the Carbon Sequestration Credits sequestered on the Property and (ii) sell the Carbon Sequestration Credits on the American Carbon Registry or other Permitted Exchange; and (B) a non-cancelable right to enter, have access to, the Property during the Term. Landowner hereby agrees that the rights, responsibilities and authority delegated to GreenTrees under this Agreement shall be exclusive to GreenTrees, and Landowner shall not delegate such responsibilities to any other third party.

4. Carbon Pool and Payment. The Planted Acres shall be aggregated with other third party landowners' or similar persons' acres reforested and/or restored for substantially the same purposes and regarding which GreenTrees is providing similar services (the Planted Acres, together with such third party landowners' or similar persons' acres, the "Aggregated Acres"). Carbon Sequestration Credits that are ultimately sequestered in the Aggregated Acres during each verification period shall be pooled together (each such pool, the "Carbon Pool"). Upon the creation of any such Carbon Pool, the Carbon Sequestration Credits therein shall be allocated evenly between the various landowners' and similar persons' (50%) (each such Carbon Pool after such allocation, the "Landowners' Carbon Pool") and GreenTrees (50%). Upon such allocation, GreenTrees shall be deemed for all purposes the sole and exclusive owner of all Carbon Sequestration Credits allocated to it, and GreenTrees shall as promptly as is practicable thereafter sell the Carbon Sequestration Credits allocated to such Landowners' Carbon Pool. The gross proceeds realized from such sale, less the applicable Verification and Registration Surcharge retained by GreenTrees, shall be allocated to such Landowners' Carbon Pool, and the Landowner will thereafter be entitled to receive a cash payment (the "Landowner Proceeds") from GreenTrees equal to the product of (a) such Landowners' Carbon Pool's then total current funds, and (b) a percentage equal to the Carbon Sequestration Credits in such Carbon Pool that were sequestered on the individual Landowner's Planted Acres during such verification period divided by all of the Carbon Sequestration Credits sequestered on the Aggregated Acres during such verification period. For purposes of this Section 4, "Verification and Registration Surcharge" means, as to any Landowners' Carbon Pool, an amount equal to \$0.25 per registered and verified tCO₂e in such Landowners' Carbon Pool (which surcharge shall be retained by GreenTrees as reimbursement for certain third-party verification and registration costs incurred by GreenTrees associated with such Landowners' Carbon Pool).

5. Security Interest. To secure its obligations to GreenTrees hereunder, the Landowner hereby grants to GreenTrees a security interest in all Carbon Sequestration Credits sequestered on the Property during the Term and all proceeds thereof, and authorizes GreenTrees to file any financing statements it deems necessary or desirable.

IN WITNESS WHEREOF, the parties have caused this Carbon Services Agreement to be executed as of the day and year first above written.

Landowner

By: Anna Thomas Stovall

Name:

Title:

GreenTrees, LLC

By: Chandler Van Voorhis

Chandler Van Voorhis, Manager

Exhibit A:
Definitions

1. **"Acts of God"** means a natural catastrophe that no one can prevent such as a flood, fire, earthquake, a drought, a tidal wave, a volcanic eruption, a hurricane or a tornado.
2. **"Carbon Sequestration Credits"** means all types and forms of Greenhouse Gas related rights, assets and/or instruments including, but not limited to, carbon offsets, carbon credits, verified emissions reductions, emissions reductions, the sequestration of emissions, emissions allowances, clean energy credits, any instrument, certificate, or document used to demonstrate ownership of a Greenhouse Gas emissions reduction or sequestration, the right to emit an amount of a Greenhouse Gas that is created, generated, and/or allocated, by either a government, non-governmental entity, and/or individual in the past, present, or future, as well as any and all transferable and/or monetizable indicia of a Greenhouse Gas emissions reduction or sequestration, the right to emit an amount of Greenhouse Gases, and/or a Greenhouse Gas emissions reduction project, that is currently used, has been used in the past, or is developed and/or adopted in the future by law, individual and/or industry practice. Further, Carbon Sequestration Credits are also defined to include all rights, assets, and/or instruments related to the non-Greenhouse Gas environmental attributes arising from the activities and obligations established in this Agreement to take place on the Property. The definition of Carbon Sequestration Credits used in this Agreement does not include hunting, recreational, and fishing income, Conservation Reserve Program payments, or state and federal tax credits that result from activities on or disposition of the Property.
3. **"Carbon Services"** means the GreenTrees Project Validation and Verification procedure (or a succeeding GreenTrees procedure utilized for the same purpose, regardless of name) in effect from time to time, as approved from time to time by the American Carbon Registry or other Permitted Exchange, which services are undertaken for the purpose of verifying the sequestration of Carbon Sequestration Credits.
4. **"CO₂e"** means the quantity of greenhouse gas that the U.S. Environmental Protection Agency has determined to make the same contribution to global warming as one metric ton of carbon dioxide.
5. **"Conservation Reserve Program"** means the program by that name (or any succeeding program) administered by the United States Department of Agriculture Farm Service Agency whereby certain land are temporarily removed from agriculture production and placed in a conservation vegetative cover state.
6. **"Disqualified Carbon Credit Replacement Cost"** means the cost (i) to replace within 20 days each Carbon Sequestration Credit that is reasonably expected to be produced by the Property as a result of this Agreement (assuming this Agreement continues without modification through the Term) with 1.25 Carbon Sequestration Credits of the same vintage (i.e., calendar year), kind (i.e., type of offset) and utility (i.e., the standard against which verification occurs) plus (ii) to reimburse GreenTrees for any and all professional fees and other direct or indirect expenses incurred by GreenTrees in replacing such Disqualified Carbon Credits.
7. **"Greenhouse Gases"** means the following: Carbon Dioxide (CO₂), Nitrous Oxide (N₂O), Methane (CH₄), Sulfur Hexafluoride (SF₆), Hydrofluorocarbons (HFCs) and Perfluorocarbons (PFCs).
8. **"Permitted Exchange"** means any nationally recognized exchange or registry approved by GreenTrees that registers and/or sells Carbon Sequestration Credits.
9. **"Planted Acres"** means the acres contained within the Property that have been, or will be, reforested and/or restored in connection with the Landowner's enrollment in the Conservation Reserve Program, as determined by GPS and/or other means.
10. **"Property"** means the real property more particularly described on **Exhibit B**.
11. **"Taxes"** means all real property, personal property and Carbon Sequestration Credit taxes, assessments, impositions, and all other claims or charges, excises, levies, authorization fees and all other charges (in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen), assessed or charged against the Property or the Carbon Sequestration Credits.
12. **"tCO₂e"** means one metric ton of CO₂e.
13. **"Term"** means a period of fifteen (15) years commencing on the Effective Date of this Agreement (or, if earlier, the effective date of any Conservation Reserve Program contract relating to the Property).
14. **"Terms and Conditions"** means the Terms and Conditions set forth in **Exhibit C** to this Agreement.

Exhibit C:
Terms and Conditions

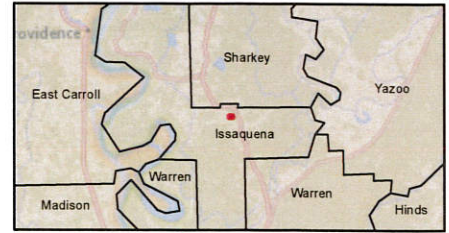
1. Taxes. In the event the Landowner fails to pay any Taxes, GreenTrees shall be authorized (but not assigned) to pay such Taxes and offset any such amount against the Landowner Proceeds.
2. Right to Inspect. In order to register Carbon Sequestration Credits per the rules of the American Carbon Registry or of the applicable Permitted Exchange, GreenTrees must have access to the Property to perform its monitoring and measuring duties. Therefore, GreenTrees and its agents, contractors or other designees shall have the right to enter onto the Property, in order to establish carbon baselines and to continuously monitor and verify the condition of the stand of timber as it relates to Carbon Sequestration Credits on the Property as reasonably necessary. GreenTrees shall provide reasonable notice to the Landowner prior to any entry upon the Property. This provision does not provide GreenTrees with any other access rights.
3. Default of GreenTrees. If GreenTrees breaches any of the provisions of this Agreement and such failure continues for a period of 30 days after notice thereof from the Landowner, the Landowner's sole remedies shall be (i) the right to terminate this Agreement and (ii) to sue for any earned but unpaid Landowner Proceeds.
4. Confidential Information. The Landowner agrees that the GreenTrees Project Validation and Verification procedure is GreenTrees intellectual property.
5. Default of Landowner. If the Landowner breaches any of the provisions of this Agreement and such failure shall continue for a period of 30 days after notice thereof from GreenTrees, GreenTrees may, at its option, in addition to all other rights and remedies under law and at equity: (i) terminate this Agreement, (ii) offset the Landowner Proceeds due Landowner in the amount of GreenTrees' damages (including all costs and expenses incurred by GreenTrees in enforcing this Agreement, including reasonable attorney fees), and/or (iii) recover from Landowner the Disqualified Carbon Credit Replacement Cost. In addition, Landowner shall protect, indemnify, and hold harmless GreenTrees and its affiliates, directors, officers, members, agents and employees from and against any and all liability and expenses of any kind from a third party arising from or out of Landowner's acts or omissions and/or out of Landowner's breach of this Agreement. Acts of God or timber thinning, as approved by Natural Resource Conservation Services, are not considered to be a default by the Landowner.
6. Landowner Opt-Out. The Landowner, at any time during the Term, may terminate the obligations and restrictions of this Agreement by paying GreenTrees the Disqualified Carbon Credit Replacement Cost caused by Landowner's election to terminate this Agreement.
7. Assignment. GreenTrees may, without obtaining Landowner's consent or approval, assign any or all of its rights and obligations under this Agreement to any assignee. The Landowner shall have the right to sell, convey, assign, gift or transfer its interests in the Landowner Proceeds or assign this interest in this Agreement, provided the Landowner notifies GreenTrees before exercising the said right. Any such successor to the Landowner shall and must agree to be bound by (in a form acceptable to GreenTrees) all provisions of this Agreement.
8. Renewal. This Agreement may be renewed or extended at any time during the Term upon mutual consent of Landowner and GreenTrees.
9. Survival of Terms, Conditions and Provisions. In the event that this Agreement is not renewed, Section 3 shall survive the Term of this Agreement and remain in effect until 40 years after the Effective Date.
10. Laws. This Agreement shall be construed and enforced in accordance with the laws of the state in which the Property is located.
11. Joint Venture. Nothing contained in this Agreement shall constitute or be deemed or construed to create a partnership, joint venture or sharing of profits between GreenTrees and the Landowner.
12. Power of Attorney. The Landowner hereby irrevocably grants GreenTrees a power of attorney, coupled with an interest, to sell Carbon Sequestration Credits sequestered on the Property on the American Carbon Registry or other Permitted Exchange and receive the resulting proceeds.
13. Disclaimer. GreenTrees does not make any representation or warranties with respect to the validity, value or use of any Carbon Sequestration Credits.
14. Counterparts. This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which need shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of the counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.



GRT236
 Property: Ann Thomas Stovall
 Contract Acres: 77
 Year Planted: 2009
 Location: Section(s) 2 Township 9N, Range 7W

County/Parish: Issaquena
 State: MS

Date: 9/17/2015



PETERS Forest Resources, Inc.
 18157 East Petroleum Dr
 Baton Rouge, La. 70809