

**Lease and Maintenance Contract
for the Production, Maintenance and Harvesting of Teak Trees for a
duration of up to twenty seven (27) years**

**This contract is between the Lessor - John and Marijke Postema
the Farm Operator - FreshWater Creek Farms, Ltd.
and the Lessee**

LESSOR

John and Marijke Postema, owners of all Real Estate and the sole Stockholders and Corporate Officers of FreshWater Creek Farms, Ltd., or their Estate and/or Assigned (referred to as Lessor) are responsible for the management of the lease contracts.

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FARM OPERATOR

FreshWater Creek Farms, Ltd. is a Belizean corporation that operates the Citrus Farm and Teak Plantations, which are located at Mile 10 on the Southern Highway, Stann Creek District, Belize, Central America (referred to as FWCF)

FreshWater Creek Farms is in charge of the daily operation of the citrus farms and the propagation, planting and maintenance of the teak plantation.

Farm Manager: Fernando Majil - fmajil@yahoo.com

Mailing address: PO Box 5, Dangriga Town, Belize, Central America

Phone: (501) 667-7279

FreshWater Creek Farms, Ltd. - Teak Lease and Maintenance Contract

LESSEE

Name: _____

Address: _____

Phone: _____

Email: _____

Option One:

Acres: _____ at US\$ 6,750 per acre

Total: \$ _____

Option Two:

Acres: _____ at US\$ 1,300 per acre

Total: \$ _____ (down payment)

Total: \$ _____ per month for 60 months
(this equals US\$ 110 per acre per month)

TERMS of CONTRACT

This contract is between the Lessor, the Farm Operator and the Lessee. This contract covers the lease of acreage for production and maintenance of Teak trees for a maximum duration of 27 years.

- ◆ The title of the real estate will stay in the name of Lessor, but the Lessee will have a growing easement for a maximum period of 27 years (or less if all teak trees have been harvested).
- ◆ A certificate of ownership of the teak trees during the production period and the exact location of the property will be attached to this lease agreement.
- ◆ In the event the Lessee defaults on its obligations the Lessor has the right to terminate the contract.
- ◆ The price per acre to be planted with teak trees is US\$ 6,750 (Option One) to be paid by the Lessee to the Lessor at the signing of the lease & maintenance agreement, or US\$ 1,300 down payment plus 60 monthly payment of US\$ 110 (Option Two), to be paid on the first day of each month. (Quarterly payments can also be arranged)
- ◆ There will be no penalty for early payoff of the contract under Option Two.

TERMS of CONTRACT *(continued)*

- ◆ Yearly payments for the continued lease of the land and security of the leased acreage of US\$ 350 per acre are due at the beginning of each year starting on the first day of the eighth year and continuing till final harvest in the twenty seventh year or earlier, after all trees have been harvested.
- ◆ Starting with the eighth year all farm work to maintain the teak trees will be the responsibility of the Lessee. The cost may vary depending on the work requested by Lessee or any necessary harvesting requested by the farm manager and authorized by the Lessee.
- ◆ Before the end of the 27th year all trees will be harvested by FWCF unless different arrangements have been made.

RESPONSIBILITIES OF THE LESSOR AND THE FARM OPERATOR

- ◆ Lessor will supply and make available to Lessee _____ acre(s) for a period of 27 years. This acreage is a specific allocated portion of FreshWater Creek Farms and will be mapped out and identified as being leased by above mentioned party for the purpose of producing teak.
- ◆ FWCF will plant the _____ acre(s) with 450+ teak seedlings (*Tectona grandis*) per acre during the next available rainy season (usually from June - November) unless different arrangements have been made. Lessor and FWCF will guarantee that after three years 450 trees are in good growing condition.
- ◆ During year one (1) - three (3): FWCF will prepare the land, deep plow if necessary, adjust the soil conditions to the correct Ph, plant the seedlings, weed and fertilize the young trees and provide other customary care. At the end of the third year Lessor and FWCF guarantee that there will be 450 teak trees per acre that are healthy and in excellent growing condition.
- ◆ After the end of the third year Lessor and FWCF cannot be held responsible for any impact to the trees by natural disasters such as fires, flash floods or hurricanes.
- ◆ During year four (4) - seven (7): FWCF will provide all necessary pruning, weeding, thinning and other customary care.

RESPONSIBILITIES OF THE LESSOR AND THE FARM OPERATOR *(continued)*

- ◆ Twice a year FWCF and/or Lessor will provide Lessee with a detailed report of the conditions of the teak trees and the leased property.
- ◆ Security and road access will be provided to the acreage during terms of the lease.
- ◆ Lessor will guarantee the performance of FWCF as spelled out by this contract.

RIGHTS AND RESPONSIBILITIES OF THE LESSEE

- ◆ The teak trees on the designated acreage are the property of the Lessee for as long as the terms of this contract are met.
- ◆ This Lease and Maintenance Contract runs with land regardless of ownership of the land.
- ◆ From year eight (8) to year twenty-seven (27) at the beginning of each subsequent year Lessee will pay US\$ 350 per acre to Lessor. These yearly payments can also be made in the form of teak wood when thinning of the teak trees is necessary, the harvested wood is marketable and prior agreements regarding market values have been made.
- ◆ Beginning with the eighth (8th) year all necessary farm work in regards to the customary maintenance of the teak plantation such as thinning, pruning and harvesting will be at the expense of the Lessee. Lessee may arrange with other parties to do the necessary work or can arrange with FWCF to continue doing the work. FWCF will facilitate the harvesting, milling, and selling of the timber if so requested.
- ◆ Lessee will have the right to inspect the teak production progress at the farm.
- ◆ Lessee will have the right to do work on the teak trees and/or on the leased acreage with prior notification.
- ◆ Lessee will have the right to visit the leased acreage anytime after proper notification to FWCF.
- ◆ Lessee may sell its lease to another party at any time after written notification to and acceptance by Lessor. A new lease agreement will have to be drawn up and signed by both parties. The new Lessee will obtain the same rights of the previous Lessee as long as the terms of the lease are being satisfied.

SIGNATURES

Signed this _____ day of: _____, _____ at: _____

LESSEE:

Signature

Printed Name

Signed this _____ day of: _____, _____ at: _____

LESSORS:

John Postema

Marijke Postema

Signed this _____ day of: _____, _____ at: _____

FARM OPERATOR:

Signature

Printed Name
for FRESHWATER CREEK FARMS, LTD.

NOTE:

All signatures are to be notarized / certified as required by applicable jurisdictions.