**Agreement Regarding Sky Harvest’s**

**Sale of Carbon Credits to Buyer**

This Agreement Regarding Sky Harvest’s Sale of Carbon Credits to Buyer (the “**Agreement**”) is entered by and between Sky Harvest Resources, LLC (“**Sky Harvest**”) and [BUYER] (“**Buyer**,” with Sky Harvest, collectively, the “**Parties**” and each individually a “**Party**”). This Agreement pertains to the Carbon Credits described in Exhibit A attached hereto.

**RECITALS**

1. Sky Harvest owns the right to claim certain Carbon Credits described in Exhibit A and summarized as follows:

|  |  |
| --- | --- |
| **Project Location:** | United States |
| **Credit Type:** | Forestry |
| **Removal/Reduction:** | Both |
| **Technology:** | Timber Harvest Deferral |
| **Vintage:** | 2022-2023 |

1. Sky Harvest is in the business of Verifying and marketing such Carbon Credits.
2. Buyer wishes to bid to purchase Verified Carbon Credits from Sky Harvest on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and the covenants, terms, and conditions of this Agreement, the Parties agree as follows:

**Article I – Definitions**

“**Accepted Bid**” shall mean a Purchase Bid offered by Buyer that is accepted by Sky Harvest by Delivering a fully-executed version of Exhibit A to Buyer.

“**Bid Deadline**” means the deadline for Buyer to submit a Purchase Bid regarding the Carbon Credits described in Exhibit A. The Bid Deadline is set forth in Exhibit A.

“**Business Day**” means a day on which Federal Reserve member banks are open for business. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. Eastern Prevailing Time.

“**Buyer**” means the person and/or entity identified as “Buyer” in the Signature Page of this Agreement.

“**Carbon Credit**” or “**Credit**” means one (1) metric tonne of CO2 equivalent (CO2e) of Verified GHG Reductions.

“**Deliver**” or “**Delivery**” or “**Delivering**” means sending by email to the email address listed for the relevant Party in the Signature Page of this Agreement.

“**Generation Period**” means the one (1) year period during which the relevant Carbon Credits are generated. The start and end dates for the Generation Period are stated in Exhibit A.

“**GHG**” means one or more of the six greenhouse gases listed in Annex A to the Kyoto Protocol of the United Nations Framework Convention on Climate Change, as amended from time to time.

“**GHG Reduction**” means the removal, limitation, reduction, avoidance, sequestration or mitigation of anthropogenic GHG emissions.

“**Interest Rate**” is equal to the Prime lending rate published under the heading “Money Rates” in the Wall Street Journal on the date of calculation.

“**Purchase Bid**” means a bid by Buyer to purchase the Carbon Credits described in Exhibit A by Delivering an executed version of Exhibit A to Sky Harvest on or before the Bid Deadline.

“**Registry**” means a reputable registry for GHG Reduction credits, including Verra, American Carbon Registry (ACR), Climate Action Reserve (CAR), Gold Standard, and any commercially comparable registry for GHG Reduction Credits.

“**Total Purchase Price**” means, with respect to an Accepted Bid, the total accepted quantity of Carbon Credits to be sold and purchased pursuant to this Agreement, multiplied by the total accepted price per Carbon Credit, as indicated in the Accepted Bid.

“**Verification**”, “**Verify**” and “**Verified**” mean the determination by a Verification Provider that a Carbon Credit meets the requirements of the Registry by whom the Verification Provider has been accredited.

“**Verification Provider**” means a reputable independent verification provider accredited by any Registry.

**Article II – Conditions of Buyer’s Purchase Bid**

**2.1 Buyer’s Purchase Bid**

1. ***Buyer acknowledgments.*** By submitting a Purchase Bid to Sky Harvest, Buyer acknowledges and agrees that: (a) Buyer’s Purchase Bid is irrevocable; (b) Sky Harvest may agree to sell to Buyer some, all, or none of the quantity of Credits that Buyer desires to purchase; and (c) Buyer’s Purchase Bid is subject to the terms and conditions contained in this Agreement.
2. ***Quantities and prices offered.*** Buyer may submit only one Purchase Bid. Buyer’s Purchase Bid must offer to purchase a whole number of Credits up to the total number of Credits offered.
3. ***Timing.*** Buyer may submit its Purchase Bid at any time prior to the Bid Deadline. Sky Harvest shall have up to sixty (60) days after receipt of a particular Purchase Bid (an “**Offer Period**”) within which to accept the offer or any portion thereof. Buyer agrees that if Sky Harvest accepts part of a Purchase Bid but the relevant Offer Period has not ended, the Purchase Bid shall remain an open offer with respect to any unsold Credits, and Sky Harvest shall retain the right to accept all or any remaining portion of Buyer’s offered but previously-unaccepted Purchase Bid until the end of the relevant Offer Period.

**2.2 Sky Harvest Acceptance or Rejection**

1. ***Sky Harvest discretion.*** Sky Harvest may in an Accepted Bid, in its sole discretion, accept all or any portion(s) of the Credits that Buyer offers to purchase in its Purchase Bid. Sky Harvest may, in its sole discretion, elect not to accept any of the Credits that Buyer offers to purchase in its Purchase Bid.
2. ***Modifications to Deferral Bid.*** If Sky Harvest determines that a Purchase Bid is incomplete or contains any material error(s), Sky Harvest may, in its sole discretion, notify Buyer and allow Buyer to submit a corrected Purchase Bid. Notwithstanding any error, omission, or subsequent correction in a Purchase Bid, Sky Harvest may accept the original Purchase Bid with respect to any or all of Buyer’s offer to purchase Credits to the extent unaffected by the error.
3. ***Accepted Bid.*** Sky Harvest may accept a Purchase Bid (in whole or in part) only through an Accepted Bid.

**Article III – Obligations Upon an Accepted Bid**

**3.1 Buyer’s Obligations**

1. ***Payment.*** Upon Sky Harvest’s Delivery of an Accepted Bid, Buyer shall pay the Total Contract Price to Sky Harvest within thirty (30) days pursuant to the following wire instructions:

**[Please contact info@skyharvest.us for wiring instructions]**

1. ***Late Payment*.** Buyer shall pay Sky Harvest interest at the rate of eighteen percent (18%) per annum or the maximum rate provided by law, whichever is greater, on any portion of the Total Contract Price not paid on or before the due date set forth in this Paragraph 3.1, with such interest accruing from the due date thereof until paid in full.

**3.2 Sky Harvest Obligations**

***Conveyance of Credits.*** Upon the conclusion of the Generation Period set forth in the Accepted Bid, and conditioned on Buyer’s payment in full of the Total Contract Price as set forth in Paragraph 3.1 above, Sky Harvest shall, with respect to the Generation Period, apply its reasonable best efforts to promptly obtain Verification of the Carbon Credits described in Exhibit A and, upon obtaining such Verification, shall convey its right to claim the Carbon Credits described in Exhibit A to Buyer, free and clear of any liens, encumbrances, claims, security interests, or title defects (the “**Conveyance**”). Sky Harvest shall effect the Conveyance by retiring the Carbon Credits on behalf of Buyer in Sky Harvest’s relevant Registry account, along with a notation that the retirement is made on behalf of Buyer. The Conveyance will be deemed complete upon Buyer’s receipt of an electronic confirmation from such Registry that the relevant retirement has been completed. Title to the Carbon Credits will pass from Sky Harvest to Buyer upon completion of the Conveyance.

**Article IV – Representations and Warranties**

**4.1 Sky Harvest Representations**

1. ***Right to Claim Carbon Credits.*** Sky Harvest represents that it owns the exclusive right to claim the Carbon Credits described in Exhibit A for the Generation Period stated therein.
2. ***Verification***. Sky Harvest represents that the Carbon Credits described in Exhibit A will be Verified prior to the Conveyance described in Paragraph 3.2.
3. ***No Further Representations or Warranties.*** Sky Harvest makes no further representation or warranty regarding the Carbon Credits described in Exhibit A other than those set forth in this Paragraph 4.1.

**4.2 Mutual Representations and Warranties**

Each Party represents and warrants to the other as follows:

1. ***Authority.*** (i) Such Party is a person or legal entity duly formed and validly existing and in good standing under the laws of the state in which it is formed or incorporated, (ii) it has the full power and authority to execute, deliver, and perform this Agreement and to carry out the transactions contemplated hereby, (iii) its execution, delivery, and carrying out of the transactions contemplated herein have been duly authorized by all requisite entity action, and this Agreement has been duly executed and delivered by such Party and constitutes a legal, valid, and binding obligation of such Party, enforceable against it in accordance with the terms hereof, except to the extent that enforceability may be limited by bankruptcy or other similar laws generally affecting creditors’ rights generally or by equitable principles, (iv) no authorization, consent, notice to, or registration or filing with any governmental authority or third party is required for the execution, delivery and performance by such Party hereof, (v) none of the execution, delivery, and performance by such Party hereof conflicts with or will result in a breach or violation of any law, contract, agreement, order, or instrument to which such Party is a party or is bound, (vi) there are no proceedings by or before any governmental authority, now pending or (to such Party’s knowledge) threatened, that if adversely determined could have a material adverse effect on such Party’s ability to perform its obligations hereunder, (vii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and does understand and accept the terms, conditions, and risks of this Agreement.
2. ***No Further Representations or Warranties.*** Neither Party makes any representation or warranty to the other beyond those expressly stated in this Article 4.

**Article V – Notices**

All notices, requests, demands, offers, and other communications required or permitted to be made hereunder will be in writing and delivered to the applicable email or physical address and contact person set forth in the Accepted Bid, and will be effective only if delivered: (a) in person, (b) by a nationally recognized delivery service, (c) by United States Certified Mail, or (d) by electronic mail. Notices are effective when received, except that notice by email is effective on confirmation of receipt only. Either Party may change its address or contact person for notices by giving written notice of such change consistent with this Article.

**Article VI – Governing Law and Forum for Disputes**

This Agreement is governed by and shall be construed in accordance with the laws of the State of Texas without regard to its conflict of laws principles. Any action or proceeding arising out of or in connection with this Agreement or the conduct, acts, or activities of the Parties hereunder shall be brought in a court of competent jurisdiction in Dallas County, Texas, and both parties hereby submit to the exclusive jurisdiction of that court and consent to venue in that court for any such actions or proceedings. In the event of any suit or other proceeding between the Parties with respect to this Agreement or any of the transactions contemplated hereby or subject matter hereof, the prevailing Party will, in addition to such other relief as the court or arbitrator may award, be entitled to recover reasonable costs and attorneys’ fees.

**Article VII – Events of Default and Remedies**

**7.1. Default**

“**Default**” means, with respect to a Party (a “**Defaulting Party**”), the occurrence of any of the following:

* + 1. the failure to make, when due, any payment required pursuant hereto if such failure is not remedied within five (5) Business Days after written notice of such failure is provided by the non-Defaulting Party;
    2. any representation or warranty made by such Party herein is or becomes false or misleading in any material respect when made, and such Party does not cure the underlying facts so as to make such representation and warranty correct and not misleading within five (5) Business Days after written notice of such failure is provided by the non-Defaulting Party;
    3. any bankruptcy, receivership, or insolvency petition or action is filed by or against such Party; or
    4. such Party fails to perform or violates any other material covenant or obligation set forth herein if such failure or violation is not remedied within ten (10) Business Days after written notice of such failure is provided by the non-Defaulting Party.

**7.2 Remedies**

In the event of a Default, the non-Defaulting Party shall have the right, but not the obligation, to terminate this Agreement effective immediately by providing written notice to the Defaulting Party. In the event of any such termination, the non-Defaulting Party shall be relieved of all obligations under the Agreement, and termination does not relieve the Defaulting Party of any obligations theretofore accrued.

**Article VIII – General Terms**

**8.1 Additional Documents**

Each Party, upon the reasonable request of the other Party, shall perform any further acts and execute and deliver such documents as may be reasonably necessary to carry out the intent and purpose of this Agreement.

**8.2 Confidentiality**

All terms of this Agreement, including price and payment terms, are confidential and neither Party may disclose such confidential information to anyone, other than (i) as may be otherwise permitted in this Agreement or agreed to in writing by the Parties; (ii) to any of such Parties’ directors, officers, partners, and employees and directors, officers, and employees of affiliated companies and representatives thereof or their advisors or auditors who need to know such information and agree to treat such information confidentially; (iii) to the extent required to be disclosed by applicable law or legal process, including but not limited to

(iv) to any actual or potential lender or lenders providing financing to a Party or any of its affiliates, to any actual or potential investor in a Party or any of its affiliates, to any other potential acquirer of any direct or indirect ownership interest in a Party or any of its affiliates, to any advisor providing professional advice to Party or any of its affiliates, or to any such actual or potential lender, investor, or acquirer who needs to know such information and agrees to treat such information confidentially; (v) to the extent used by Sky Harvest in calculating and disclosing aggregated pricing and quantity information about Sky Harvest for any purpose whatsoever; and (vi) to the extent disclosed by Sky Harvest on an anonymized basis. Subject to the limitations set forth in this Article 8, the Parties are entitled to all remedies available at law or in equity, including specific performance, to enforce this provision; however, neither Party will be liable for any damage suffered as a result of the use or disclosure of confidential information made in accordance with the express terms and conditions of this Agreement. This provision shall survive for a period of five (5) years following the full performance or termination of this Agreement as set forth herein.

**8.3 Counterparts**

This Agreement may be executed in multiple counterparts and all such counterparts taken together shall constitute one and the same original instrument.

**8.4 Entire Agreement**

This Agreement (together with any Accepted Bid hereunder) constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes all previous communications, representations, or contracts, either written or oral, that purport to describe or embody the subject matter hereof. There are no oral understandings, terms, or conditions and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

**8.5 Conflict with Accepted Bid**

In the event of a conflict between the Accepted Bid and any other part of this Agreement, the terms of the Accepted Bid shall prevail.

**8.6 No Third-Party Beneficiaries**

There are no intended third-party beneficiaries hereof, and this Agreement should not be construed to create or confer any right or interest in or to, or to grant any remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation, or undertaking established herein.

**8.7 Severability**

Any part hereof that is or becomes invalid, illegal, or unenforceable may be severed from the remainder hereof, and to the extent possible, the Parties will use reasonable efforts to replace any such part with provisions that preserve their original intent.

**8.8 Survival Rights**

This Agreement will continue in effect after termination to the extent necessary to allow either Party to fulfill or enforce its respective rights or obligations that that have accrued under this Agreement prior to such termination.

**8.9 Waiver, Amendment**

None of the terms or conditions of this Agreement may be amended or waived except in writing and signed by the Parties. The Parties agree that no waiver, amendment, or modification of this Agreement will be established by conduct, custom, or course of dealing. The failure of a Party to require performance of any provision of this Agreement will not limit such Party’s right to seek such performance at a later time. Similarly, a Party’s waiver of its rights with respect to any Default or any other matter arising in connection with this Agreement will not be considered a waiver with respect to any subsequent Default or matter.

**8.10 Change in Law**

If any statutes, rules, regulations, permits, or authorizations are enacted, amended, granted, or revoked which have the effect of changing the transfer and sale procedure set forth in this Agreement so that the implementation of this Agreement becomes impossible or impracticable, the Parties agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement.

**8.11 Forward Contract**

The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the U.S. Bankruptcy Code, and Buyer are “forward contract merchants” within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any bankruptcy proceeding wherein such Party is a debtor.

**8.12 Relationship of the Parties**

The relationship of the Parties under this Agreement is that of independent contractors. The Parties specifically state their intention that this Agreement is not intended to create a partnership or any other co-owned enterprise unless specifically agreed to by the Parties in a separate written instrument. Except as specifically provided herein, each Party shall continue to have the right to contract independent of the other Party with individuals and entities. Each Party shall be responsible for its own operating expenses and personnel expenses.

**8.13 Indemnification and Hold Harmless**

Sky Harvest agrees to indemnify, defend and hold Buyer harmless from any claims of third parties against Buyer related to the purchase of Credits as set forth herein, except any claims resulting from Buyer’s negligence, misrepresentation, or any other Buyer breach of this Agreement. Buyer agrees to indemnify, defend and hold Sky Harvest harmless from any claims of third parties against Sky Harvest related to the sale of Credits as set forth herein, except to the extent any such claims result from Sky Harvest’s negligence, misrepresentation, or any other Sky Harvest breach of this Agreement.

**8.14 Limitation on Damages**

In no event will either Party be liable to the other Party under this Agreement for any consequential (except for any indemnification obligations pursuant to Paragraph 8.13), incidental (except for the prevailing Party’s reasonable costs and attorneys’ fees pursuant to Article VI), punitive, exemplary, or indirect damages in tort, contract, or otherwise (except for any indemnification obligations pursuant to Paragraph 8.14).

**8.15 Limitation on Specific Performance**

In no event will either Party be liable for specific performance of any obligation under this Agreement unless otherwise provided herein.

**8.16 Non-Disparagement**

Neither Party shall in any manner disparage, denigrate, or negatively portray (i) the other Party or any of its owners, subsidiaries, affiliates, officers, directors, employees or agents, or (ii) the Carbon Credits described in Exhibit A. This Paragraph 8.16 may be enforced by proceedings in equity for injunctive or other equitable relief. Each Party further agrees that in the event suit should be instituted against it to restrain violation of this Paragraph 8.16, and a restraining order or temporary injunction sought pending trial on the merits, that it would suffer no damage from being enjoined or restrained pending a trial of such action on the merits, and that a bond not exceeding the sum of one-thousand dollars ($1 ,000.00) would be adequate to protect it from damages, if any, which it might suffer in the event such injunction or restraining order should be dissolved for any reason at any subsequent time.

**Signature Page**

Each Party represents that the person signing this Agreement for such Party is duly authorized to do so on behalf of such Party.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **AGREED** | | | | |
| **Buyer** | |  | **Sky Harvest Resources, LLC** | |
| Signature: |  |  | Signature: |  |
| Name: |  |  | Name: | William M. Clayton |
| Title: |  |  | Title: | CEO |
| Company: |  |  | Company: | Sky Harvest Resources, LLC |
| Address: |  |  | Address: | 5430 Lyndon B Johnson Fwy  #1450  Dallas TX 75240 |
| Email Address (for Delivery): |  |  | Email Address (for Delivery): | info@skyharvest.us |
| Date Executed: |  |  | Date Executed: |  |

|  |  |
| --- | --- |
| **Exhibit A – Offer to Buy Carbon Credits** | |
| **Carbon Credits Available** | |  |  | | --- | --- | | **Total Credits Available** | **\_\_\_\_\_\_\_\_ Credits** | | **Generation Period** | **\_\_/\_\_/\_\_ through \_\_/\_\_/\_\_** | | **Project Location** | United States | | **Credit Type** | Forestry | | **Removal/Reduction** | Both | | **Technology** | Timber Harvest Deferral | |
| **Bid Deadline** | **5:00 p.m. Eastern Prevailing Time on \_\_/\_\_/\_\_** |
| **Irrevocable Offer by Buyer** | |  |  | | --- | --- | | **Bid quantity** | **\_\_\_\_\_\_\_\_ Credits** | | **Maximum acceptable price** | **$\_\_\_\_\_\_\_\_ per Credit** | |
| **Signed by Buyer** | |  |  | | --- | --- | | Signature: |  | | Name: |  | | Title: |  | | Company: |  | | Date Executed: |  | |

|  |  |
| --- | --- |
| **Acceptance by Sky Harvest Resources, LLC and Agreement to Convey** | |
| **Accepted Bid** | |  |  | | --- | --- | | **Accepted Quantity of Credits** | **\_\_\_\_\_\_\_\_ Credits** | | **Accepted Price Per Credit** | **$\_\_\_\_\_\_\_\_\_\_\_\_\_ per Credit** | | **Total Purchase Price** | **$\_\_\_\_\_\_\_\_\_\_\_\_\_** | |
| **Signed by Sky Harvest** | |  |  | | --- | --- | | Signature: |  | | Name: | William M. Clayton | | Title: | CEO | | Company: | Sky Harvest Resources, LLC | | Date Executed: |  | |